

Business Ready

Methodology Handbook

Second Edition

October 2024

About Business Ready

Business Ready (B-READY) is a new data collection and analysis project of the World Bank Group to assess the business and investment climate worldwide, accompanied by an annual corporate flagship report. The B-READY data and 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 on a livable planet.

B-READY assesses an economy's business environment by focusing on three pillars, the Regulatory Framework and the provision of related Public Services directed at firms and markets, as well as the Operational 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 added value in the context of existing indicators, namely, the regulatory framework and related public services at the microeconomic level.

B-READY is organized according to ten topics that correspond to various stages of the life cycle of a firm and its participation in the market while opening, operating (or expanding), and closing (or reorganizing) a business. The ten 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.

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 World Bank Group (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. Based on the data collected, B-READY generates scores for each topic and pillar area.

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 is subject to refinements in the first three data collection and reporting cycles, as the project expands its economy coverage. The B-READY Methodology Handbook is updated periodically to reflect these refinements.

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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* (B-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 *Doing Business* 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. This Second Edition of the *Business Ready Methodology Handbook* updates the First Edition to incorporate methodology refinements that are planned to be implemented in the *Business Ready 2025* report.

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 Development Economics (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.

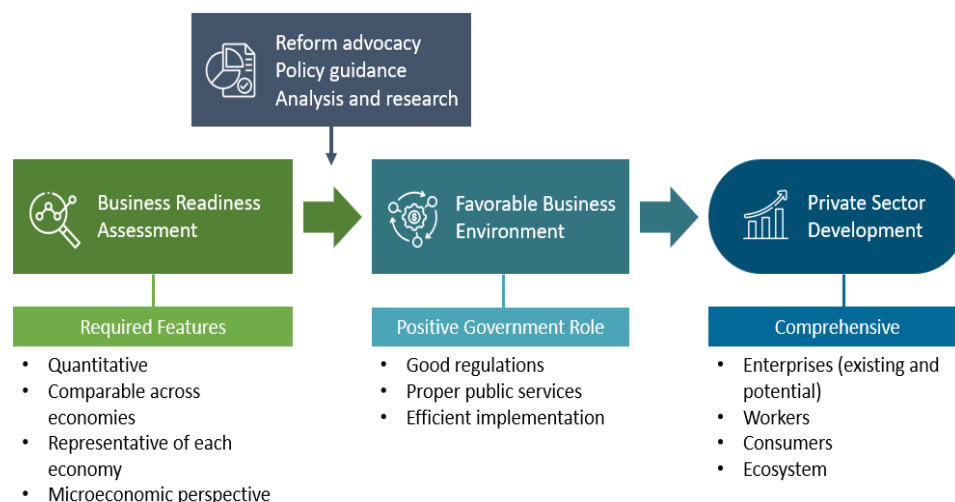
3. Output. The B-READY benchmarking exercise provides a quantitative assessment of the business environment for private sector development. The B-READY quantitative assessment produces granular data and a global report based on these data, published annually and covering most economies worldwide.

The global B-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 uses a threefold strategy: (1) to advocate for policy reform; (2) to inform specific policy advice; and (3) to provide data for development policy research.

This strategy is illustrated in figure 1.1.

Figure 1.1. B-READY's Comprehensive Approach to Private Sector Development



Source: B-READY project.

In its advocacy function, B-READY aims 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 international good practice. By providing a rich set of data, B-READY supports social and economic research on the drivers and consequences of private sector development.

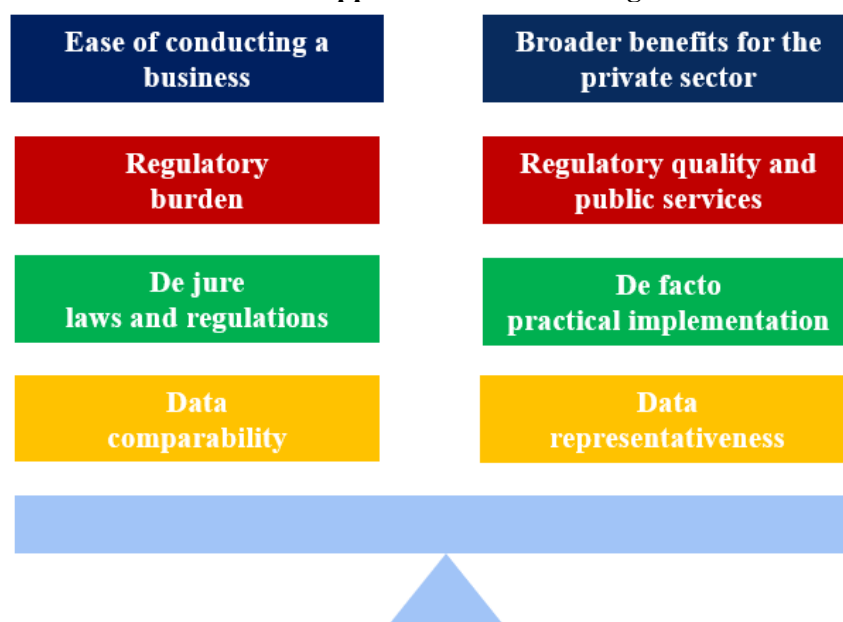
Private sector development can be defined by three characteristics: it promotes economic growth through innovation and entrepreneurship; it increases equality of opportunities among market participants; and it ensures the general sustainability of the economy in the long term. Private sector development 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 on a livable planet. 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 1.2), as recommended by the *External Panel Review*. Appendix 1.1 presents the key features of *Business Ready* and its predecessor, the discontinued *Doing Business*.¹

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

Figure 1.2. B-READY Seeks a Balanced Approach when Assessing the Business Environment



Source: B-READY project.

First, B-READY evaluates the business environment not only from the perspective of an individual firm's ability to conduct 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 includes 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 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 1.2).

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 sizes and locations, 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.

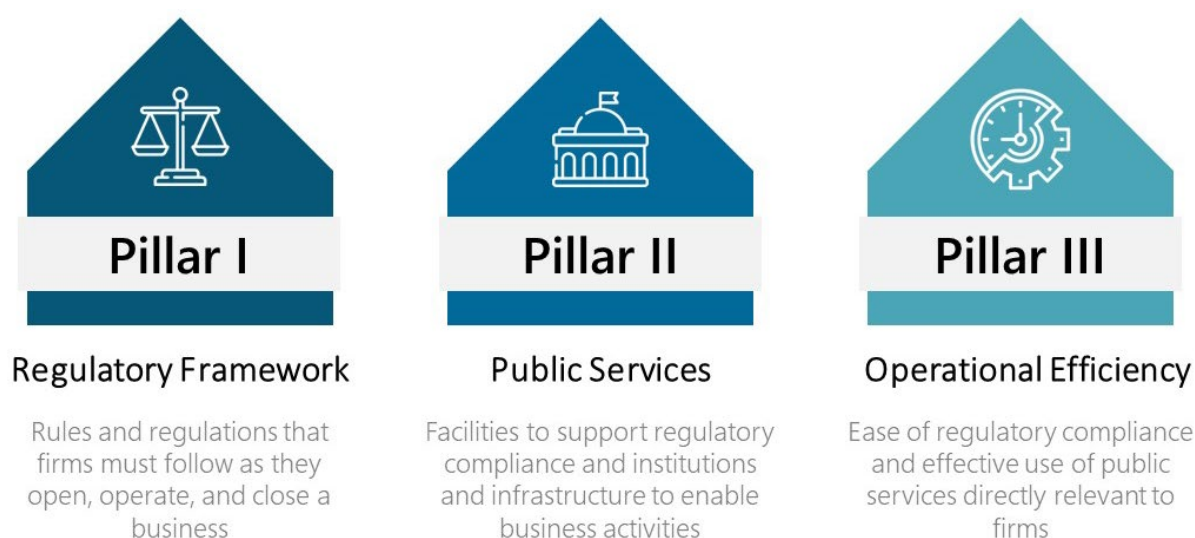
B-READY is designed for comparability across economies and over time. This requires the application of a homogeneous methodology across economies in different geographic locations, and with different income levels and development statuses. By proposing good practices as the measurement anchor, B-READY establishes the gaps that economies at all stages of development can aspire to close. Good practices that can be considered global standards are 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 operational efficiency with which they are combined in practice (figure 1.3).

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 Operational 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. *Operational Efficiency* comprises both the ease of compliance with the regulatory framework and the effective use of public services directly relevant to firms.

Figure 1.3. B-READY Measures the Regulatory Framework, Public Services, and Operational Efficiency for Firms and Markets



Source: B-READY project.

B-READY does not include 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 is organized according to topics that correspond to various stages of the life cycle of a firm and its participation in the market: opening, operating (or expanding), and closing (or reorganizing) a business. The ten 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 1.4).

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.

Figure 1.4. B-READY Topic Areas



Source: B-READY project.

Note: Although Business Entry and Business Insolvency are the clear beginning and end stages of a firm’s life cycle, the remaining eight topics can occur in varying sequences during a firm’s operating and expanding stages. The topics are interconnected. This figure is not intended to represent a linear progression in a firm’s life cycle or to suggest strictly that these ought to be the exact phases, but to give an overall assessment of the business environment of the typical stages of the life cycle of a firm.

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.

8. Indicators. B-READY analyzes nearly 1,200 indicators across all topics and pillars. 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 pillar and Public Services pillar are collected

through expert consultations, whereas the Operational Efficiency pillar indicators are assessed through firm-level surveys and expert consultations.

The selection of topic indicators relies on the same criteria as the topics themselves: relevance, value added, and complementarity. In addition, the indicators have five characteristics:

- They focus on issues where there is an established good practice when measuring regulatory and public service quality.
- They are quantifiable and point to areas that are actionable—that is, they are subject to change through policy reform.
- They seek to provide a balance between de jure and de facto measures within each topic.
- They produce data that balance comparability across economies and representativeness within each economy.
- They are based on primary data collected specifically for the B-READY project, spanning the most relevant aspects of each topic.

The operational 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 is generated by averaging the scores assigned to each of the three pillars (Regulatory Framework, Public Services, and Operational Efficiency) for that topic. For nearly all indicators, the Regulatory Framework pillar captures de jure information, and the Public Services and Operational 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 has been reviewed by an advisory group. The assignment of points is documented in detail in this *Methodology Handbook* (and summarized in Appendix 1.3).

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.

Summary of results. B-READY is designed for benchmarking across economies. This requires the application of a homogeneous methodology across economies at different income levels and in different geographic locations. It also requires quantifying the business environment conditions using indicators that can be aggregated into comparable scores.

B-READY granular data provide a wealth of information that can be used to guide specific policy reform. These data are presented in the main body of the report and, in more detail, in the [Business Ready Website](#) through accessible facilities and tools, including economy profiles.

In addition, to facilitate international benchmarking, these granular data are used to obtain topic-specific pillar scores, topic scores, and overall pillar scores. A topic-specific pillar score is built from the points assigned to sets of indicators, organized in categories by subject matter. Each score can range from 0 to 100 (where 100 represents the best performance). Within each topic, there are three topic-specific pillars: Regulatory Framework, Public Services, and Operational Efficiency. The average of the three topic-specific pillar scores, in turn, equals the *topic score*. Each *overall pillar score* is the average of the corresponding topic-specific pillar scores across the ten B-READY topics.

The way B-READY results are presented is also important to mitigate concerns about “unhealthy” competition across economies. B-READY reports are addressing these concerns by avoiding excessive hype around economy rankings. B-READY divides economies into five equal groupings (quintiles), from

highest to lowest performers, based on their scores within each pillar, and presents data by quintile. A similar approach is used for presenting the performance of economies by quintiles of the topic scores. This approach enhances the understanding of the distribution of the data, facilitates the identification of patterns and trends, and improves the ease of communication. It allows readers to observe absolute performance (pillar score and topic score) and relative performance (quintile groups). It also can help policy makers readily identify the areas for improvement in their economy in terms of regulations, public services, and operational efficiency, as well as in the specific topics.

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 1.4).

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 (WBES) questions are the source of the B-READY firm-level survey data (Appendix 1.2), 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 operational efficiency pillars of the B-READY project. Detailed information on the implementation of firm-level surveys, firm sample selection, and 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 [Business 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 is providing design and assurance reviews of the end-to-end process of data collection and reporting processes. EBC is 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 is

supporting B-READY to obtain a safe and reliable data management system that protects the data from cyber threats 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* for the B-READY 2025 report 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 topic 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.

13. What is New: Improving the Methodology After the First Round of Data Collection. B-READY aims to balance two core objectives: (1) maintaining the relevance of the methodology by updating it as necessary, and (2) preserving comparability over time by reviewing the methodology only at regular intervals once every three-year cycle. During the first three-year cycle of the B-READY project, geographical coverage will be expanded, and the methodology will be refined annually. Throughout this phase, the implementation of data collection and feedback from experts and users may uncover practical challenges, inconsistencies, or other methodological issues that become evident only after data collection and analysis. Consequently, methodological improvements are made to enhance the accuracy, efficiency, and effectiveness of the methodology.

The *Business Ready Methodology Handbook* is updated regularly to reflect these refinements, and a new edition accompanies each report in the first three-year cycle. The First Edition was originally published in May 2023. After completing the first round of data collection in 2024, the methodology for each topic was reviewed and updated as needed. Changes incorporated in the B-READY 2024 report were reflected in the updated First Edition of the Handbook, published at the same time of the 2024 report. This Second Edition reflects additional refinements that are planned to be implemented in the B-READY 2025 report. Changes can be categorized as either major or minor revisions.

In this Second Edition, **major revisions** were implemented in 8 topics. These revisions include:

- **Addition of indicators:** Certain indicators were added to improve the quality of the questionnaires as well as to strengthen the assessment of the business environment in the covered economies.
- **Addition of parameters and scenarios:** Addition of specific parameters to improve the comparability of expert responses, and of multiple scenarios to increase data representativeness.

Changes implemented in this Second Edition are mostly **minor revisions**, including:

- **Update of terminology:** Names of pillars, categories, subcategories, indicators, and components were reviewed for clarity and consistency across topics.
- **Adjustment of structure:** The structure of the topics was adjusted to enhance the methodology, ensuring a better balance that reflects the relative importance of each category and subcategory. This included reordering, merging, or splitting elements of the topic's structure.

- **Deletion of specific indicators and questions:** Certain indicators and questions were removed due to factors such as low data variation, low informed response rate, interpretation issues, and redundancy. Some questions initially included for testing purposes or to gather additional insights were also removed, particularly those not intended for scoring from the outset.
- **Rephrasing or addition of specific questions:** Certain questions were added, rephrased, improved and reorganized to provide more clarity in the questionnaire.
- **Scoring:** Points and weight assignments were revised to reflect the updated structure. Some questions became unscored but were retained in the questionnaires.

Examples of revisions made to individual topics are provided below. While not exhaustive, the list provides a sample of major (if any) and minor changes for each topic.

Business Entry

Major changes: In Pillar I, under the category “Restrictions on Registering a Business”, two new indicators were introduced to assess whether the payment of the entirety of a mandated paid-in minimum capital is required for both domestic and foreign private limited liability companies prior to registration.

Minor changes: In Pillar I, the indicators assessing sector-specific restrictions for both domestic and foreign entrepreneurs were restructured in terms of weight, passing from three to one indicator on each subcategory. In Pillar II, in the category “Digital Services,” the indicator on the electronic identity verification process was rephrased into two components in order to allow for split responses on whether an electronic and fully automated process is available to verify the identity of both entrepreneurs and beneficial owners.

Business Location

Major changes: In Pillar I of the Building Permits questionnaire, four new indicators on building regulations were added. Under the same pillar of the Environmental Permits questionnaire seven new indicators were added, under the category “Environmental Permits for Construction”, mostly to broaden the scope of the measurement and include not only Environment Impact Assessments (EIA) but also other environmental permits. In Pillar II of the Property Transfer questionnaire, three new gender related indicators were added under category “Immovable Property (includes gender)”. Additionally, in the Environmental Permits questionnaire, three new indicators were introduced.

Minor changes: In Pillar I of the Environmental Permits questionnaire one new component was added on environmental impact within the indicator “Criteria that Trigger an EIA”. In Pillar III of the “Environmental Permits” category, the scope of the questions was broadened to include not only EIAs but also other specific environmental permits.

Utility Services

Major changes: In Pillar III, a cost component was reintroduced for all three utility services questionnaires. The questionnaires included more specific parameters to collect tariff levels under cost of service. In addition, with respect to the cost of connections, two scenarios were included to increase data representativeness and account for more than one type of business and connection/service requirements.

Minor changes: In Pillar I of the Internet questionnaire, a new question was added to existing questions on the regulatory requirement for the establishment of computer security incident response teams, responsible for handling cybersecurity incidents.

Labor

Major changes: In Pillar I, one indicator was added under the subcategory “Terms of Employment”. While in Pillar II, three indicators were added for each of the three subcategories under the category of “Social Protection”. Additionally, in Pillar II, a new subcategory, “Sex-Disaggregated Data”, included five new indicators related to decomposed data on labor inspectors, labor disputes, workforce, unemployment, maternity and paternity leave.

Minor changes: In Pillar I, under the category “Employment Restrictions and Cost”, a new question on platform workers was introduced. In Pillar II, under the category on “Social Protection”, new questions were added addressing coverage of unemployment protection, healthcare, and retirement pensions.

Financial Services

Major changes: None.

Minor changes: In Pillar I of the e-Payments questionnaire, two perception-based questions related to interoperability and promotion of competition became unscored. These questions will be retained for the second and third years of the rollout phase. Based on the data received, the team will reassess whether to score or drop them. In Pillar I of the Commercial Lending Questionnaire, two new questions to capture e-KYC (electronic Know Your Customer) regulations and their usage were added under the subcategory “Record Keeping of Customer Information”. In Pillar II of the Secured Transactions and Collateral Registries Questionnaire, the question about an online system enabling searches, registrations, amendments, renewals, and cancellations of security interests was split into different questions to allow separate responses for each functionality. In Pillar II, there will be a single, consolidated questionnaire for “Operation of Credit Bureaus and Credit Registries” questionnaire, merging the two agency-specific questionnaires into one.

International Trade

Major Changes: In Pillar I, seven new indicators were introduced: subcategory “Digital and Sustainable Trade” added “Recognition of Digital Currencies for Cross-Border Payments” and “Emissions Trading System in Freight Transport”. Subcategory “International Trade Cooperation” saw the addition of “Environmental-Carbon Pricing System” and “Environment–NTMs–Environmental Goods”. Subcategory “Restrictions on International Trade in Goods (includes gender)” introduced “Absence of Prohibition of Women Service Providers” and “Absence of Additional Certification and Training Requirements for Women Service Providers”. Lastly, “Restrictions on Digital Trade” introduced an “Absence of Local Tax Presence Requirements” indicator in this pillar. In Pillar II, three new indicators were introduced under the “Trade Infrastructure” subcategory: “Green Infrastructure (Border 1 if Port)”, “Consultative Committee (Port)–Representatives” and “Consultative Committee (Airport)–Representatives”.

Minor Changes: In Pillar I, two indicators under the “International Trade Cooperation” subcategory were refined and split into three indicators: “Trade in Services–Mutual Recognition of Professional Qualifications and Certifications”, “Trade in Services–Temporary Movement of Natural Persons for Business Purposes” and “Trade in Services–No Local Presence Requirement”.

Taxation

Major changes: In Pillar I, under the subcategory “Existence of Environmental Fiscal Instruments”, two new indicators were added: “Absence of Fossil Fuel Subsidy” and “Additional Mechanisms”.

Minor changes: in Pillar II, seven new questions were added to the indicator “Online Service Taxpayer Portal,” with each becoming a separate component. The indicator “Broad Public Consultations” was expanded to six components by adding five new questions. Additionally, the component “Data Cross-Checking to Verify Tax Declarations” was removed from the indicator “Data Exchange and Usage (includes gender)” due to the removal of a question about the source of collected information to verify tax declarations. The component “Monitoring of Taxpayer Audits” was removed from the indicator “Tax Audits” due to the removal of two questions related to the quality of tax audits. Furthermore, the number of components in the indicators “Electronic Filing,” “Electronic Payment”, and “Pre-Filled Declarations” was reduced from nine to three. Lastly, under the subcategory “Public Accountability”, a question was added about whether the code of ethics includes consequences for misconduct.

Dispute Resolution

Major changes: In Pillar I, a new indicator was added under the subcategory “Procedural Certainty (includes environment)” on the time limit for enforcing a judgment and another one was added under the subcategory

“Judicial Integrity (includes gender)” on the existence of a judicial whistleblowing policy. In Pillar II, new indicators on facilitated international dispute resolution and special procedures in arbitration were added to the subcategory “Organizational Structure of Courts” and “Public Services for Arbitration (includes gender)” respectively.

Minor changes: New questions were added on whether adjournments are limited to unforeseen and exceptional circumstances and whether firms are required to consider the impact of their operations on the environment to the subcategory “Procedural Certainty (includes environment).” In addition, new questions on whether there is a legal aid program for micro and small businesses and whether an apostille can be issued and verified electronically were included in the subcategory “Organizational Structure of Courts” and “Digitalization of Court Processes” respectively.

Market Competition

Major changes: In Pillar I, four indicators were added under the subcategory “State-Owned Enterprises (SOEs) Framework and Scope of Competition Law,” and one indicator was added under the ‘Merger Control’ subcategory in the Competition questionnaire. In the Innovation questionnaire, four new indicators were added to the “Fair Access to Innovation” subcategory. In the Procurement questionnaire, one new indicator was added under the “Access and Firm Participation” subcategory. In Pillar II, two new indicators were added to the “Advocacy and Transparency” subcategory of the Competition questionnaire and one indicator was added to the “Digitalization of Intellectual Property Services” subcategory of the Innovation questionnaire.

Minor changes: New components were added to existing indicators, particularly regarding restrictions on foreign firms' participation in public procurement and the establishment of procurement procedures for framework agreements. New components were added to the indicator on incentives to include environmental considerations in tenders, located in the “Best Value for Money (includes gender and environment)” subcategory.

Business Insolvency

Major changes: None.

Minor changes: In Pillar I, the indicators measuring “Mechanisms for Selection” and “Removal of Insolvency Administrators” were eliminated mainly because of lack of variation across economies in B-READY 2024. In the Operational Efficiency Pillar, the subcategory on “Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings” was clarified in order not to be confused with the existence of a specialized bankruptcy court, which is not measured by B-READY.

Appendix 1.1-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) Operational Efficiency; with less strict case study restrictions, indicators 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 assessed based on quantifiable indicators; points are 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 pillar 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 project.

Appendix 1.2-Enterprise Surveys

A key innovation of the *Business Ready* project is the collection and use of data obtained directly from firms. Firm-level data is 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 is full-fledged ES with B-READY-specific questions integrated into the main survey module. The expansion of the ES program carries the substantial benefits of a global public good. First, the WBG produces B-READY data that is grounded on information from the entrepreneurs themselves. Second, the WBG delivers a high-quality firm survey program at regular frequencies with worldwide coverage that does not exist anywhere else in the world. This substantially expands the benefits that the WBG country teams (and, more broadly, policymakers, 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) enables 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 be prohibitively expensive. The Enterprise Analysis Unit (DECEA) is developing a method to survey informal firms, known as the Informal Sector Enterprise Survey. 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 1.3-Summary of Preliminary Topic Scoring

General Scoring Approach:

- Each topic is organized into three pillars.
- 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.
- Within each pillar, weights are assigned to categories according to their relevance and importance within the pillar. The exact weight distribution can be equal or unequal.
- Within each category, weights are assigned to subcategories according to their relevance and importance within the category. The exact weight distribution can be equal or unequal.
- Within each subcategory, an equal weight is assigned to every firm flexibility and social benefits point.
- The approach for assigning and aggregating points is different for Pillars I and II from that for Pillar III.

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/or broader private sector development interests (*social benefits*, 0-1).
- Rescaled points for each indicator are calculated by dividing the subcategory's rescaled points by the total points for the same subcategory.
- Rescaled points assigned to each subcategory = Sum of rescaled points of all its indicators.
- Rescaled points assigned to each category = Sum of rescaled points of all its subcategories.
- Rescaled points per pillar = Sum of rescaled points of all its categories.
- The rescaled points for each pillar are summed, with a maximum total of 100 points per pillar.

For Pillar III (Operational Efficiency):

- Scores for Pillar III are calculated using the normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data, or according to the thresholds established by international standards or academic literature.
- Each indicator's rescaled points are calculated by multiplying its raw points (0-100) by its weight, represented by the maximum number of rescaled points available. Please see the topic chapters for further details.
- Rescaled points assigned to each category = Sum of rescaled points of all its indicators.
- Rescaled points of Pillar III = Sum of rescaled points of all its categories.
- The rescaled points of Pillar III have a maximum of 100 points.

Appendix 1.4-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 broad 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 or median. 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 quality of regulations for business entry, the provision of digital public services and transparency of information for business entry, and the operational efficiency of business entry.

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 the quality of regulations for business entry, 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 entry. 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 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 summarizes all three pillars and their respective categories.

Table 1. Summary Table of all Three Pillars for the Business Entry Topic

Pillar I—Quality of Regulations for Business Entry (35 indicators)	
1.1	Information and Procedural Standards (18 indicators)
1.1.1	Company Information Filing Requirements (7 indicators)
1.1.2	Beneficial Ownership Filing Requirements (6 indicators)
1.1.3	Availability of Simplified Registration (3 indicators)
1.1.4	Risk-Based Assessment for Operating Business and Environmental Licenses (2 indicators)

1.2	Restrictions on Registering a Business (17 indicators)
1.2.1	Domestic Firms (8 indicators)
1.2.2	Foreign Firms (9 indicators)
Pillar II–Digital Public Services and Transparency of Information for Business Entry (25 indicators)	
2.1	Digital Services (11 indicators)
2.1.1	Business Start-Up Process (6 indicators)
2.1.2	Storage of Company and Beneficial Ownership Information (3 indicators)
2.1.3	Identity Verification (2 indicators)
2.2	Interoperability of Services (4 indicators)
2.2.1	Exchange of Company Information (2 indicators)
2.2.2	Unique Business Identification (2 indicators)
2.3	Transparency of Online Information (10 indicators)
2.3.1	Business Start-Up (includes gender and environment) (5 indicators)
2.3.2	Availability of General Company Information (2 indicators)
2.3.3	General and Sex-Disaggregated Statistics on Newly Registered Firms (3 indicators)
Pillar III–Operational Efficiency of Business Entry (4 indicators)	
3.1	Domestic Firms (2 indicators)
3.1.1	Total Time to Register a New Domestic Firm (1 indicator)
3.1.2	Total Cost to Register a New Domestic Firm (1 indicator)
3.2	Foreign Firms (2 indicators)
3.2.1	Total Time to Register a New Foreign Firm (1 indicator)
3.2.2	Total Cost to Register a New Foreign Firm (1 indicator)

1. PILLAR I. QUALITY OF REGULATIONS FOR BUSINESS ENTRY

Table 2 shows the structure for Pillar I, Quality of Regulations 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–Quality of Regulations for Business Entry

1.1	Information and Procedural Standards
1.1.1	Company Information Filing Requirements
1.1.2	Beneficial Ownership Filing Requirements
1.1.3	Availability of Simplified Registration
1.1.4	Risk-Based Assessment for Operating Business and Environmental Licenses
1.2	Restrictions on Registering a Business
1.2.1	Domestic Firms
1.2.2	Foreign Firms

1.1 Information and Procedural Standards

Category 1.1 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Company Information Filing Requirements

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 and updating 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, and/or verification of identity of entrepreneurs). In addition to compliance at the moment of incorporation, it is also important to make the necessary updates in the business registry when changes arise (for example, changes to the company name or shareholders' information) to guarantee the good quality and reliability of

the registered information.⁶ Therefore, Subcategory 1.1.1–Company Information Filing Requirements comprises seven indicators (table 3).

Table 3. Subcategory 1.1.1–Company Information Filing Requirements

	Indicators	Components
1	Mandatory to Have the Company Name Approved	Requiring the approval of the company name and providing specific rules for rejecting proposed company names
2	Mandatory to Register Changes to the Company Name	Requiring registration of changes to the company name
3	Mandatory to Verify the Identity of Entrepreneurs	Requiring verification of the identity of entrepreneurs
4	Mandatory to Register Shareholders' Information	Requiring registration of shareholders' information
5	Mandatory to Register Changes to the Shareholders' Information	Requiring registration of changes to shareholders' information
6	Mandatory to File Annual Returns/Financial Statements	Requiring filing of annual returns/financial statements
7	Mandatory to Register Changes in the Articles of Association	Requiring registration of changes in the articles of association

1.1.2 Beneficial Ownership Filing Requirements

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 To provide up-to-date and reliable data, it is also important that the regulatory framework defines rules and deadlines to make the necessary updates on beneficial ownership information.⁸ Therefore, Subcategory 1.1.2–Beneficial Ownership Filing Requirements comprises six indicators (table 4).

Table 4. Subcategory 1.1.2–Beneficial Ownership Filing Requirements

	Indicators	Components
1	Mandatory to Register Beneficial Owners' Information	Requiring registration of beneficial owners' information
2	Mandatory Type of Information Required for Beneficial Owners	Requiring registration of the information about the full name, identification number, date of birth and address of the beneficial owners
3	Mandatory Time Limit to Register Beneficial Owners' Information	Requiring registration of beneficial owners' information within a certain timeframe
4	Mandatory to Verify Beneficial Owners' Identity	Requiring verification of beneficial owners' identity
5	Mandatory to Register Changes to the Beneficial Ownership Information	Requiring registration of changes to beneficial ownership information
6	Prohibition or Mandatory to Register Nominee Shareholders and Directors	Requiring registration of status as nominee shareholders and/or directors, or their prohibition/inexistence

1.1.3 Availability of Simplified Registration

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 available to entrepreneurs without the need to seek third-party intermediaries' assistance. Therefore, Subcategory 1.1.3–Availability of Simplified Registration comprises three indicators (table 5).

Table 5. Subcategory 1.1.3–Availability of Simplified Registration

	Indicators	Components
1	Simple Registration Form Without the Use of Intermediaries	Possibility for entrepreneurs to register a business by themselves using a simple standard registration form without the mandatory use of third-party intermediaries
2	Simple Registration Form for All Entrepreneurs	Possibility for all entrepreneurs to register a business by themselves using a simple standard registration form without the mandatory use of third-party intermediaries
3	Changes without the Use of Intermediaries	Possibility for entrepreneurs to update company information by themselves without the mandatory use of third-party intermediaries, and for that possibility to be allowed for all entrepreneurs

1.1.4 Risk-Based Assessment for Operating Business and Environmental Licenses

Adopting a risk-based approach can simplify key regulatory processes that govern business activities.¹⁰ The 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 1.1.4–Risk-Based Assessment for Operating and Environmental Licenses comprises two indicators (table 6).

Table 6. Subcategory 1.1.4–Risk-Based Assessment for Operating and Environmental Licenses

	Indicators	Components
1	Risk-Based Regulations for Business Licensing	Providing a risk-based approach for issuing business operating licenses
2	Risk-Based Regulations for Environmental Licensing	Providing a risk-based approach for issuing environmental operating licenses

1.2 Restrictions on Registering a Business

Category 1.2 has two subcategories consisting of several indicators, each of which may, in turn, have 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 comprises eight indicators (table 7).

Table 7. Subcategory 1.2.1–Domestic Firms

	Indicators	Components
1	Paid-in Minimum Capital Requirements for Domestic Firms	Requiring a mandated paid-in minimum capital for domestic private limited liability companies
2	Entirety of Paid-in Minimum Capital Prior to Registration of Domestic Firms	Requiring payment of the entirety of a mandated paid-in minimum capital for domestic private limited liability companies prior to registration
3	Minimum Education or Training	Requiring an entrepreneur who wants to register a company and start business operations to have a certain minimum education or training
4	Criminal History Records or Affidavits	Requiring an entrepreneur who wants to register a company and start business operations to present criminal history records or affidavits

5	Approval of Business Plan, Feasibility Plan, or Financial Plan	Requiring an entrepreneur who wants to register a company and start business operations to present the approval of business plan, feasibility plan or financial plan
6	General Operating License	Requiring an entrepreneur who wants to register a company and start business operations to get a general operating license
7	Sociodemographic Restrictions for Domestic Entrepreneurs	Existence of Sociodemographic restrictions to register a company and to open a bank
8	Sector-Specific Restrictions for Domestic Entrepreneurs	Requiring a domestic entrepreneur who wants to register a company and start business operations to adhere to sector-specific ownership restrictions

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 comprises nine indicators (table 8).

Table 8. Subcategory 1.2.2–Foreign Firms

	Indicators	Components
1	Paid-in Minimum Capital Requirements for Foreign Firms	Requiring a mandated paid-in minimum capital for foreign private limited liability companies
2	Entirety of Paid-in Minimum Capital Prior to Registration of Foreign Firms	Requiring payment of the entirety of a mandated paid-in minimum capital for foreign private limited liability companies prior to registration
3	Ownership and Participation Restrictions	i) Existence of restrictions on the proportion of shares ii) Existence of restrictions on the number of joint ventures
4	Screening and Approval Requirements	i) Requiring investment screening or approval ii) Existence of requirements on the minimum size of investment
5	Restrictions on the Nationality of Key Personnel and Directors	i) Existence of restrictions on the nationality of the management of foreign subsidiaries ii) Existence of restrictions on the nationality of company board members or managers
6	Restrictions on Employment of Foreign and Local Personnel	i) Existence of restrictions on hiring of foreign nationals ii) Requiring a minimum number or percentage of national employees
7	Local Engagement Requirements	i) Requiring to have a local partner ii) Requiring local sourcing
8	Financial Restrictions	i) Existence of restrictions on dividend distribution ii) Existence of restrictions on the setting up or holding a foreign currency commercial bank account
9	Sector-Specific Restrictions for Foreign Entrepreneurs	Requiring a foreign entrepreneur who wants to register a company and start business operations to adhere to sector-specific ownership restrictions

2. PILLAR II. DIGITAL PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS ENTRY

Table 9 shows the structure for Pillar II, Digital Public Services and Transparency of Information 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 9. Pillar II–Digital Public Services and Transparency of Information for Business Entry

2.1	Digital Services
2.1.1	Business Start-Up Process
2.1.2	Storage of Company and Beneficial Ownership Information

2.1.3	Identity Verification
2.2	Interoperability of Services
2.2.1	Exchange of Company Information
2.2.2	Unique Business Identification
2.3	Transparency of Online Information
2.3.1	Business Start-Up (includes gender and environment)
2.3.2	Availability of General Company Information
2.3.3	General and Sex-Disaggregated Statistics on Newly Registered Firms

2.1 Digital Services

Category 2.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 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.¹⁴ Therefore, Subcategory 2.1.1–Business Start-Up Process comprises six indicators (table 10).

Table 10. Subcategory 2.1.1–Business Start-Up Process

	Indicators	Components
1	Electronic Company Name Verification	Availability of an electronic and fully automated system to verify the uniqueness and compliance of company names
2	Entirely Electronic Company Registration Process	Availability of an electronic system that covers the entire company registration process
3	Electronic Update of Company Information	Availability of an electronic system for businesses to update their statutory information
4	Electronic Registration and Update of Beneficial Ownership Information	Availability of an electronic platform to register and update information on beneficial owners
5	Electronic Payment of Incorporation Fees	Availability of an electronic payment option for all fees related to company incorporation
6	Electronic Issuance of Company Incorporation Certificate	Electronic issuance of company incorporation certificates

2.1.2 Storage of Company and Beneficial Ownership Information

One of the business registry's core functions is to store company information in the most comprehensive, transparent, and accessible manner, ensuring consistency and non-duplicity 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.¹⁵ Along with systems to store company information, economies are increasingly setting up platforms to store information on beneficial ownership.¹⁶ Therefore, Subcategory 2.1.2–Storage of Company and Beneficial Ownership Information comprises three indicators (table 11).

Table 11. Subcategory 2.1.2–Storage of Company and Beneficial Ownership Information

	Indicators	Components
1	Company Information Records Digitally Stored	Storage of all company registration records in digital form

2	Database on Company Information	Database on company information fully electronic, centralized with full national coverage and covers all types of companies and establishments
3	Database on Beneficial Ownership	Database on beneficial ownership fully electronic, centralized with full national coverage and covers all types of companies and establishments

2.1.3 Identity Verification

Effective identification of businesses and their representatives is a key element of a secure business environment.¹⁷ 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 2.1.3–Identity Verification comprises two indicators (table 12).

Table 12. Subcategory 2.1.3–Identity Verification

	Indicators	Components
1	Availability of Electronic Signature and Authentication	Availability of an electronic signature or another electronic form of authentication identification for online company registration
2	Electronic Identity Verification Process	<ul style="list-style-type: none"> i) Availability of an electronic and fully automated process to verify the identity of entrepreneurs ii) Availability of an electronic and fully automated process to verify the identity of beneficial owners

2.2 Interoperability of Services

Category 2.2 is divided into two 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.¹⁸ 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. Similarly, such information exchange streamlines the process of updating company information during a business' life cycle. 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	Components
1	Exchange of Information Among Public Sector Agencies	Automatic electronic data exchange among public agencies
2	Update of Company Information Fully Automated	Automatic updates of company information across public agencies

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.¹⁹ 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	Components
1	Unique Business Identification Number Existence	Assignment of a unique business identification number
2	Unique Business Identification Number Used by Key Agencies	Using a unique business identification number across key public sector agencies

2.3 Transparency of Online Information

Category 2.3 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.3.1 Business Start-Up (includes gender and environment)

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–Business Start-Up (includes gender and environment) has five indicators (table 15).

Table 15. Subcategory 2.3.1–Business Start-Up (includes gender and environment)

	Indicators	Components
1	Online Availability of the List of Documents	Online accessibility of incorporation documents
2	Online Availability of the List of Fees	Online accessibility of incorporation fees
3	Online Availability of the Service Standards	Online accessibility of incorporation service standards information
4	Online Availability of the Environmental-Related Requirements	Online accessibility of environmental operating permits requirements information
5	Online Availability of the Information on Publicly Funded Programs to Support SMEs and Women Entrepreneurs	i) Online availability of information on publicly funded programs to support SMEs ii) Online availability of information on publicly funded programs to support women-owned SMEs

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 16).

Table 16. Subcategory 2.3.2–Availability of General Company Information

	Indicators	Components
1	Electronic Search Available for All Company Records	Availability of electronic company records search
2	Types of Company Information Available Online to the Public	i) Online availability of information on the name of a company ii) Online availability of information on the company ID iii) Online availability of information on the name of directors iv) Online availability of information on the name of shareholders v) Online availability of information on the name of beneficial owners vi) Online availability of information on the year of incorporation vii) Online availability of information on the annual financial accounts viii) Online availability of information on the legal address ix) Online availability of information on the physical address x) Online availability of information on the type of activity

2.3.3 General and Sex-Disaggregated Statistics on Newly Registered Firms

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–General and Sex-Disaggregated Statistics on Newly Registered Firms has three indicators (table 17).

Table 17. Subcategory 2.3.3–General and Sex-Disaggregated Statistics on Newly Registered Firms

	Indicators	Components
1	Statistics Publicly Available Online on Business Entry (General)	Online availability of new company registration statistics
2	Statistics Publicly Available Online on Business Entry (Sex-disaggregated)	Online availability of new company registration sex-disaggregated statistics
3	Types of Sex-disaggregated Data Available Online	i) Online availability of sex-disaggregated data on the number of sole proprietors ii) Online availability of sex-disaggregated data on the number of directors of limited liability companies iii) Online availability of sex-disaggregated data on the number of beneficial owners.

3. PILLAR III. OPERATIONAL EFFICIENCY OF BUSINESS ENTRY

Table 18 shows the structure for Pillar III, Operational Efficiency of Business Entry. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 18. Pillar III–Operational Efficiency of Business Entry

3.1	Domestic Firms
3.1.1	Total Time to Register a New Domestic Firm
3.1.2	Total Cost to Register a New Domestic Firm
3.2	Foreign Firms
3.2.1	Total Time to Register a New Foreign Firm
3.2.2	Total Cost to Register a New Foreign Firm

3.1 Domestic Firms

Category 3.1 is divided into two subcategories consisting of one indicator each.

3.1.1 Total Time to Register a New Domestic Firm

The ease of incorporating a company is associated with more domestic firms undergoing new business activities. Indeed, the time-efficiency of the business incorporation process is a key factor for fostering formal sector entrepreneurship.²⁴ The Business Entry topic assesses the time it takes to incorporate a domestic company. Therefore, Subcategory 3.1.1–Total Time to Register a New Domestic Firm comprises one indicator (table 19).

Table 19. Subcategory 3.1.1–Total Time to Register a New Domestic Firm

	Indicators	Components
1	Total Time to Register a New Domestic Firm	Total time required to register a new domestic firm

3.1.2 Total Cost to Register a New Domestic Firm

Together with a fast registration, an inexpensive business entry process is key for the promotion of formal domestic entrepreneurship.²⁵ The Business Entry topic assesses the cost of incorporating a domestic company. Therefore, Subcategory 3.1.2–Total Cost to Register a New Domestic Firm comprises one indicator (table 20).

Table 20. Subcategory 3.1.2–Total Cost to Register a New Domestic Firm

	Indicators	Components
1	Total Cost to Register a New Domestic Firm	Total cost required to register a new domestic firm

3.2 Foreign Firms

Category 3.2 is divided into two subcategories consisting of one indicator each.

3.2.1 Total Time to Register a New Foreign Firm

Governments need to ensure that the laws governing the business start-up process for foreign firms are as simple as possible and avoid redundant and unnecessary steps. Indeed, entry conditions for foreign firms should be efficient, inexpensive, and comparable to those faced by domestic firms. The Business Entry topic assesses the time to incorporate a foreign company. Therefore, Subcategory 3.2.1–Total Time to Register a New Foreign Firm comprises one indicator (table 21).

Table 21. Subcategory 3.2.1–Total Time to Register a New Foreign Firm

	Indicators	Components
1	Total Time to Register a New Foreign Firm	Total time required to register a new foreign firm

3.2.2 Total Cost to Register a New Foreign Firm

In addition, 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.²⁶ The Business Entry topic assesses the cost of incorporating a foreign company. Therefore, Subcategory 3.2.2–Total Cost to Register a New Foreign Firm comprises one indicator (table 22).

Table 22. Subcategory 3.2.2–Total Cost to Register a New Foreign Firm

	Indicators	Components
1	Total Cost to Register a New Foreign Firm	Total cost required to register a new foreign firm

III. DATA SOURCES

4.1 Data Collection Sources

The data for all three pillars are collected through consultations with private 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

The Business Entry topic has one questionnaire. A screener questionnaire is used to assist the selection of experts receiving the Business Entry topic questionnaire based on a set of criteria (table 21).

Table 21. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions
Lawyers, notaries, tax advisors, accountants
Relevant Areas of Specialization
Business incorporation, corporate law, tax registration, domestic and foreign investment
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

Thus, the information provided in the screener questionnaire allows the team to better understand the experts' professions, areas of specialization, and experts' knowledge or experience related to the business entry process.

IV. PARAMETERS

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

5.1 General Parameters

Business Entry employs the same general parameters in Pillars I, II, III. Many economies have subnational jurisdictions which require a business location to be specified 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

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, digital public services availability 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. 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 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 employs one specific 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.²⁷

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.²⁸

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–Quality of Regulations for Business Entry; Pillar II–Digital Public Services and Transparency of Information for Business Entry; and Pillar III–Operational Efficiency of Business Entry. 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 22 shows the scoring for the Business Entry 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 22. 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 Business Entry	35	19	19	38	100	0.33
II	Digital Public Services and Transparency of Information for Business Entry	25	25	25	50	100	0.33
III	Operational Efficiency of Business Entry	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: Quality of Regulations for Business Entry

Pillar I covers 35 indicators with a total score of 38 points (19 points on firm flexibility and 19 points on social benefits) (table 23). The scoring for each category under this pillar is as follows:

- 6.1.1** *Information and Procedural Standards* 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 Requirements* Subcategory has 7 indicators; the *Beneficial Ownership Filing Requirements* Subcategory has 6 indicators; the *Availability of Simplified Registration* Subcategory has 3 indicators; and the *Risk-Based Assessment for Operating Business and Environmental Licenses* 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).
- 6.1.2** *Restrictions on Registering a Business* has 17 indicators with a total maximum score of 18 points (17 points on firm flexibility and 1 point on social benefits). Specifically, the *Domestic Firms* Subcategory has 8 indicators; and the *Foreign Firms* Subcategory has another 9. While a regulatory framework with less restrictions benefits firms (firm flexibility), in most cases, it shows ambiguous effects on society (social benefits).

Table 23. Aggregate Scoring Pillar I

Pillar I—Quality of Regulations for Business Entry		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Information and Procedural Standards	18	2	18	20	50.00
1.1.1	Company Information Filing Requirements	7	n/a	7	7	15.00
1.1.2	Beneficial Ownership Filing Requirements	6	n/a	6	6	15.00
1.1.3	Availability of Simplified Registration	3	n/a	3	3	10.00
1.1.4	Risk-Based Assessment for Operating Business and Environmental Licenses	2	2	2	4	10.00
1.2	Restrictions on Registering a Business	17	17	1	18	50.00
1.2.1	Domestic Firms	8	8	1	9	25.00
1.2.2	Foreign Firms	9	9	n/a	9	25.00
	Total	35	19	19	38	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 Entry

Pillar II covers 25 indicators with a total score of 50 points (25 points on firm flexibility and 25 points on social benefits) (table 24). The scoring for each category under this pillar is as follows:

- 6.2.1** *Digital Services* has 11 indicators with a total maximum score of 22 points (11 points on firm flexibility and 11 points on social benefits). Specifically, the *Business Start-Up Process* Subcategory has 6 indicators; the *Storage of Company and Beneficial Ownership Information* Subcategory has 3 indicators; and the *Identity Verification* Subcategory has 2 indicators. A business entry system that provides online services for business incorporation and beginning of operations benefits society (social benefits) and firms (firm flexibility). Hence, points are equally assigned to both categories.
- 6.2.2** *Interoperability of Services* has 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 points on social benefits). Specifically, the *Exchange of Company Information* Subcategory has 2 indicators; and the *Unique Business Identification* 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, points are equally assigned to both categories.

- 6.2.3** *Transparency of Online Information* has 10 indicators with a total maximum score of 20 points (10 points on firm flexibility and 10 points on social benefits). Specifically, *Business Start-up (includes gender and environment)* Subcategory has 5 indicators; the *Availability of General Company Information* Subcategory has 2 indicators; and the *General and Sex-Disaggregated Statistics on Newly Registered Firms* Subcategory has another 3. A business entry system that provides information online and promotes transparency benefits society (social benefits) and firms (firm flexibility). Hence, points are equally assigned to both categories.

Table 24. Aggregate Scoring Pillar II

Pillar II–Digital Public Services and Transparency of Information for Business Entry		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Digital Services	11	11	11	22	40.00
2.1.1	Business Start-Up Process	6	6	6	12	20.00
2.1.2	Storage of Company and Beneficial Ownership Information	3	3	3	6	10.00
2.1.3	Identity Verification	2	2	2	4	10.00
2.2	Interoperability of Services	4	4	4	8	20.00
2.2.1	Exchange of Company Information	2	2	2	4	10.00
2.2.2	Unique Business Identification	2	2	2	4	10.00
2.3	Transparency of Online Information	10	10	10	20	40.00
2.3.1	Business Start-Up (includes gender and environment)	5	5	5	10	20.00
2.3.2	Availability of General Company Information	2	2	2	4	10.00
2.3.3	General and Sex-Disaggregated Statistics on Newly Registered Firms	3	3	3	6	10.00
Total		25	25	25	50	100.00

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points.

6.3 Pillar III–Operational Efficiency of Business Entry

Pillar III has 4 indicators with scores ranging from 0 to 100 on firm flexibility (table 25). 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. The scoring for each category under this pillar is as follows:

- 6.3.1** *Domestic Firms* has 2 indicators with a total maximum score of 50 points. Specifically, the *Total Time to Register a New Domestic Firm* Subcategory has 1 indicator; and the *Total Cost to Register a New Domestic Firm* Subcategory has 1 indicator.
- 6.3.2** *Foreign Firms* has 2 indicators with a total maximum score of 50 points. Specifically, the *Total Time to Register a Foreign Firm* Subcategory has 1 indicator; and the *Total Cost to Register a New Foreign Firm* Subcategory has 1 indicator.

Table 25. Aggregate Scoring Pillar III

Pillar III–Operational Efficiency of Business Entry		No. of Indicators	Rescaled Points
3.1	Domestic Firms	2	50.00

3.1.1	Total Time to Register a New Domestic Firm	1	25.00
3.1.2	Total Cost to Register a New Domestic Firm	1	25.00
3.2	Foreign Firms	2	50.00
3.2.1	Total Time to Register a New Foreign 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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- ² Bruhn (2012); IEG (2021, 45).
- ³ Klapper and Love (2016).
- ⁴ Klapper, Lewin, and Quesada Delgado (2011).
- ⁵ ILO (2021).
- ⁶ UNCITRAL (2019).
- ⁷ OECD and IDB (2021); World Bank (2020).
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- ⁹ Coste et al. (2019).
- ¹⁰ Blanc and Franco-Temple (2013).
- ¹¹ OECD (2018).
- ¹² Golub (2009).
- ¹³ IFC, MIGA, and World Bank (2010); OECD (2018, 2020).
- ¹⁴ CRF (2019); UNCITRAL (2019); UNCTAD, Global Enterprise Registration portal.
- ¹⁵ UNCITRAL (2019).
- ¹⁶ CRF (2019).
- ¹⁷ Lewin et al. (2007); UNCITRAL (2019).
- ¹⁸ Corporate Registers Forum (CRF) (2019).
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- ²⁴ Klapper, Lewin, and Quesada Delgado (2011).
- ²⁵ Klapper, Lewin, and Quesada Delgado (2011).
- ²⁶ UNCITRAL (2019).
- ²⁷ Based on *Doing Business* research, fees related to start-up capital represent, on average, approximately 50 percent of entry costs in about 35 percent of economies. Based on the same research, the number of employees or the expected turnover determine entry costs in only about 3 percent of economies, respectively.
- ²⁸ 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 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 FOR BUSINESS ENTRY					
1.1 INFORMATION AND PROCEDURAL STANDARDS					
1.1.1 Company Information Filing Requirements					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Mandatory to Have the Company Name Approved	n/a	1	1	2.14	CRF (2020); IFC and World Bank (2013); UNCITRAL (2019)
Mandatory to Register Changes to the Company Name	n/a	1	1	2.14	FATF (2022); OECD and IDB (2021); UNCITRAL (2019)
Mandatory to Verify the Identity of Entrepreneurs	n/a	1	1	2.14	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019)
Mandatory to Register Shareholders' Information	n/a	1	1	2.14	CRF (2020); FATF (2022); IFC and World Bank (2013); UNCITRAL (2019); World Bank (2020)
Mandatory to Register Changes to the Shareholders' Information	n/a	1	1	2.14	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory to File Annual Returns/Financial Statements	n/a	1	1	2.14	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	2.14	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Total Points for Subcategory 1.1.1	n/a	7	7	15.00	
1.1.2 Beneficial Ownership Filing Requirements					
Mandatory to Register Beneficial Owners' Information	n/a	1	1	2.50	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	2.50	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	2.50	IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory to Verify Beneficial Owners' Identity	n/a	1	1	2.50	FATF (2022); World Bank (2020)

Mandatory to Register Changes to the Beneficial Ownership Information	n/a	1	1	2.50	FATF (2022); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Prohibition or Mandatory to Register Nominee Shareholders and Directors	n/a	1	1	2.50	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Total Points for Subcategory 1.1.2	n/a	6	6	15.00	
1.1.3 Availability of Simplified Registration					
Simple Registration Form Without the Use of Intermediaries	n/a	1	1	3.33	IFC and World Bank (2013); UNCITRAL (2019)
Simple Registration Form for All Entrepreneurs	n/a	1	1	3.33	IFC and World Bank (2013); UNCITRAL (2019)
Changes without the Use of Intermediaries	n/a	1	1	3.33	IFC and World Bank (2013); UNCITRAL (2019)
Total Points for Subcategory 1.1.3	n/a	3	3	10.00	
1.1.4 Risk-Based Assessment for Operating Business and Environmental Licenses					
Risk-Based Regulations for Business Licensing	1	1	2	5.00	Blanc and Franco-Temple (2013)
Risk-Based Regulations for Environmental Licensing	1	1	2	5.00	Blanc and Franco-Temple (2013)
Total Points for Subcategory 1.1.4	2	2	4	10.00	
Total Points for Category 1.1	2	18	20	50.00	
1.2 RESTRICTIONS ON REGISTERING A BUSINESS					
1.2.1 Domestic Firms					
Paid-in Minimum Capital Requirements for Domestic Firms	1	n/a	1	2.78	Armour (2006); Hornuf et al. (2011); Kübler (2004); Mülbert and Birke (2002); Simon (2004); Van Stel, Storey, and Thurik (2007)
Entirety of Paid-in Minimum Capital Prior to Registration of Domestic Firms	1	n/a	1	2.78	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	2.78	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Criminal History Records or Affidavits	1	n/a	1	2.78	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Approval of Business Plan, Feasibility Plan, or Financial Plan	1	n/a	1	2.78	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
General Operating License	1	n/a	1	2.78	Blanc and Franco-Temple (2013); Klapper, Laeven, and Rajan (2006)
Sociodemographic Restrictions for Domestic Entrepreneurs	1	1	2	5.56	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Sector-Specific Restrictions for Domestic Entrepreneurs	1	n/a	1	2.78	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)

Total Points for Subcategory 1.2.1	8	1	9	25.00	
1.2.2 Foreign Firms					
Paid-in Minimum Capital Requirements for Foreign Firms	1	n/a	1	2.78	Armour (2006); Hornuf et al. (2011); Kübler (2004); Mülbert and Birke (2002); Simon (2004); Van Stel, Storey, and Thurik (2007)
Entirety of Paid-in Minimum Capital Prior to Registration of Foreign Firms	1	n/a	1	2.78	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	2.78	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Screening and Approval Requirements	1	n/a	1	2.78	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	2.78	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	2.78	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Local Engagement Requirements	1	n/a	1	2.78	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Financial Restrictions	1	n/a	1	2.78	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Sector-Specific Restrictions for Foreign Entrepreneurs	1	n/a	1	2.78	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Total Points for Subcategory 1.2.2	9	n/a	9	25.00	
Total Points for Category 1.2	17	1	18	50.00	
Total Points for Pillar I	19	19	38	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–DIGITAL PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS ENTRY					
2.1 DIGITAL SERVICES					
2.1.1 Business Start-Up Process					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Electronic Company Name Verification	1	1	2	3.33	UNCITRAL (2019)
Entirely Electronic Company Registration Process	1	1	2	3.33	UNCITRAL (2019); UNCTAD (n.d.)
Electronic Update of Company Information	1	1	2	3.33	UNCITRAL (2019)
Electronic Registration and Update of Beneficial Ownership Information	1	1	2	3.33	CRF (2020)
Electronic Payment of Incorporation Fees	1	1	2	3.33	UNCITRAL (2019); UNCTAD (n.d.)
Electronic Issuance of Company Incorporation Certificate	1	1	2	3.33	UNCITRAL (2019); UNCTAD (n.d.)
Total Points for Subcategory 2.1.1	6	6	12	20.00	
2.1.2 Storage of Company and Beneficial Ownership Information					
Company Information Records Digitally Stored	1	1	2	3.33	UNCITRAL (2019)
Database on Company Information	1	1	2	3.33	UNCITRAL (2019)
Database on Beneficial Ownership	1	1	2	3.33	CRF (2020)
Total Points for Subcategory 2.1.2	3	3	6	10.00	
2.1.3 Identity Verification					
Availability of Electronic Signature and Authentication	1	1	2	5.00	UNCITRAL (2019)
Electronic Identity Verification Process	1	1	2	5.00	CRF (2020); Klapper, Miller, and Hess (2019); Lewin et al. (2007); UNCTAD (n.d.)
Total Points for Subcategory 2.1.3	2	2	4	10.00	
Total Points for Category 2.1	11	11	22	40.00	
2.2 INTEROPERABILITY OF SERVICES					
2.2.1 Exchange of Company Information					
Exchange of Information Among Public Sector Agencies	1	1	2	5.00	Klapper, Miller, and Hess (2019); Lewin et al. (2007); Wille et al. (2011)
Update of Company Information Fully Automated	1	1	2	5.00	Klapper, Miller, and Hess (2019); Lewin et al. (2007); Wille et al. (2011)

Total Points for Subcategory 2.2.1	2	2	4	10.00	
2.2.2 Unique Business Identification					
Unique Business Identification Number Existence	1	1	2	5.00	UNCITRAL (2019)
Unique Business Identification Number Used by Key Agencies	1	1	2	5.00	UNCITRAL (2019)
Total Points for Subcategory 2.2.2	2	2	4	10.00	
Total Points for Category 2.2	4	4	8	20.00	
2.3 TRANSPARENCY OF ONLINE INFORMATION					
2.3.1 Business Start-Up (includes gender and environment)					
Online Availability of the List of Documents	1	1	2	4.00	UNCITRAL (2019); UNCTAD (n.d.)
Online Availability of the List of Fees	1	1	2	4.00	UNCITRAL (2019); UNCTAD (n.d.)
Online Availability of the Service Standards	1	1	2	4.00	UNCITRAL (2019); UNCTAD (n.d.)
Online Availability of the Environmental-Related Requirements	1	1	2	4.00	Koźluk (2014); UNCITRAL (2019); UNCTAD (n.d.)
Online Availability of the Information on Publicly Funded Programs to Support SMEs and Women Entrepreneurs	1	1	2	4.00	Halabisky (2018); Koźluk (2014); OECD (2021); UNCITRAL (2019); UNCTAD (n.d.)
Total Points for Subcategory 2.3.1	5	5	10	20.00	
2.3.2 Availability of General Company Information					
Electronic Search Available for All Company Records	1	1	2	5.00	CRF (2020); Dayan and Bolislis (2017); UNCITRAL (2019)
Types of Company Information Available Online to the Public	1	1	2	5.00	CRF (2020); UNCITRAL (2019)
Total Points for Subcategory 2.3.2	2	2	4	10.00	
2.3.3 General and Sex-Disaggregated Statistics on Newly Registered Firms					
Statistics Publicly Available Online on Business Entry (General)	1	1	2	3.33	UNCITRAL (2019); UNECE (2018)
Statistics Publicly Available Online on Business Entry (Sex-disaggregated)	1	1	2	3.33	Halabisky (2018); OECD (2021); OECD (n.d.); UNCITRAL (2019); UNECE (2018)
Types of Sex-disaggregated Data Available Online	1	1	2	3.33	Halabisky (2018); OECD (2021); OECD (n.d.); UNCITRAL (2019); UNECE (2018)
Total Points for Subcategory 2.3.3	3	3	6	10.00	
Total Points for Category 2.3	10	10	20	40.00	
Total Points for Pillar II	25	25	50	100.00	

Note: SMEs = Small and Medium Enterprises; FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF BUSINESS ENTRY					
3.1 DOMESTIC FIRMS					
3.1.1 Total Time to Register a New Domestic Firm					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Total Time to Register a New Domestic Firm	100	n/a	100	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Total Points for Subcategory 3.1.1	100	n/a	100	25.00	
3.1.2 Total Cost to Register a New Domestic Firm					
Total Cost to Register a New Domestic Firm	100	n/a	100	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Total Points for Subcategory 3.1.2	100	n/a	100	25.00	
Total Points for Category 3.1	100	n/a	100	50.00	
3.2 FOREIGN FIRMS					
3.2.1 Total Time to Register a New Foreign Firm					
Total Time to Register a New Foreign Firm	100	n/a	100	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Total Points for Subcategory 3.2.1	100	n/a	100	25.00	
3.2.2 Total Cost to Register a New Foreign Firm					
Total Cost to Register a New Foreign Firm	100	n/a	100	25.00	Bruhn (2012); Klapper, Lewin, and Quesada Delgado (2009); Klapper and Love (2011); UNCITRAL (2019)
Total Points for Subcategory 3.2.2	100	n/a	100	25.00	
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 ENTRY–ANNOTATED QUESTIONNAIRE

Annex B consists of a Glossary and Annotated Questionnaire for Business Entry. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

Beneficial owner: Considered as the natural person that ultimately owns or controls a company, even if the title to the property is under another name (i.e., the ownership or control is exercised through a chain of ownership or by means of control other than direct shareholding).

Beneficial ownership information: Typically includes beneficial owner(s) name, identification number, address, etc.

Company statutory information: Prescribes the rules of the company's operations and governance and can include for example, bylaws, articles of incorporation, general company information, or a statute.

Electronic company registration process: A process during which the entrepreneur can fully register a company online without the need to go in person to the business registry, or any other authority, to present or obtain hard copies of documents.

Environmental operating licenses: Permissions required for the commencement of new business activities and can include, for example, license or permits for water management, for waste management and disposal, and for using or processing hazardous materials. They generally exclude, for instance, environmental impact assessments which can be required for the issue of building permits.

Fully electronic registry/database: A system where all data is stored and accessible electronically.

Joint venture: A contractual agreement between two or more parties for the purpose of executing a business undertaking in which the parties agree to share in the profits and losses of the enterprise as well as the capital formation and contribution of operating inputs or costs.

Key public authorities for business entry: Government agencies most commonly involved in the process of business registration. They include the business registry, tax authority, and social security. Exact name of the agencies may change depending on the country.

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

Nominee shareholder and/or director: Refers to a person who is officially registered as the holder of shares on behalf of another person. Nominee director refers to a person who is appointed to act as a director by another person on their behalf.

Operating licenses: Can include any form of permission, granted by a public authority, that enables the company to carry out a business activity within a jurisdiction.

Public authority: Any government organization and/or public agency that have been established and authorized by the government to oversee and regulate certain aspects of commerce and industry within a jurisdiction. They include, for example, business registry, ministry of justice, chamber of commerce, tax authority, social security, municipality, etc.

Publicly funded programs: Government funded programs and excludes private initiatives.

Service standards: Typically includes information on the steps involved to open a company, and the associated processing times.

Simple standard registration form: Standard template for business incorporation that can be used for entrepreneurs to register the company by themselves without the help of third-party intermediaries such as lawyers or notaries.

Sociodemographic groups: Can be categorized by ethnicity/race, gender, religious affiliation, etc.

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

BUSINESS ENTRY 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 “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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS FOR BUSINESS ENTRY	
Parameters	
Business Location	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 INFORMATION AND PROCEDURAL STANDARDS

1.1.1 Company Information Filing Requirements

- 1. Does the legislation require entrepreneurs to have the company name approved by the business registry or by another corresponding public authority in order to register a new business? (Y/N)**
- 2. Does the legislation provide specific rules for rejecting proposed company names by the business registry or by another corresponding public authority? (Y/N)**
- 3. Does the legislation require registering changes to the company name at the business registry or another corresponding public authority? (Y/N)**
- 4. Does the legislation require verifying the identity of the entrepreneurs willing to start a new company? (Y/N)**
- 5. Does the legislation require registration of shareholders details at the business registry or at another corresponding public authority? (Y/N)**
- 6. Does the legislation require registering changes to the shareholders’ details at the business registry or another corresponding public authority? (Y/N)**

7. Does the legislation require companies to file annual financial accounts or statements at the business registry or at another corresponding public authority? (Y/N)
8. Does the legislation require registering changes in the articles of association at the business registry or at another corresponding public authority? (Y/N)

1.1.2 Beneficial Ownership Filing Requirements

9. Does the legislation require new limited liability companies to register beneficial ownership information with a public authority? (Y/N)

Does the legislation require companies to register the following type of information about beneficial owners? (questions 10 through 13)

10. Full name (Y/N)
11. Identification number and information (Y/N)
12. Date of birth (Y/N)
13. Address (Y/N)
14. Does the legislation specify a time limit for registering the required beneficial owner information in the case of a newly registered limited liability company? (Y/N)
15. Does the legislation require verifying the identity of beneficial owners during the registration with a public authority? (Y/N)
16. Does the legislation require registering changes to beneficial ownership information with a public authority? (Y/N)
17. Does the legislation allow nominee shareholders and/or directors? (Y/N; N – good practice)
18. Does the legislation require registering their status as nominee shareholders and/or directors with a public authority? (Y/N)

1.1.3 Availability of Simplified Registration

19. Does the legislation allow entrepreneurs to register a limited liability company by themselves, using a simple standard registration form without the mandatory use of third-party intermediaries? (Y/N)
20. Does the legislation allow the use of such simple standard registration forms for all entrepreneurs and limited liability companies performing general commercial or industry activities – regardless of the size of the company, country of origin of the founders, etc. – to register a company by themselves without the mandatory use of third-party intermediaries? (Y/N)
21. Does the legislation allow entrepreneurs to make updates to company statutory information by themselves (e.g., through online forms for updates), without the mandatory use of third-party intermediaries? (Y/N)

22. Does the legislation allow all entrepreneurs and limited liability companies performing general commercial or industry activity - regardless of the size of the company, country of origin of the founders, etc. - to make updates to company statutory information by themselves, without the mandatory use of third-party intermediaries? (Y/N)

1.1.4 Risk-Based Assessment for Operating Business and Environmental Licenses

23. Does the legislation provide for different business operating licensing requirements depending on the level of risk of the company operations? (Y/N)

24. Does the legislation provide for different environmental operating licensing requirements depending on the level of risk of the company? (Y/N)

1.1 INFORMATION AND PROCEDURAL STANDARDS			
1.1.1 Company Information Filing Requirements			
Indicators	FFP	SBP	Total Points
Mandatory to Have the Company Name Approved (1 AND 2)	n/a	1	1
Mandatory to Register Changes to the Company Name (3)	n/a	1	1
Mandatory to Verify the Identity of Entrepreneurs (4)	n/a	1	1
Mandatory to Register Shareholders' Information (5)	n/a	1	1
Mandatory to Register Changes to the Shareholders' Information (6)	n/a	1	1
Mandatory to File Annual Returns/Financial Statements (7)	n/a	1	1
Mandatory to Register Changes in the Articles of Association (8)	n/a	1	1
Total Points	0	7	7
1.1.2 Beneficial Ownership Filing Requirements			
Indicators	FFP	SBP	Total Points
Mandatory to Register Beneficial Owners' Information (9)	n/a	1	1
Mandatory Type of Information Required for Beneficial Owners (10 AND 11 AND 12 AND 13)	n/a	1	1
Mandatory Time Limit to Register Beneficial Owners' Information (14)	n/a	1	1
Mandatory to Verify Beneficial Owners' Identity (15)	n/a	1	1
Mandatory to Register Changes to the Beneficial Ownership Information (16)	n/a	1	1
Prohibition or Mandatory to Register Nominee Shareholders and Directors (17 AND 18)	n/a	1	1
Total Points	0	6	6
1.1.3 Availability of Simplified Registration			
Indicators	FFP	SBP	Total Points
Simple Registration Form Without the Use of Intermediaries (19)	n/a	1	1
Simple Registration Form for All Entrepreneurs (20)	n/a	1	1
Changes without the Use of Intermediaries (21 AND 22)	n/a	1	1

Total Points	0	3	3
1.1.4 Risk-Based Assessment for Operating Business and Environmental Licenses			
Indicators	FFP	SBP	Total Points
Risk-Based Regulations for Business Licensing (23)	1	1	2
Risk-Based Regulations for Environmental Licensing (24)	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; SBP = Social Benefits Point.

1.2 RESTRICTIONS ON REGISTERING A BUSINESS

1.2.1 Domestic Firms

25. Does the legislation require a mandated paid-in minimum capital for private limited liability companies owned by domestic entrepreneurs? (Y/N; N – good practice)
26. Does the legislation require domestic entrepreneurs to pay the entirety of the mandated paid-in minimum capital for private limited liability companies prior to registration? (Y/N; N – good practice)
27. Does the legislation require any minimum education or training for an entrepreneur to register a limited liability company and begin general business operations? (Y/N; N – good practice)
28. Does the legislation require criminal history records or affidavits from an entrepreneur to register a limited liability company and begin general business operations? (Y/N; N – good practice)
29. Does the legislation require approval of business plan, feasibility plan, or financial plan for an entrepreneur to register a limited liability company and begin general business operations? (Y/N; N – good practice)
30. Does the legislation require a general business operating license to be obtained for an entrepreneur to register a limited liability company and begin general business operations? (Y/N; N – good practice)
31. Does the legislation mandate specific requirements for domestic entrepreneurs from different sociodemographic groups (e.g., ethnicity/race, gender, migration status, religious affiliation) who wish to register a company? (Y/N; N – good practice)
32. Does the legislation mandate specific requirements for domestic entrepreneurs from different sociodemographic groups (e.g., ethnicity/race, gender, migration status, religious affiliation) who wish to open a bank account? (Y/N; N – good practice)
33. Does the legislation limit full private domestic participation/equity ownership in any business sector? (Y/N; N – good practice)

1.2.2 Foreign Firms

34. Does the legislation require a mandated paid-in minimum capital requirement for foreign private limited liability companies owned by foreign entrepreneurs? (Y/N; N – good practice)
35. Does the legislation require foreign entrepreneurs to pay the entirety of the mandated paid-in minimum capital for private limited liability companies prior to registration? (Y/N; N – good practice)
36. Does the legislation impose limitations on the proportion of shares that can be held in a company for foreign entrepreneurs? (Y/N; N – good practice)
37. Does the legislation impose limitations on the number of joint ventures for foreign entrepreneurs? (Y/N; N – good practice)
38. Does the legislation require investment screening or approval by government authority for foreign entrepreneurs, different from domestic entrepreneurs? (Y/N; N – good practice)
39. Does the legislation require minimum size of investment for foreign entrepreneurs, different from the threshold for domestic entrepreneurs? (Y/N; N – good practice)
40. Does the legislation have any requirement about the nationality of the management for companies owned by foreign entrepreneurs? (Y/N; N – good practice)
41. Does the legislation have any requirement about the nationality of the board members for companies owned by foreign entrepreneurs? (Y/N; N – good practice)
42. Does the legislation impose restrictions on hiring foreign nationals? (Y/N; N – good practice)
43. Does the legislation require minimum number or percentage of national employees? (Y/N; N – good practice)
44. Does the legislation require foreign entrepreneurs to have a local partner? (Y/N; N – good practice)
45. Does the legislation impose local sourcing requirements for foreign entrepreneurs? (Y/N; N – good practice)
46. Does the legislation impose limitations on dividend distribution for foreign entrepreneurs? (Y/N; N – good practice)
47. Does the legislation impose restrictions on holding a foreign currency commercial bank account? (Y/N; N – good practice)
48. Does the legislation limit full private foreign participation/equity ownership in any business sector? (Y/N; N – good practice)

1.2 RESTRICTIONS ON REGISTERING A BUSINESS			
1.2.1 Domestic Firms			
Indicators	FFP	SBP	Total Points
Paid-in Minimum Capital Requirements for Domestic Firms (25)	1	n/a	1
Entirety of Paid-in Minimum Capital Prior to Registration of Domestic Firms (26)	1	n/a	1
Minimum Education or Training (27)	1	n/a	1
Criminal History Records or Affidavits (28)	1	n/a	1
Approval of Business Plan, Feasibility Plan, or Financial Plan (29)	1	n/a	1
General Operating License (30)	1	n/a	1
Sociodemographic Restrictions for Domestic Entrepreneurs (31 AND 32)	1	1	2
Sector-Specific Restrictions for Domestic Entrepreneurs (33)	1	n/a	1
Total Points	8	1	9
1.2.2 Foreign Firms			
Indicators	FFP	SBP	Total Points
Paid-in Minimum Capital Requirements for Foreign Firms (34)	1	n/a	1
Entirety of Paid-in Minimum Capital Prior to Registration of Foreign Firms (35)	1	n/a	1
Ownership and Participation Restrictions	1	n/a	1
- Existence of restrictions on the proportion of shares (36)	0.5	n/a	0.5
- Existence of restrictions on the number of joint ventures (37)	0.5	n/a	0.5
Screening and Approval Requirements	1	n/a	1
- Requiring investment screening or approval (38)	0.5	n/a	0.5
- Existence of requirements on the minimum size of investment (39)	0.5	n/a	0.5
Restrictions on the Nationality of Key Personnel and Directors	1	n/a	1
- Existence of restrictions on the nationality of the management of foreign subsidiaries (40)	0.5	n/a	0.5
- Existence of restrictions on the nationality of company board members or managers (41)	0.5	n/a	0.5
Restrictions on Employment of Foreign and Local Personnel	1	n/a	1
- Existence of restrictions on hiring of foreign nationals (42)	0.5	n/a	0.5
- Requiring a minimum number or percentage of national employees (43)	0.5	n/a	0.5
Local Engagement Requirements	1	n/a	1
- Requiring to have a local partner (44)	0.5	n/a	0.5
- Requiring local sourcing (45)	0.5	n/a	0.5
Financial Restrictions	1	n/a	1
- Existence of restrictions on dividend distribution (46)	0.5	n/a	0.5
- Existence of restrictions on the setting up or holding a foreign currency commercial bank account (47)	0.5	n/a	0.5
Sector-Specific Restrictions for Foreign Entrepreneurs (48)	1	n/a	1
Total Points	9	0	9

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–DIGITAL PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS ENTRY	
Parameters	
Business Location	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 DIGITAL SERVICES

2.1.1 Business Start-Up Process

- 49. Does an electronic and automated system to verify the uniqueness and compliance of company names exist? (Y/N)**
- 50. Does an electronic system that covers the entire company registration process from submitting the application to receiving the company documents exist? (Y/N)**
- 51. Is there a fully electronic system for companies to update their company statutory information? (Y/N)**
- 52. Does a fully electronic platform to register and update information on beneficial owners exist? (Y/N)**
- 53. Does an electronic payment option for all fees related to company incorporation exist? (Y/N)**
- 54. Does the business registry issue the certificate of company incorporation fully electronically? (Y/N)**

2.1.2 Storage of Company and Beneficial Ownership Information

- 55. Does the business registry store all company registration records in digital form? (Y/N)**
- 56. Is the publicly available company information database at the business registry fully electronic? (Y/N)**
- 57. Is the publicly available company information database at the business registry centralized with full national coverage? (Y/N)**
- 58. Does the publicly available company information database at the business registry cover all types of limited liability companies (i.e., regardless of the business activity, size of the company, country of origin of the founders, etc.)? (Y/N)**
- 59. Is the publicly available beneficial ownership database fully electronic? (Y/N)**
- 60. Is the publicly available beneficial ownership database centralized with full national coverage? (Y/N)**

61. Does the publicly available beneficial ownership database cover all types of limited liability companies (i.e., regardless of the business activity, size of the company, country of origin of the founders, etc.)? (Y/N)

2.1.3 Identity Verification

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

63. Is there an electronic and fully automated process to verify the identity of entrepreneurs at the moment of company registration? (Y/N)

64. Is there an electronic and fully automated process to verify the identity of beneficial owners during beneficial ownership registration? (Y/N)

2.1 DIGITAL SERVICES			
2.1.1 Business Start-Up Process			
Indicators	FFP	SBP	Total Points
Electronic Company Name Verification (49)	1	1	2
Entirely Electronic Company Registration Process (50)	1	1	2
Electronic Update of Company Information (51)	1	1	2
Electronic Registration and Update of Beneficial Ownership Information (52)	1	1	2
Electronic Payment of Incorporation Fees (53)	1	1	2
Electronic Issuance of Company Incorporation Certificate (54)	1	1	2
Total Points	6	6	12
2.1.2 Storage of Company and Beneficial Ownership Information			
Indicators	FFP	SBP	Total Points
Company Information Records Digitally Stored (55)	1	1	2
Database on Company Information (56 AND 57 AND 58)	1	1	2
Database on Beneficial Ownership (59 AND 60 AND 61)	1	1	2
Total Points	3	3	6
2.1.3 Identity Verification			
Indicators	FFP	SBP	Total Points
Availability of Electronic Signature and Authentication (62)	1	1	2
Electronic Identity Verification Process	1	1	2
- Availability of an electronic and fully automated process to verify the identity of entrepreneurs (63)	0.5	0.5	1
- Availability of an electronic and fully automated process to verify the identity of beneficial owners (64)	0.5	0.5	1
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2 INTEROPERABILITY OF SERVICES

2.2.1 Exchange of Company Information

65. Do key public authorities for business entry exchange company information (e.g., company name or address) automatically and electronically? (Y/N)
66. Are changes to company information (e.g., changes to company name or address) automatically updated for key public authorities for business entry? (Y/N)

2.2.2 Unique Business Identification

67. Does the business registry or another corresponding public authority assign a Unique Business Identification number (UBI) for all companies? (Y/N)
68. Do key public authorities for business entry use the same UBI to identify individual businesses without issuing a separate identification number? (Y/N)

2.2 INTEROPERABILITY OF SERVICES			
2.2.1 Exchange of Company Information			
Indicators	FFP	SBP	Total Points
Exchange of Information among Public Sector Agencies (65)	1	1	2
Update of Company Information Fully Automated (66)	1	1	2
Total Points	2	2	4
2.2.2 Unique Business Identification			
Indicators	FFP	SBP	Total Points
Unique Business Identification Number Existence (67)	1	1	2
Unique Business Identification Number Used by Key Agencies (68)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.3 TRANSPARENCY OF ONLINE INFORMATION

2.3.1 Business Start-Up (includes gender and environment)

69. Is the list of documents required to incorporate a limited liability company available online for the general public? (Y/N)
70. Is the list of all fees associated with company incorporation at the business registry available online for the general public? (Y/N)
71. Are service standards for company incorporation at the business registry available online for the general public? (Y/N)
72. Is there a publicly accessible online list detailing which business activities require environmental operating permits for business entry? (Y/N)

73. Is information on publicly funded programs to support small and medium limited liability companies publicly available online? (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 company records at the business registry's website? (Y/N)

Is it possible to obtain the following corporate information on a specific company online from the database of the business registry (or another corresponding public authority)? (questions 76 through 85)

76. Name of the company (Y/N)

77. Company ID (Y/N)

78. Name of company's directors (Y/N)

79. Name of company's shareholders (Y/N)

80. Name of company's beneficial owners (Y/N)

81. Year of company's incorporation (Y/N)

82. Company's annual financial accounts (Y/N)

83. Company's legal address (Y/N)

84. Company's physical address (Y/N)

85. Company's type of activity (Y/N)

2.3.3 General and Sex-Disaggregated Statistics on Newly Registered Firms

86. Are statistics about limited liability companies newly registered in 2023 available online to the public? (Y/N)

87. Are sex-disaggregated data on ownership of limited liability companies publicly available online? (Y/N)

Which of the following data are also sex-disaggregated and publicly available online? (questions 88 through 90)

88. Number of female and male sole proprietors (Y/N)

89. Number of female and male directors of limited liability companies (Y/N)

90. Number of female and male beneficial owners (Y/N)

2.3 TRANSPARENCY OF ONLINE INFORMATION			
2.3.1 Business Start-Up (includes gender and environment)			
Indicators	FFP	SBP	Total Points
Online Availability of the List of Documents (69)	1	1	2
Online Availability of the List of Fees (70)	1	1	2
Online Availability of the Service Standards (71)	1	1	2
Online Availability of the Environmental-Related Requirements (72)	1	1	2
Online Availability of the Information on Publicly Funded Programs to Support SMEs and Women Entrepreneurs	1	1	2
- Online availability of information on publicly funded programs to support SMEs (73)	0.5	0.5	1
- Online availability of information on publicly funded programs to support women-owned SMEs (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
- Online availability of information on the name of a company (76)	0.1	0.1	0.2
- Online availability of information on the company ID (77)	0.1	0.1	0.2
- Online availability of information on the name of directors (78)	0.1	0.1	0.2
- Online availability of information on the name of shareholders (79)	0.1	0.1	0.2
- Online availability of information on the name of beneficial owners (80)	0.1	0.1	0.2
- Online availability of information on the year of incorporation (81)	0.1	0.1	0.2
- Online availability of information on the annual financial accounts (82)	0.1	0.1	0.2
- Online availability of information on the legal address (83)	0.1	0.1	0.2
- Online availability of information on the physical address (84)	0.1	0.1	0.2
- Online availability of information on the type of activity (85)	0.1	0.1	0.2
Total Points	2	2	4
2.3.3 General and Sex-Disaggregated Statistics on Newly Registered Firms			
Indicators	FFP	SBP	Total Points
Statistics Publicly Available Online on Business Entry (General) (86)	1	1	2
Statistics Publicly Available Online on Business Entry (Sex-disaggregated) (87)	1	1	2
Types of Sex-disaggregated Data Available Online	1	1	2
- Online availability of sex-disaggregated data on the number of sole proprietors (88)	0.33	0.33	0.66
- Online availability of sex-disaggregated data on the number of directors of limited liability companies (89)	0.33	0.33	0.66
- Online availability of sex-disaggregated data on the number of beneficial owners (90)	0.33	0.33	0.66
Total Points	3	3	6

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points; SMEs = Small and Medium Enterprises.

PILLAR III—OPERATIONAL EFFICIENCY OF BUSINESS ENTRY	
Parameters	
Business Location	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.
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.
- The company will have domestic ownership (section 3.1) or foreign ownership (section 3.2).

If additional parameters are needed when providing time and cost estimates, please consider what would apply on average to the most typical company in the economy.

For Pillar III, data are collected in number of days for time indicators and in local currency units (LCU) for cost indicators. Cost is then recorded as a percentage of the economy's gross national income (GNI) per capita.

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

General Instructions:

Common practice: Consider whether a particular approach is frequently used or followed by most entrepreneurs in your country, given the parameters mentioned above.

Time: Consider the overall time it takes, for most entrepreneurs, to complete an entire process in practice, from the moment the first step is initiated by the entrepreneur or his/her representative, until the last step is fully completed with the corresponding authority (e.g., this includes waiting times from the moment a request is submitted until the final document is issued).

Report time as in practice, rather than legal time (i.e., maximum legal time in which a government service is mandated be provided).

Report average time, rather than the best or worst time experienced when completing a step, assuming all documents for submission are correctly prepared and delivered.

1 day is the minimum time possible per step, as well as for the whole process. As needed, please further explain in comments.

Please add in the comments how time is calculated.

Simultaneity: When calculating total time, please take into account that some steps can be completed at the same time and/or through a one-stop-shop. When applicable, please add in the comments which steps are simultaneous. Please still consider 1 day as the minimum time per individual step (as well as for the whole process) and explain which steps are simultaneous.

Cost: Please consider only official legal fees when applicable (e.g., steps involving public authorities). If there are not any official fees applicable (e.g., steps related to services of third-parties, company seal, opening a bank account, etc.), please provide your best estimate of the average cost associated with the specific step. Exclude VAT.

The total cost for the whole process should be the exact sum of the costs per step.

Please add in the comments how cost is calculated.

Online vs. In Person: If a step can be completed online or in person, consider the most common way of completing the step and their associated time and cost. Please add in the comments whether a step is performed online or in person and explain why.

Standard vs. Fast Track: If a step costs differently (or takes a different time) depending on whether a standard or fast-track scheme is used, consider the most common way of completing the step and their associated cost and time. When applicable, please add in the comments whether a step is performed through the standard or the fast-track scheme and explain why.

Third-party involvement: Only consider the time and the cost to hire the services of a third-party intermediary (i.e., a notary or a lawyer) if their use is mandatory for completing a particular step. This can include, for instance, the time and the costs for hiring the services of a lawyer/notary for drafting or notarizing the articles of association if mandatory.

If third-party involvement is applicable, please only consider the time and cost associated with the third-party involvement in its own separated step, not duplicating its associated times and costs in the other individual steps (which should only include official governmental fees and average time).

3.1 DOMESTIC FIRMS

91. Is “Opening a Bank Account” required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*

92. What is the average time (in calendar days) to complete this step? *(not scored)*

93. What is the cost (in local currency) associated with this step? *(not scored)*

94. Is “Company Name Verification” required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*

95. What is the average time (in calendar days) to complete this step? *(not scored)*

96. What is the cost (in local currency) associated with this step? *(not scored)*

97. Is “Beneficial Ownership Registration” required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*
98. What is the average time (in calendar days) to complete this step? *(not scored)*
99. What is the cost (in local currency) associated with this step? *(not scored)*
100. Are “Services of Third-Party Intermediaries” (i.e., notaries, lawyers, accountants) required by law to start a domestic company? (Y/N) *(not scored)*
101. What is the average time (in calendar days) to complete this step? *(not scored)*
102. What is the cost (in local currency) associated with this step? *(not scored)*
103. Is “Registration at the Business Registry” required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*
104. What is the average time (in calendar days) to complete this step? *(not scored)*
105. What is the cost (in local currency) associated with this step? *(not scored)*
106. Is “Tax Registration” required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*
107. What is the average time (in calendar days) to complete this step? *(not scored)*
108. What is the cost (in local currency) associated with this step? *(not scored)*
109. Is “Employer and/or Employee Registration” required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*
110. What is the average time (in calendar days) to complete this step? *(not scored)*
111. What is the cost (in local currency) associated with this step? *(not scored)*
112. Is the “Application and/or Receipt of General Operation License” required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*
113. What is the average time (in calendar days) to complete this step? *(not scored)*
114. What is the cost (in local currency) associated with this step? *(not scored)*
115. Is there any “Additional” step(s) required by law or commonly done in practice to start a domestic company? (Y/N) *(not scored)*
116. What is the average time (in calendar days) to complete this step? *(not scored)*
117. What is the cost (in local currency) associated with this step? *(not scored)*

118. Are any of the steps indicated above commonly completed simultaneously in practice? (*not scored*)

119. What is the total time to complete the entire company entry process for domestic companies (calendar days)?

120. What is the total cost to complete the entire company entry process for domestic companies?

3.1 DOMESTIC FIRMS			
3.1.1 Total Time to Register a New Domestic Firm			
Indicators	FFP	SBP	Total Points
Total Time to Register a New Domestic Firm (119)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Total Cost to Register a New Domestic Firm			
Indicators	FFP	SBP	Total Points
Total Cost to Register a New Domestic Firm (120)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.2	100	n/a	100
Total Points for Category 3.1	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.

3.2 FOREIGN FIRMS

121. Are there any unique additional step(s) required by law or commonly done in practice for foreign companies? (Y/N) (*not scored*)

122. What is the average time (in calendar days) to complete the additional steps? (*not scored*)

123. What is the cost (in local currency) associated with the additional steps? (*not scored*)

124. Are any of the steps you selected for domestic companies different for foreign companies in terms of their associated time and/or cost? (Y/N) (*not scored*)

125. What is the total time to complete the entire company entry process for foreign companies (calendar days)?

126. What is the total cost to complete the entire company entry process for foreign companies?

3.2 FOREIGN FIRMS			
3.2.1 Total Time to Register a New Foreign Firm			
Indicators	FFP	SBP	Total Points
Total Time to Register a New Foreign Firm (125)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Total Cost to Register a New Foreign Firm			

Total Cost to Register a New Foreign Firm (126)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.2	100	n/a	100
Total Points for Category 3.2	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.

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 the 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 the 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 the 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 the regulatory burden on firms by offering clarity on rules and regulations.

In this context, the Business Location topic measures the effectiveness of the regulatory framework, the quality of governance, and the transparency and operational 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 operational efficiency pillar relate to firm flexibility only.

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 quality of regulations pertaining to property transfer, building, and environmental permitting, covering de jure features of a regulatory framework that are necessary for immovable property lease, property ownership, urban planning, and environmental licenses. The second pillar assesses the quality of public services and transparency of information in the provision of property transfer, building, and environmental permitting. The third pillar measures the operational efficiency of establishing 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 along with their respective categories and subcategories.

Table 1. Summary Table of all Three Pillars for the Business Location Topic

Pillar I—Quality of Regulations for Business Location (66 indicators)	
1.1	Property Transfer and Land Administration (12 indicators)

1.1.1	Property Transfer Standards (4 indicators)
1.1.2	Land Dispute Mechanisms (4 indicators)
1.1.3	Land Administration System (4 indicators)
1.2	Building, Zoning and Land Use (20 indicators)
1.2.1	Building Standards (12 indicators)
1.2.2	Building Energy Standards (3 indicators)
1.2.3	Zoning and Land Use Regulations (5 indicators)
1.3	Restrictions on Owning and Leasing Property (19 indicators)
1.3.1	Domestic Firms–Ownership (4 indicators)
1.3.2	Domestic Firms–Leasehold (5 indicators)
1.3.3	Foreign Firms–Ownership (5 indicators)
1.3.4	Foreign Firms–Leasehold (5 indicators)
1.4	Environmental Permits (15 indicators)
1.4.1	Environmental Permits for Construction (13 indicators)
1.4.2	Dispute Mechanisms for Construction-Related Environmental Permits (2 indicators)
Pillar II–Quality of Public Services and Transparency of Information for Business Location (52 indicators)	
2.1	Availability and Reliability of Digital Services (23 indicators)
2.1.1	Property Transfer–Digital Public Services (7 indicators)
2.1.2	Property Transfer–Digital Land Management and Identification System (4 indicators)
2.1.3	Property Transfer–Coverage of the Land Registry and Mapping Agency (4 indicators)
2.1.4	Building Permits–Digital Public Services (4 indicators)
2.1.5	Environmental Permits–Digital Public Services (4 indicators)
2.2	Interoperability of Services (6 indicators)
2.2.1	Interoperability of Services for Property Transfer (4 indicators)
2.2.2	Interoperability of Services for Building Permits (2 indicators)
2.3	Transparency of Information (23 indicators)
2.3.1	Immovable Property (includes gender) (12 indicators)
2.3.2	Building, Zoning and Land Use (8 indicators)
2.3.3	Environmental Permits (3 indicators)
Pillar III–Operational Efficiency of Establishing a Business Location (8 indicators)	
3.1	Property Transfer and Land Administration (3 indicators)
3.1.1	Major Constraints on Access to Land (1 indicator)
3.1.2	Time to Transfer a Property (1 indicator)
3.1.3	Cost to Transfer a Property (1 indicator)
3.2	Construction Permits (3 indicators)
3.2.1	Time to Obtain a Construction-Related Permits (1 indicator)
3.2.2	Time to Obtain a Building Permit (1 indicator)
3.2.3	Cost to Obtain a Building Permit (1 indicator)
3.3	Environmental Permit (2 indicators)
3.3.1	Time to Obtain an Environmental Permit (1 indicator)
3.3.2	Cost to Obtain an Environmental Permit (1 indicator)

1. PILLAR I. QUALITY OF REGULATIONS FOR BUSINESS LOCATION

Table 2 shows the structure for Pillar I, Quality of Regulations for Business Location. 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 Business Location

1.1	Property Transfer and Land Administration
1.1.1	Property Transfer Standards

1.1.2	Land Dispute Mechanisms
1.1.3	Land Administration System
1.2	Building, Zoning and Land Use
1.2.1	Building Standards
1.2.2	Building Energy Standards
1.2.3	Zoning and Land Use Regulations
1.3	Restrictions on Owning and Leasing Property
1.3.1	Domestic Firms–Ownership
1.3.2	Domestic Firms–Leasehold
1.3.3	Foreign Firms–Ownership
1.3.4	Foreign Firms–Leasehold
1.4	Environmental Permits
1.4.1	Environmental Permits for Construction
1.4.2	Dispute Mechanisms for Construction-Related Environmental Permits

1.1 Property Transfer and Land Administration

Category 1.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Property Transfer 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 transfer standards can improve efficiency and transparency of property transactions, reduce costs, and increase accuracy of property information.⁶ Therefore, Subcategory 1.1.1–Property Transfer Standards comprises four indicators (table 3).

Table 3. Subcategory 1.1.1–Property Transfer 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 immovable property registry to make them enforceable against third parties
4	Legal Provision on the 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 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 to reduce court cases.⁹ Therefore, Subcategory 1.1.2–Land Dispute Mechanisms comprises four indicators (table 4).

Table 4. Subcategory 1.1.2–Land Dispute Mechanisms

	Indicators	Components
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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 or Mediation as Alternative Land Disputes Resolution Mechanisms	Conciliation or mediation offered as an out-of-court resolution mechanism for land disputes
3	Legal Provisions for Protection of Property Title	Property title subject to a guarantee
4	Legal Provisions to Provide Out-of-Court Compensation for Losses due to Erroneous Information from the Immovable Property Registry	Out-of-court compensation mechanism to allow for compensation payments to parties who suffer losses due to an error in title registration

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, as well as a sound infrastructure to maintain land information supported by an appropriate institutional framework.¹¹ Therefore, Subcategory 1.1.3–Land Administration System comprises four indicators (table 5).

Table 5. Subcategory 1.1.3–Land Administration System

	Indicators	Components
1	Disclosure of Immovable Property Registry Information	Access to property ownership information
2	Infrastructure for Land Administration	Existence of cadaster/mapping agency (institution in charge of surveying each plot of land)
3	Disclosure of Cadastral Information	Access to cadastral plans of privately held land plots
	Integration of Land Administration and Tax Value Information	Cadaster (or immovable property registry) includes information on tax value of the real property

1.2 Building, Zoning and Land Use

Category 1.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Building 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.¹² Therefore, Subcategory 1.2.1–Building Standards comprises twelve indicators (table 6).

Table 6. Subcategory 1.2.1–Building 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) Structural Resilience ii) Fire Safety iii) Accessibility and Inclusivity iv) Health and Sanitation v) Energy Efficiency in Building Design and Sustainability vi) Building Classification vii) Land Use Regulations viii) Quality Assurance Inspections and Compliance Enforcement ix) Maintenance and Renovation Requirements
3	Regulation of Health Risk Related to Construction Materials	Regulatory framework requirements for handling, removing, or disposing of hazardous construction materials (e.g. asbestos, lead, mercury devices, or polychlorinated biphenyls)
4	Responsibility for Compliance with Legal Requirements	<ul style="list-style-type: none"> i) Public agency ii) Third-party architectural and engineering firms
5	Qualifications to Conduct Technical Supervision/Inspections	<ul style="list-style-type: none"> i) Is an architect or engineer ii) Pass a mandatory exam iii) Years of practical experience iv) Member of association of architects or civil engineers
6	Type of Inspections Carried Out During Construction	<p>Type of inspections carried out during construction required by law during construction to assure structural safety</p> <ul style="list-style-type: none"> i) Phased ii) Risk-based
7	Responsibility for Conducting Inspections During Construction	<ul style="list-style-type: none"> i) Third-party engineer or engineering firm ii) Governmental agencies
8	Requirement of Final Inspection by Law	Requirement of final inspection by law before a building can be occupied
9	Liability for Structural Flaws/Problems	<ul style="list-style-type: none"> i) Liability of construction company architect or engineer ii) Liability of third-party inspectors iii) Liability of government agencies
10	Occupancy Permit	Requirement of an occupancy permit before a building can be occupied
11	Ability to Dispute Building Permit Decisions	Ability to dispute building permit decisions
12	Building Control Agency Authority	<ul style="list-style-type: none"> i) Ability to issue emergency orders to address building safety concerns ii) Authority to issue orders against non-compliance with building regulations iii) Authority to initiate prosecution in a court for building codes violation iv) Authority to recommend license suspension for non-compliant building practitioners

1.2.2 Building Energy Standards

Building energy standards are essential tools for promoting energy efficiency and reducing greenhouse gas emissions in the building sector. Building energy standards are regulatory requirements that set minimum energy efficiency requirements for new buildings.¹³ Energy efficiency performance standards in building energy codes typically include several key elements, including building envelope requirements, lighting, and heating and cooling requirements.¹⁴ Therefore, Subcategory 1.2.2–Building Energy Standards comprises three indicators (table 7).

Table 7. Subcategory 1.2.2–Building Energy Standards

	Indicators	Components
1	Mandatory Minimum Energy Efficiency Performance Standards	Mandatory minimum energy efficiency performance standards
2	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 xi) Insulation and heat traps
3	Incentives to Promote Green Building Standards	Incentives to promote green building standards

1.2.3 Zoning and Land Use Regulations

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.¹⁵ 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.¹⁶ Zoning can also provide the opportunity to stimulate or slow down development in specific areas.¹⁷ Therefore, Subcategory 1.2.3–Zoning and Land Use Regulations comprises five indicators on land use and zoning regulations (table 8).

Table 8. Subcategory 1.2.3–Zoning and Land Use Regulations

	Indicators	Components
1	Requirements for Essential Infrastructure Service Access (Water, Electricity, Sanitation)	Requirements for essential infrastructure service access (water, electricity, sanitation)
2	Maps that Identify Areas Allocated to Residential, Commercial, Agricultural, Recreational, Public/Institutional, Mixed Use	Land use maps that identify areas allocated to residential, commercial, agricultural, recreational, public/institutional, mixed use
3	Hazard Maps that Identify Areas where Construction is not Permitted due to Natural Hazards	Hazard maps that identify areas where construction is not permitted due to natural hazards
4	Hazard Maps that Identify Minimum Separation Between Residential and Hazardous Occupancies	Hazard maps that identify minimum separation between residential and hazardous occupancies
5	Maps that Identify Areas in which Building is not Permitted in relation to Natural Resources	Maps that identify areas in which construction is prohibited due considerations such as conservation areas, water bodies, environmentally sensitive zones or other natural resource related factors

1.3 Restrictions on Owning and Leasing Property

Category 1.3 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

1.3.1 Domestic Firms–Ownership

Restrictions for domestic firms to own a property limit their ability to access capital and other resources, which can hinder competitiveness and reduce investments.¹⁸ Therefore, Subcategory 1.3.1–Domestic Firms–Ownership comprises four indicators (table 9).

Table 9. Subcategory 1.3.1–Domestic Firms–Ownership

	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 Ownership Based on the Location of Property for Domestic Firms	Restriction on ownership based the location of property 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 Based on the Type of Building for Domestic Firms	Restriction on ownership based on the type of building for domestic firms

1.3.2 Domestic Firms–Leasehold

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.¹⁹ Leasing restrictions on land can limit the ability of domestic firms to acquire a property, which can hinder their growth and development.²⁰ Therefore, Subcategory 1.3.2–Domestic Firms–Leasehold comprises five indicators (table 10).

Table 10. Subcategory 1.3.2–Domestic Firms–Leasehold

	Indicators	Components
1	Restriction on Leasehold Based on the Area of the Land for Domestic Firms	Restriction on leasehold based on the area of the land for domestic firms
2	Restriction on the Duration of the Lease for Domestic Firms	Restriction on the duration of the lease for domestic firms
3	Restriction on Leasehold Based on the Location of Property for Domestic Firms	Restriction on leasehold based on the location of property for domestic firms
4	Restriction on Leasehold of Agricultural Land for Domestic Firms	Restriction on leasehold of agricultural land for domestic firms
5	Restriction on Leasehold Based on the Type of Building for Domestic Firms	Restriction on leasehold based on the type of building for domestic firms

1.3.3 Foreign Firms–Ownership

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.²¹ Such restrictions can hinder the ability of foreign firms to invest in a particular country, leading to reduced economic performance, lower financial development.²² Therefore, Subcategory 1.3.3–Foreign Firms–Ownership comprises five indicators (table 11).

Table 11. Subcategory 1.3.3–Foreign Firms–Ownership

	Indicators	Components
1	Restriction on Ownership Based on the Area of the Land for Foreign Firms	Restriction on ownership based on the area of the 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 Ownership Based on the Location of Property for Foreign Firms	Restriction on ownership based on the location of property for foreign firms
4	Restriction on Ownership of Agricultural Land for Foreign Firms	Restriction on ownership of agricultural land for foreign firms
5	Restrictions on Ownership Based on the Type of Building for Foreign Firms	Restrictions on ownership based on the type of building for foreign firms

1.3.4 Foreign Firms–Leasehold

A lease is an agreement between the owner of a property who will allow the lessee to use this property for profit.²³ Some economies have strict rules on the duration of leases, while others allow for a much longer period, usually ninety-nine 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.²⁴ Therefore, Subcategory 1.3.4–Foreign Firms–Leasehold comprises five indicators (table 12).

Table 12. Subcategory 1.3.4–Foreign Firms–Leasehold

	Indicators	Components
1	Restriction on Leasehold Based on the Area of the Land for Foreign Firms	Restriction on leasehold based on the area of the land for foreign firms
2	Restriction on the Duration of Lease for Foreign Firms	Restriction on the duration of lease for foreign firms
3	Restriction on Leasehold Based on the Location of Property for Foreign Firms	Restriction on leasehold based on the location of property for foreign firms
4	Restriction on leasehold of Agricultural Land for Foreign Firms	Restriction on leasehold of agricultural land for foreign firms
5	Restriction on Leasehold Based on the Type of Building for Foreign Firms	Restriction on leasehold based on the type of building for foreign firms

1.4 Environmental Permits

Category 1.4 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

1.4.1 Environmental Permits for 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.²⁵ 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.²⁶ 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.²⁷ Therefore, Subcategory 1.4.1–Environmental Permits for Construction comprises thirteen indicators (table 13).

Table 13. Subcategory 1.4.1–Environmental Permits for Construction

	Indicators	Components
1	Environmental Risks as Defined by Legal Framework	Environmental risks as defined by legal framework for new construction projects
2	Environmental Permits Requirements for Construction	i) Permits requirement to prevent pollution (air, water, soil) during or from construction projects in the building industry ii) Permits requirement to govern extraction of water resources during or from construction projects in the building industry

		<ul style="list-style-type: none"> iii) Permits requirements to govern waste management and recycling during or from construction projects in the building industry iv) Permits requirement to govern wastewater treatment during or from construction projects in the building industry
3	Enforcement Mechanism for Environmental Permits	Penalties or fines in place for non-compliance with the regulations
4	Qualified Professional/Professional Agency to Conduct EIA	Qualified professional/professional agency to conduct environmental impact assessment (EIA)
5	Criteria that Trigger an EIA	<ul style="list-style-type: none"> i) Size of project ii) Nature of industry iii) Geographical location iv) Environmental Impact
6	EIA for Projects with Low Environmental Impact	All projects, including those categorized as having a low environmental impact, must obtain an environmental approval by a public entity
7	Requirements for an EIA Process	<ul style="list-style-type: none"> 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	Environmental Impact Assessment (EIA) subject to a formal review with guidelines and procedures
9	Qualified Professional to Review EIA	Qualified professional/professional agency to conduct a formal review of environmental impact assessment (EIA)
10	Enforcement Mechanism of EIA Decisions	Penalties or fines in place for non-compliance with the Environmental Impact Assessment (EIA) regulations
11	Liability for Environmental Damages	Approving authority of an EIA or the project developer/owner can be held liable for environmental damages
12	Public Consultations Requirement Elements	<ul style="list-style-type: none"> i) Ensuring that the information is provided in a language that is accessible to the intended audience ii) Clear and accessible information in an accessible place, online, in gazettes, media, etc. iii) Capacity buildings (training, resources, and technical assistance to stakeholders, as needed)
13	Disclosure of EIA Information	Public disclosure of relevant information from Environmental Impact Assessment (EIA) mandatory by law

1.4.2 Dispute Mechanisms for Construction-Related Environmental Permits

Dispute mechanisms for environmental permits for construction can be critical in resolving conflicts that may arise during environmental clearance. Effective dispute resolution mechanisms should consider the 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, regulatory authorities, local communities, environmental organizations and nongovernmental organizations (NGOs), and government agencies.²⁸ Therefore,

Subcategory 1.4.2–Dispute Mechanisms for Construction-Related Environmental Permits comprises two indicators (table 14).

Table 14. Subcategory 1.4.2–Dispute Mechanisms for Construction-Related Environmental Permits

	Indicators	Components
1	Ability to Dispute Environmental Clearances and Permits	Ability to dispute environmental clearances and permits
2	Out-of-court Resolution Mechanisms for Environmental Disputes	i) Arbitration ii) Conciliation or mediation

2. PILLAR II. QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS LOCATION

Table 15 shows the structure for Pillar II, Quality of Public Services and Transparency of Information for Business Location. Each of this pillar’s categories and subcategories will be discussed in more detail in the order shown in the table.

Table 15. Pillar II–Quality of Public Services and Transparency of Information for Business Location

2.1	Availability and Reliability of Digital Services
2.1.1	Property Transfer–Digital Public Services
2.1.2	Property Transfer–Digital Land Management and Identification System
2.1.3	Property Transfer–Coverage of the Land Registry and Mapping Agency
2.1.4	Building Permits–Digital Public Services
2.1.5	Environmental Permits–Digital Public Services
2.2	Interoperability of Services
2.2.1	Interoperability of Services for Property Transfer
2.2.2	Interoperability of Services for Building Permits
2.3	Transparency of Information
2.3.1	Immovable Property (includes gender)
2.3.2	Building, Zoning and Land Use
2.3.3	Environmental Permits

2.1 Availability and Reliability of Digital Services

Category 2.1 is divided into five subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 Property Transfer–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. Digital tools 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.²⁹ 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.³⁰ Therefore, Subcategory 2.1.1–Property Transfer–Digital Public Services comprises seven indicators (table 16).

Table 16. Subcategory 2.1.1–Property Transfer–Digital Public Services

	Indicators	Components
1	Online Due Diligence Checking	i) Title search (ownership) ii) Outstanding taxes (tax agency) iii) Bankruptcy search

		iv) Company profile v) Cadastral plan
3	Online Due Diligence Checking – Encumbrances	i) Liens ii) Mortgages iii) Easements iv) Restrictions
3	Single Online Platform for Due Diligence Checking	Single online platform to conduct all the necessary due diligence checks for property transfer
4	Online Platform for Property Transfer	Online platform for registering property transfer
5	Processes Available Online for Property Transfer	i) Downloading forms ii) Uploading document iii) Getting notifications iv) Processing payment
6	Complaint Mechanisms for Immovable Property Registry	Complaint mechanisms for immovable property registry
7	Complaint Mechanisms for Cadaster	Complaint mechanisms for cadaster

2.1.2 Property Transfer–Digital Land Management and Identification System

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.³¹ Therefore, Subcategory 2.1.2–Property Transfer–Digital Land Management and Identification System comprises four indicators (table 17).

Table 17. Subcategory 2.1.2–Property Transfer–Digital Land Management and Identification System

	Indicators	Components
1	Format of Property Title Certificates	i) Certificates are digitalized (i.e., can be modified online) ii) Certificates are digitized (i.e., scanned)
2	Format of Cadastral Plans	i) Plans are digitalized (i.e., can be modified online) ii) Plans are digitized (i.e., scanned)
3	Method to Conduct Cadastral Surveying	i) Direct (in situ surveying) ii) Mixed (combination of in situ surveying and high-resolution pictures for each land parcel)
4	National Database for Checking Identification	National database for checking identification of parties involved in property transactions

2.1.3 Property Transfer–Coverage of the Land Registry and Mapping Agency

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.³² 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 Transfer–Coverage of the Land Registry and Mapping Agency comprises four indicators (table 18).

Table 18. Subcategory 2.1.3–Property Transfer–Coverage of the Land Registry and Mapping Agency

	Indicators	Components
1	Land Registration Coverage at National Level	Land registration coverage at national level

2	Land Registration Coverage at Main City Level	Land registration coverage at main city level
3	Cadastral Coverage at National Level	Cadastral coverage at national level
4	Cadastral Coverage at Main City Level	Cadastral coverage at main city level

2.1.4 Building Permits–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.³³ Digital building permitting services can improve communication between various stakeholders, including architects, contractors, and government officials.³⁴ Therefore, Subcategory 2.1.4–Building Permits–Digital Public Services comprises four indicators (table 19).

Table 19. Subcategory 2.1.4–Building Permits–Digital Public Services

	Indicators	Components
1	Online Platform for Issuing Building Authorizations	i) Online platform for building authorizations and full integration of authorizations from all relevant organizations outside of the planning/building control agency ii) Online platform for building authorizations and integration of some relevant authorizations from agencies outside of the planning/building control agency (but not all)
2	Online Permitting Systems with Several Functionalities	i) Online payment of fees 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	File Dispute Online on Building Permits	Mechanism available to file a dispute online on the final decision on building permits

2.1.5 Environmental Permits–Digital Public Services

Digital public services can also improve the quality of the built environment and can help ensure that building plans meet safety, health, and environmental standards.³⁵ Therefore, Subcategory 2.1.5–Environmental Permits–Digital Public Services comprises four indicators (table 20).

Table 20. Subcategory 2.1.5– Environmental Permits–Digital Public Services

	Indicators	Components
1	Online Permitting Systems to Facilitate Public Participation	Electronic system that facilitates public participation for environmental permitting
2	Online Permitting Systems with Several Functionalities	i) Online payment ii) Online communication iii) Online submission iv) Auto-generated checklist
3	Paper Copies Required in Conjunction with Online Submission	When submitting the documentation for obtaining environmental permits electronically, is it also necessary to send paper copies
4	File Dispute Online 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 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Interoperability of Services for Property Transfer

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 transactions³⁶. 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.³⁷ Therefore, Subcategory 2.2.1–Interoperability of Services for Property Transfer comprises four indicators (table 21).

Table 21. Subcategory 2.2.1–Interoperability of Services for Property Transfer

	Indicators	Components
1	Interoperability between Immovable Property Registry and Cadaster	Information recorded by the immovable property registry is shared electronically and in real time with the cadaster/mapping agency
2	Interoperability between Immovable Property Registry and other Services	Information recorded by the immovable property registry is shared electronically and in real time with other services
3	Existence of a Geographic Information System (GIS)	Existence of a Geographic Information System (GIS)
4	Existence of a Unique Identifier between Immovable Property Registry and Cadaster	Existence of a unique identifier between immovable property registry and cadaster

2.2.2 Interoperability of Services for Building Permits

Interoperability in building permits can improve the efficiency and transparency of the permitting process³⁸. 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 Services for Building Permits comprises two indicators (table 22).

Table 22. Subcategory 2.2.2–Interoperability of Services 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 local or central information data source/digital platform such as GIS or national spatial planning platform
2	Integration of GIS or National Spatial Platforms	Full 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 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.3.1 Immovable Property (includes gender)

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.³⁹ When all land-related information is publicly available, all fees for public services are easily accessible, this minimizes the possibilities of informal payments.

Moreover, from a gender perspective, equal property rights are important to foster inclusive economic growth. There is a significant link between a woman's ownership of property and her increased influence in family decisions, economic advancement, and the family's ability to withstand hardships. Having secure property rights goes beyond just contributing to economic growth and the welfare of future generations. It can also be a conduit for enhancing women's empowerment and independence.⁴⁰ As such, having sex-disaggregated data on property ownership 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.⁴¹ Therefore, Subcategory 2.3.1–Immovable Property (includes gender) comprises twelve indicators (table 23).

Table 23. Subcategory 2.3.1–Immovable Property (includes gender)

	Indicators	Components
1	Publication of Property Transactions Requirements	Updated information on property transactions requirements available online
2	Transparency of Property Transaction Costs	Updated information on property transactions costs available online
3	Service Standards at the Immovable Property Registry	Time to deliver a property ownership document available online
4	Transparency of Cadaster Costs	Updated information on cadastral plan costs available online
5	Service Standards for Cadaster	Time to deliver a cadastral plan available online
6	Availability of Statistics on Land Transactions	Updated statistics on number and type of land transactions available online
7	Availability of Statistics on Number and Type of Land Disputes	Updated statistics on number and type of land disputes available online
8	Availability of Sex-Disaggregated Statistics on Number and Type of Land Disputes	Sex-disaggregated statistics on number and type of land disputes available
9	Availability of Statistics on the Average Time to Resolve Land Disputes	Updated statistics on average time to resolve land disputes available online
10	Availability of Sex-Disaggregated Data on Land Ownership	Updated anonymized sex-disaggregated statistics on land ownership available online
11	Availability of Sex-Disaggregated Data on Land Ownership by Ownership Type	Sex-disaggregated statistics on land ownership differentiated by sole and/or joint proprietorship
12	Availability of Information on Property Tax Value	Information on property tax value available online

2.3.2 Building, Zoning and Land Use

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.⁴² In the realm of urban development, the interplay between building, zoning, and land use is pivotal. Ensuring public accessibility to planning and building control regulations is a cornerstone of transparent governance. This transparency extends to the public online availability of requirements for obtaining all types of building-related permits, as well as those needed to secure an occupancy permit. Moreover, it is essential that applicable fee schedules for construction are not only publicly available but also regularly updated to

reflect current standards. To facilitate informed decision-making, official statistics on the issuance of building permits should be updated and readily accessible online. Lastly, the city's master plan, including zoning, must be current and available for public scrutiny, with clear procedures outlined for any proposed modifications to zoning or land use plans, ensuring strict adherence to established zoning regulations. Therefore, Subcategory 2.3.2–Building, Zoning and Land Use comprises eight indicators (table 24).

Table 24. Subcategory 2.3.2–Building, Zoning and Land Use

	Indicators	Components
1	Public Accessibility of Planning and Building Control Regulations	Building control regulations, accessible to all stakeholders, including residents, developers, architects, and other interested parties
2	Public Online Availability of Requirements to Obtain All Types of Building Related Permit	Detailed criteria and steps necessary to obtain building permits List of approvals required prior to obtaining a building permit from local service providers List of documents required to apply for a building permit
3	Public Online Availability of Requirements Needed to Obtain Occupancy Permit	List of documents required to apply for an 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	Availability of Official, Updated and Publicly Available Online Statistics Tracking the Number of Issued Building Permits	Official, updated statistics tracking the number of building permits
6	Updated City Master Plan/Zoning Plan	Updated city master plan/zoning plan
7	Steps to Modify Zoning/Land Use Plan	Steps to modify zoning/land use plan
8	Adherence to Zoning Regulations	Adherence to zoning regulations verified before submitting a building permit application

2.3.3 Environmental Permits

Transparency in environmental licenses ushers a new standard in environmental governance, particularly in the context of construction projects with moderate environmental risk. A key aspect of this governance is the public online availability of requirements for obtaining environmental licensing, which empowers stakeholders by providing clear, accessible information. Equally important is the maintenance of an up-to-date fee schedule for all types of environmental clearances, ensuring that applicants are aware of the financial implications of compliance. Therefore, Subcategory 2.3.3–Environmental Permits comprises three indicators (table 25).

Table 25. Subcategory 2.3.3–Environmental Permits

	Indicators	Components
1	Public Online Availability of Environmental Licensing Requirements for Moderate-Risk Construction Project	i) Available online and updated ii) Available online but not updated iii) Not available online iv) Available in paper format
2	Applicable and Up to Date Fee Schedule for Environmental Clearances	Current fee schedule applicable for environmental permits is available online
3	Availability of Official, Updated and Publicly Available List of approved EIAs	Public, official and updated information shows a list or total number of approved EIAs

Note: EIA = Environmental Impact Assessment

3. PILLAR III. OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION

Table 26 shows the structure for Pillar III, Operational Efficiency of Establishing 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—Operational Efficiency of Establishing a Business Location

3.1	Property Transfer and Land Administration
3.1.1	Major Constraints on Access to Land
3.1.2	Time to Transfer a Property
3.1.3	Cost to Transfer a Property
3.2	Construction Permits
3.2.1	Time to Obtain a Construction-Related Permit
3.2.2	Time to Obtain a Building Permit
3.2.3	Cost to Obtain a Building Permit
3.3	Environmental Permit
3.3.1	Time to Obtain an Environmental Permit
3.3.2	Cost to Obtain an Environmental Permit

3.1 Property Transfer and Land Administration

Category 3.1 is divided into three subcategories consisting of one indicator each.

3.1.1 Major Constraints on Access to Land

Secure access to land poses a significant hurdle for firms, acting as a bottleneck to their growth and operations. This uncertainty can deter investments, stifle development projects, and impede the expansion of businesses, particularly in sectors such as agriculture, manufacturing, and real estate.⁴³ Therefore, Subcategory 3.1.1—Major Constraints on Access to Land comprises one indicator (table 27).

Table 27. Subcategory 3.1.1—Major Constraints on Access to Land

	Indicators	Components
1	Major Constraints on Access to Land	Perceptions index of access to land as a constraint

3.1.2 Time to Transfer a 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.⁴⁴ Therefore, Subcategory 3.1.2—Time to Transfer a Property comprises one indicator (table 28).

Table 28. Subcategory 3.1.2—Time to Transfer a Property

	Indicators	Components
1	Time to Transfer a Property	The period in calendar days to complete the entire process to transfer the ownership of a commercial property from one domestic company to another domestic company

3.1.3 Cost to Transfer a 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.⁴⁵ Therefore, Subcategory 3.1.3–Cost to Transfer a Property comprises one indicator (table 29).

Table 29. Subcategory 3.1.3–Cost to Transfer a Property

	Indicators	Components
1	Cost to Transfer a Property	Includes all administrative 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 Construction Permits

Category 3.2 is divided into three subcategories consisting of one indicator each.

3.2.1 Time to Obtain a Construction-Related Permit

The speed of obtaining construction-related permits directly impacts business operations and investment decisions. Lengthy and cumbersome permit procedures can delay construction projects, leading to increased costs, missed deadlines, and potential disruptions to business activities. Conversely, shorter permit processing times can enhance the attractiveness of a location for investment, encouraging firms to allocate resources more efficiently and stimulating economic growth. Time to Obtain a Construction-Related Permit indicator shows the average number of days it takes to receive a construction-related permit from the time an establishment applies for it until it is granted. Therefore, Subcategory 3.2.1–Time to Obtain a Construction-Related Permit comprises one indicator (table 30).

Table 30. Subcategory 3.2.1–Time to Obtain a Construction-Related Permit

	Indicators	Components
1	Time to Obtain a Construction-Related Permit	The period in calendar days between the time the application was completed and submitted and the time it was granted. These permits refer to both those related to the expansion or construction of the establishment's premises and to permits required in order to carry out construction work for clients

3.2.2 Time to Obtain a Building Permit

There can be significant variation in the time required to obtain building 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).⁴⁶ 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 3.2.2–Time to Obtain a Building Permit comprises one indicator (table 31).

Table 31. Subcategory 3.2.2–Time to Obtain a Building Permit

	Indicators	Components
1	Time to Obtain a Building Permit	The period in calendar days to complete the entire process to obtain a building permit for a commercial property-office building type

3.2.3 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.⁴⁷ Therefore, Subcategory 3.2.3–Cost to Obtain a Building Permit has one indicator (table 32).

Table 32. Subcategory 3.2.3–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

3.3 Environmental Permit

Category 3.3 is divided into two subcategories consisting of one indicator each.

3.3.1 Time to Obtain an Environmental Permit

Establishing clear and transparent environmental permit procedures can help reduce the time to obtain environmental permits, which is essential for promoting sustainable development.⁴⁸ Delays in environmental permits can significantly increase project costs and result in economic losses. Therefore, Subcategory 3.3.1–Time to Obtain Environmental Permit comprises one indicator (table 33).

Table 33. Subcategory 3.3.1–Time to Obtain an Environmental Permit

	Indicators	Components
1	Time to Obtain an Environmental Permit	The period in calendar days to complete all steps to obtain environmental licenses

3.3.2 Cost to Obtain an Environmental Permit

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.⁴⁹ Therefore, Subcategory 3.3.2–Cost to Obtain an Environmental Permit comprises one indicator (table 34).

Table 34. Subcategory 3.3.2–Cost to Obtain an Environmental Permit

	Indicators	Components
1	Cost to Obtain an Environmental Permit	Includes all costs incurred by the firm to obtain the environmental permit

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 lawyers and practitioners working in the areas of property transfer, building permitting, and environmental permitting such as property lawyers, notaries, conveyancers, architects, engineers, environmental consultants, environmental engineers, and environmental planners.

The data for Pillar III are collected through consultation with private sector experts and Enterprise Surveys (ES). The ES provides representative data on major constraints on access to land and the time to obtain construction-related permits, 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 the ES, please refer to the Overview Chapter of this Methodology Handbook.

The data on time and cost to transfer property, to obtain a building permit, and to obtain an environmental permit are collected through consultation with private sector experts. 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 building permits). Finally, broad parameters are defined (as described in Section IV below) to ensure data comparability across economies.

4.2 Screening and Selection of Experts

The Business Location topic has three questionnaires, one for each area: 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 receiving the Business Location topic questionnaires based on a set of criteria (table 35).

Table 35. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions	
Property Transfer	Property lawyers, notaries, conveyancers
Building Permits	Architects, engineers, construction lawyers
Environmental Permits	Environmental consultants, environmental engineers, and environmental planners
Relevant Areas of Specialization	
Property Transfer	Property law, notarial services, conveyancing
Building Permits	Architecture, civil engineering, construction contracting, construction law
Environmental Permits	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/immovable property 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 Permits	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 Permits	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

Thus, 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.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Business Location topic uses general and 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 employ a common general parameter of location. Many economies have subnational jurisdictions (such as the state level), which require a specific business location to be specified for experts to identify the relevant regulatory framework to be assessed.

5.1.1 Business Location

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 the 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 business location parameter is used in cases where regulations are not applicable at the 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 to transfer property, a building permit and an environmental permit 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.⁵⁰ 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.⁵¹ 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 for Building Permitting and Property Transfer 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 for Building Permitting 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)⁵².
 - 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 and Size of Project

Justification:

Environmental clearances and permit requirements vary depending on the 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.⁵³ 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.⁵⁴

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.⁵⁵ 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 for Environmental Permitting provide 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: 600.⁵⁶

V. TOPIC SCORING

The Business Location topic has three pillars: Pillar I–Quality of Regulations for Business Location; Pillar II–Quality of Public Services and Transparency of Information for Business Location, and Pillar III–Operational Efficiency of Establishing 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 Number	Pillar	Number of Indicators	Score			Rescaled Points (0-100)	Weight
			Firm Flexibility Points	Social Benefits Points	Total Points		
I	Quality of Regulations for Business Location	66	48	47	95	100	0.33
II	Quality of Public Services and Transparency of Information for Business Location	52	52	52	104	100	0.33
III	Operational Efficiency of Establishing a Business Location	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–Quality of Regulations for Business Location

Pillar I covers 66 indicators with a total score of 95 points (48 points on firm flexibility and 47 points on social benefits) (table 37). The scoring for each category under this pillar is as follows:

- 6.1.1** *Property Transfer and Land Administration* has 12 indicators with a total maximum score of 24 points (12 points on firm flexibility and 12 points on social benefits). Specifically, this category has three subcategories. The *Property Transfer Standards* Subcategory has 4 indicators. The *Land Dispute Mechanisms* Subcategory has 4 indicators. The *Land Administration System* Subcategory has 4 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 points are assigned to both categories.

6.1.2 *Building, Zoning and Land Use* has 20 indicators with a total maximum score of 35 points (15 points on firm flexibility and 20 points on social benefits). Specifically, the *Building Standards* Subcategory has 12 indicators; the *Building Energy Standards* Subcategory has 3 indicators; the *Zoning and Land Use Regulations* Subcategory has 5 indicators. Some measures under this category have either a neutral impact on firms, or an ambiguous impact and hence are not scored.

6.1.3 *Restrictions on Owning and Leasing Property* has 19 indicators with a total maximum score of 19 points (19 points on firm flexibility and 0 on social benefits). Specifically, this category has 4 subcategories: the *Domestic Firms–Ownership* Subcategory has 4 indicators; the *Domestic Firms–Leasehold* Subcategory has 5 indicators; the *Foreign Firms–Ownership* Subcategory has 5 indicators; and the *Foreign Firms–Leasehold* Subcategory 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 a flexible environment for firms (firm flexibility). On the other hand, the short-term impact of such restriction on society is ambiguous (social benefits). Hence, points are only assigned to firm flexibility.

6.1.4 *Environmental Permits* has 15 indicators with a total maximum score of 17 points (2 points on firm flexibility and 15 points on social benefits). Specifically, this category has 2 subcategories; the *Environmental Permits for Construction* Subcategory has 13 indicators, and the *Dispute Mechanisms for Construction-Related Environmental Permits* 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.

Table 37. Aggregate Scoring Pillar I

Pillar I–Quality of Regulations for Business Location		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Property Transfer and Land Administration	12	12	12	24	40.00
1.1.1	Property Transfer Standards	4	4	4	8	15.00
1.1.2	Land Dispute Mechanism	4	4	4	8	10.00
1.1.3	Land Administration System	4	4	4	8	15.00
1.2	Building, Zoning and Land Use	20	15	20	35	40.00
1.2.1	Building Standards	12	10	12	22	15.00
1.2.2	Building Energy Standards	3	n/a	3	3	15.00
1.2.3	Zoning and Land Use Regulations	5	5	5	10	10.00
1.3	Restrictions on Owning and Leasing Property	19	19	n/a	19	10.00
1.3.1	Domestic Firms–Ownership	4	4	n/a	4	2.50
1.3.2	Domestic Firms–Leasehold	5	5	n/a	5	2.50
1.3.3	Foreign Firms–Ownership	5	5	n/a	5	2.50
1.3.4	Foreign Firms–Leasehold	5	5	n/a	5	2.50
1.4	Environmental Permits	15	2	15	17	10.00
1.4.1	Environmental Permits for Construction	13	n/a	13	13	5.00
1.4.2	Dispute Mechanisms for Construction-Related Environmental Permits	2	2	2	4	5.00
Total		66	48	47	95	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–Quality of Public Services and Transparency of Information for Business Location

Pillar II covers 52 indicators with a total score of 104 points (52 points on firm flexibility and 52 points on social benefits) (table 38). The scoring for each category under the pillar is as follows:

- 6.2.1** *Availability and Reliability of Digital Services* has 23 indicators with a total maximum score of 46 points (23 points on firm flexibility and 23 points on social benefits). Specifically, the *Property Transfer–Digital Public Services* Subcategory has 7 indicators; the *Property Transfer–Digital Land Management and Identification System* Subcategory has 4 indicators; the *Property Transfer–Coverage of the Land Registry and Mapping Agency* Subcategory has 4 indicators; the *Building Permits–Digital Public Services* has 4 indicators and the *Environmental Permits–Digital Public Services* Subcategory has 4 indicators. Availability of online services for property transactions, building permitting and environmental permitting increases efficiency and supports public accountability, therefore extending benefits to firms (firm flexibility) and society as a whole (social benefits). Hence, equal points are assigned to both categories.
- 6.2.2** *Interoperability of Services* has 6 indicators with a total maximum score of 12 points (6 points on firm flexibility and 6 points on social benefits). Specifically, the *Interoperability of Services for Property Transfer* 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 points are assigned to both categories.
- 6.2.3** *Transparency of Information* has 23 indicators with a total maximum score of 46 points (23 points on firm flexibility and 23 on social benefits). Specifically, the *Immovable Property (includes gender)* Subcategory has 12 indicators; the *Building, Zoning and Land Use* Subcategory has 8 indicators; and the *Environmental Permits* 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 points are assigned to both categories.

Table 38. Aggregate Scoring Pillar II

Pillar II–Quality of Public Services and Transparency of Information for Business Location		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Availability and Reliability of Digital Services	23	23	23	46	40.00
2.1.1	Property Transfer–Digital Public Services	7	7	7	14	12.00
2.1.2	Property Transfer–Digital Land Management and Identification System	4	4	4	8	6.00
2.1.3	Property Transfer–Coverage of the Land Registry and Mapping Agency	4	4	4	8	6.00
2.1.4	Building Permits–Digital Public Services	4	4	4	8	8.00
2.1.5	Environmental Permits– Digital Public Services	4	4	4	8	8.00
2.2	Interoperability of Services	6	6	6	12	20.00
2.2.1	Interoperability of Services for Property Transfer	4	4	4	8	10.00
2.2.2	Interoperability of Services for Building Permits	2	2	2	4	10.00

2.3	Transparency of Information	23	23	23	46	40.00
2.3.1	Immovable Property (includes gender)	12	12	12	24	20.00
2.3.2	Building, Zoning and Land Use	8	8	8	16	15.00
2.3.3	Environmental Permits	3	3	3	6	5.00
	Total	52	52	52	104	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.3 Pillar III–Operational Efficiency of Establishing a Business Location

Pillar III covers 8 indicators with scores ranging from 0 to 100 on firm flexibility (table 39). 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. The scoring for each category under this pillar is as follows:

- 6.3.1** *Property Transfer and Land Administration* has 3 indicators with a total maximum score of 40 points. Specifically, the *Major Constraints on Access to Land* Subcategory has 1 indicator, the *Time to Transfer a Property* Subcategory has 1 indicator and the *Cost to Transfer a Property* Subcategory has 1 indicator.
- 6.3.2** *Construction Permits* has 3 indicators with a total maximum score of 40 points. Specifically, the *Time to Obtain a Construction-Related Permit* Subcategory has 1 indicator, the *Time to Obtain a Building Permit* Subcategory has 1 indicator and the *Cost to Obtain a Building Permit* Subcategory has 1 indicator.
- 6.3.3** *Environmental Permits* has 2 indicators with a total maximum score of 20 points. Specifically, the *Time to Obtain an Environmental Permit* Subcategory has 1 indicator and the *Cost to Obtain an Environmental Permit* Subcategory has 1 indicator.

Table 39. Aggregate Scoring Pillar III

Pillar III–Operational Efficiency of Establishing a Business Location		No. of Indicators	Rescaled Points
3.1	Property Transfer and Land Administration	3	40.00
3.1.1	Major Constraints on Access to Land	1	13.33
3.1.2	Time to Transfer a Property	1	13.33
3.1.3	Cost to Transfer a Property	1	13.33
3.2	Construction Permits	3	40.00
3.2.1	Time to Obtain a Construction-Related Permit	1	13.33
3.2.2	Time to Obtain a Building Permit	1	13.33
3.2.3	Cost to Obtain a Building Permit	1	13.33
3.3	Environmental Permit	2	20.00
3.3.1	Time to Obtain an Environmental Permit	1	10.00
3.3.2	Cost to Obtain an Environmental Permit	1	10.00
	Total	8	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

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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 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 FOR BUSINESS LOCATION					
1.1. PROPERTY TRANSFER AND LAND ADMINISTRATION					
1.1.1 Property Transfer Standards					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Legal Obligation to Check Compliance of Documents with the Law	1	1	2	3.75	Bennison (2006); Deininger and Feder (2009)
Legal Obligation to Verify Identities of the Parties	1	1	2	3.75	Bennison (2006); Deininger and Feder (2009)
Legal Obligation to Register Sales Transactions	1	1	2	3.75	Bennison (2006); Deininger and Feder (2009)
Legal Provision on the Legality of Online Documents	1	1	2	3.75	Bennison (2006); Deininger and Feder (2009)
Total Points for Subcategory 1.1.1	4	4	8	15.00	
1.1.2 Land Dispute Mechanisms					
Legal Provisions for Arbitration as an Alternative Land Disputes Resolution Mechanism	1	1	2	2.50	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provisions for Conciliation or Mediation as Alternative Land Disputes Resolution Mechanisms	1	1	2	2.50	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provision for Protection of Property Title	1	1	2	2.50	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provisions to Provide Out-of-Court Compensation for Losses due to Erroneous Information from the Immovable Property Registry	1	1	2	2.50	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Total Points for Subcategory 1.1.2	4	4	8	10.00	
1.1.3 Land Administration System					
Disclosure of Immovable Property Registry Information	1	1	2	3.75	Deininger and Feder (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Infrastructure for Land Administration	1	1	2	3.75	Deininger and Feder (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)

Disclosure of Cadastral Information	1	1	2	3.75	Deiningering and Fedor (2009); Deiningering and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Integration of Land Administration and Tax Value Information	1	1	2	3.75	Deiningering and Fedor (2009); Deiningering and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Total Points for Subcategory 1.1.3	4	4	8	15.00	
Total Points for Category 1.1	12	12	24	40.00	
1.2 BUILDING, ZONING AND LAND USE					
1.2.1 Building Standards					
Building Codes/Standards Applicable to All Constructions	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Clear Provisions or Guidelines Regarding Safety Standards	n/a	1	1	0.68	IFC, World Bank, and MIGA (2013)
Regulation of Health Risk Related to Construction Materials	n/a	1	1	0.68	IFC, World Bank, and MIGA (2013)
Responsibility for Compliance with Legal Requirements	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Qualifications to Conduct Technical Supervision/Inspections	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Type of Inspections Carried Out During Construction	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Responsibility for Conducting Inspections During Construction	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Requirement of Final Inspection by Law	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Liability for Structural Flaws/Problems	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Occupancy Permit	1	1	2	1.36	Kuprenas and Chalmers (1999);
Ability to Dispute Building Permit Decisions	1	1	2	1.36	IFC, World Bank, and MIGA (2013)
Building Control Agency Authority	1	1	2	1.36	Lovegrove and Cotton (2022)
Total Points for Subcategory 1.2.1	10	12	22	15.00	
1.2.2 Building Energy Standards					
Mandatory Minimum Energy Efficiency Performance Standards	n/a	1	1	5.00	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	5.00	Garrido, Tapia, and Vergara (2019); Rosenberg et al. (2014)
Incentives to Promote Green Building Standards	n/a	1	1	5.00	Garrido, Tapia, and Vergara (2019); Rosenberg et al. (2014)
Total Points for Subcategory 1.2.2	n/a	3	3	15.00	

1.2.3 Zoning and Land Use Regulations					
Requirements for Essential Infrastructure Service Access (Water, Electricity, Sanitation)	1	1	2	2.00	Babatunde, Yusuf, and Ogunbode (2016); Boonyabancha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Maps that Identify Areas Allocated to Residential, Commercial, Agricultural, Recreational, Public/Institutional, Mixed Use	1	1	2	2.00	Babatunde, Yusuf, and Ogunbode (2016); Boonyabancha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Hazard Maps that Identify Areas in which Building is Not Permitted due to Natural Hazards	1	1	2	2.00	Babatunde, Yusuf, and Ogunbode (2016); Boonyabancha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Hazard Maps that Identify Minimum Separation between Residential and Hazardous Occupancies	1	1	2	2.00	Babatunde, Yusuf, and Ogunbode (2016); Boonyabancha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Maps that Identify Areas in which Building is not Permitted in Relation to Natural Resources	1	1	2	2.00	Babatunde, Yusuf, and Ogunbode (2016); Boonyabancha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Total Points for Subcategory 1.2.3	5	5	10	10.00	
Total Points for Category 1.2	15	20	35	40.00	
1.3 RESTRICTIONS ON OWNING AND LEASING PROPERTY					
1.3.1 Domestic Firms–Ownership					
Restriction on Ownership Based on the Area of the Land for Domestic Firms	1	n/a	1	0.625	Dasgupta and Singh (2006)
Restriction on Ownership Based on the Location of Property for Domestic Firms	1	n/a	1	0.625	Dasgupta and Singh (2006)
Restriction on Ownership of Agricultural Land for Domestic Firm	1	n/a	1	0.625	Dasgupta and Singh (2006)
Restriction on Ownership Based on the Type of Building for Domestic Firms	1	n/a	1	0.625	Dasgupta and Singh (2006)
Total Points for Subcategory 1.3.1	4	n/a	4	2.50	.

1.3.2 Domestic Firms–Leasehold					
Restriction on Leasehold Based on the Area of the Land for Domestic Firms	1	n/a	1	0.50	Halpern and Lutz (2014); Hodge and Greve (2017)
Restriction on the Duration of the Lease for Domestic Firms	1	n/a	1	0.50	Halpern and Lutz (2014); Hodge and Greve (2017)
Restriction on Leasehold Based on the Location of Property for Domestic Firms	1	n/a	1	0.50	Halpern and Lutz (2014); Hodge and Greve (2017)
Restriction on Leasehold of Agricultural Property for Domestic Firms	1	n/a	1	0.50	Halpern and Lutz (2014); Hodge and Greve (2017)
Restrictions on Leasehold Based on the Type of Building for Domestic Firms	1	n/a	1	0.50	Halpern and Lutz (2014); Hodge and Greve (2017)
Total Points for Subcategory 1.3.2	5	n/a	5	2.50	
1.3.3 Foreign Firms–Ownership					
Restriction on Ownership Based on the Area of the Land for Foreign Firms	1	n/a	1	0.50	Liao and Zhang (2016); Tan (2004)
Restriction on the Duration of Ownership for Foreign Firms	1	n/a	1	0.50	Liao and Zhang (2016); Tan (2004)
Restriction on Ownership Based on the Location of Property for Foreign Firms	1	n/a	1	0.50	Liao and Zhang (2016); Tan (2004)
Restriction on Ownership of Agricultural Land for Foreign Firms	1	n/a	1	0.50	Liao and Zhang (2016); Tan (2004)
Restriction on Ownership Based on the Type of Building for Foreign Firms	1	n/a	1	0.50	Liao and Zhang (2016); Tan (2004)
Total Points for Subcategory 1.3.3	5	n/a	5	2.50	
1.3.4 Foreign Firms–Leasehold					
Restriction on Leasehold Based on the Area of the Land for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Restriction on the Duration of Lease for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Restriction on Leasehold Based on the Location of Property for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Restriction on Leasehold of Agricultural Land for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Restrictions on Leasehold Based on the Type of Building for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Total Points for Subcategory 1.3.4	5	n/a	5	2.50	
Total Points for Category 1.3	19	n/a	19	10.00	

1.4 ENVIRONMENTAL PERMITS					
1.4.1 Environmental Permits for Construction					
Environmental Risks as Defined by Legal Framework	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Environmental Permits Requirements for Construction	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Enforcement Mechanism for Environmental Permits	n/a	1	1	0.38	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	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Criteria that Trigger an EIA	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
EIA for Projects with Low Environmental Impacts	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Requirements for an EIA Process	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Legal Responsibility for Checking Compliance	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Qualified Professional to Review EIA	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Enforcement Mechanism of EIA Decisions	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Liability for Environmental Damages	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Public Consultations Requirement Elements	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Disclosure of EIA Information	n/a	1	1	0.38	Grunwald, Bendt, and Kopfmüller (2016); Gupta and Bansal (2014); Ryan and O'Regan (2015)
Total Points for Subcategory 1.4.1	n/a	13	13	5.00	
1.4.2 Dispute Mechanisms for Construction-Related Environmental Permits					
Ability to Dispute Environmental Clearances and Permits	1	1	2	2.50	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	2.50	Ramanathan et al. (2018); Sánchez-Triana et al. (2014); Wang and Liu (2015); World Bank (2014)
Total Points for Subcategory 1.4.2	2	2	4	5.00	
Total Points for Category 1.4	2	15	17	10.00	
Total Points for Pillar I	48	47	95	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 FOR BUSINESS LOCATION					
2.1 AVAILABILITY AND RELIABILITY OF DIGITAL SERVICES					
2.1.1 Property Transfer–Digital Public Services					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Online Due Diligence Checking	1	1	2	1.71	Williamson (2001)
Online Due Diligence Checking – Encumbrances	1	1	2	1.71	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Single Online Platform for Due Diligence Checking	1	1	2	1.71	Williamson (2001)
Online Platform for Property Transfer	1	1	2	1.71	Williamson (2001)
Processes Available Online for Property Transfer	1	1	2	1.71	Williamson (2001)
Complaint Mechanisms for Immovable Property Registry	1	1	2	1.71	Williamson (2001)
Complaint Mechanisms for Cadaster	1	1	2	1.71	Williamson (2001)
Total Points for Subcategory 2.1.1	7	7	14	12.00	
2.1.2 Property Transfer–Digital Land Management and Identification System					
Format of Property Title Certificates	1	1	2	1.50	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Format of Cadastral Plans	1	1	2	1.50	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Method to Conduct Cadastral Surveying	1	1	2	1.50	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
National Database for Checking Identification	1	1	2	1.50	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Total Points for Subcategory 2.1.2	4	4	8	6.00	
2.1.3 Property Transfer–Coverage of the Land Registry and Mapping Agency					
Land Registration Coverage at National Level	1	1	2	1.50	Deininger and Feder (2009)
Land Registration Coverage at Main City Level	1	1	2	1.50	Deininger and Feder (2009)
Cadastral Coverage at National Level	1	1	2	1.50	Deininger and Feder (2009)
Cadastral Coverage at Main City Level	1	1	2	1.50	Deininger and Feder (2009)
Total Points for Subcategory 2.1.3	4	4	8	6.00	
2.1.4 Building Permits–Digital Public Services					

Online Platform for Issuing Building Authorizations	1	1	2	2.00	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Online Permitting Systems with Several Functionalities	1	1	2	2.00	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Online Permitting Systems to Submit Building and Occupancy Permits	1	1	2	2.00	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
File Dispute Online on Building Permits	1	1	2	2.00	Ramanathan et al. (2018); Sánchez-Triana et al. (2014); Wang and Liu (2015); World Bank (2014)
Total Points for Subcategory 2.1.4	4	4	8	8.00	
2.1.5 Environmental Permits–Digital Public Services					
Online Permitting Systems to Facilitate Public Participation	1	1	2	2.00	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Online Permitting Systems with Several Functionalities	1	1	2	2.00	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Paper Copies Required in Conjunction with Online Submission	1	1	2	2.00	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
File Dispute Online on Environmental Licensing	1	1	2	2.00	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Total Points for Subcategory 2.1.5	4	4	8	8.00	
Total Point for Category 2.1	23	23	46	40.00	
2.2 INTEROPERABILITY OF SERVICES					
2.2.1 Interoperability of Services for Property Transfer					
Interoperability between Immovable Property Registry and Cadaster	1	1	2	2.50	ILC (2017); NIST (2007)
Interoperability between Immovable Property Registry and other Services	1	1	2	2.50	ILC (2017); NIST (2007)
Existence of a Geographic Information System (GIS)	1	1	2	2.50	ILC (2017); NIST (2007)
Existence of a Unique Identifier between Immovable Property Registry and Cadaster	1	1	2	2.50	ILC (2017); NIST (2007)
Total Points for Subcategory 2.2.1	4	4	8	10.00	
2.2.2 Interoperability of Services for Building Permits					
Availability of Spatial Plans and Zoning Requirements to All Stakeholders	1	1	2	5.00	Sarris, Tzovaras, and Doukas (2020)
Integration of GIS or National Spatial Platforms	1	1	2	5.00	Sarris, Tzovaras, and Doukas (2020)
Total Points for Subcategory 2.2.2	2	2	4	10.00	

Total Points for Category 2.2	6	6	12	20.00	
2.3 TRANSPARENCY OF INFORMATION					
2.3.1 Immovable Property (includes gender)					
Publication of Property Transactions Requirements	1	1	2	1.67	Van der Molen (2007)
Transparency of Property Transactions Costs	1	1	2	1.67	Van der Molen (2007)
Service Standards at the Immovable Property Registry	1	1	2	1.67	Van der Molen (2007)
Transparency of Cadaster Costs	1	1	2	1.67	Van der Molen (2007)
Service Standards for Cadaster	1	1	2	1.67	Van der Molen (2007)
Availability of Statistics on Land Transactions	1	1	2	1.67	Van der Molen (2007)
Availability of Statistics on Number and Type of Land Disputes	1	1	2	1.67	Van der Molen (2007)
Availability of Sex-Disaggregated Statistics on Number and Type of Land Disputes	1	1	2	1.67	FAO (2013)
Availability of Statistics on the Average Time to Resolve Land Disputes	1	1	2	1.67	Van der Molen (2007)
Availability of Sex-Disaggregated Data on Land Ownership	1	1	2	1.67	FAO (2013)
Availability of Sex-Disaggregated Data on Land Ownership by Ownership Type	1	1	2	1.67	FAO (2013)
Availability of Information on Property Tax Value	1	1	2	1.67	Van der Molen (2007)
Total Points for Subcategory 2.3.1	12	12	24	20.00	
2.3.2 Building, Zoning and Land Use					
Public Accessibility of Planning and Building Control Regulations	1	1	2	1.875	OECD (2019)
Public Online Availability of Requirements to Obtain All Types of Building Related Permits	1	1	2	1.875	OECD (2019)
Public Online Availability of Requirements Needed to Obtain Occupancy Permit	1	1	2	1.875	OECD (2019)
Applicable Fee Schedules for all Types of Construction Publicly Available and Up to Date	1	1	2	1.875	OECD (2019)
Availability of Official, Updated and Publicly Available Online Statistics Tracking the Number of Issued Building Permits	1	1	2	1.875	OECD (2019)
Updated City Master Plan/Zoning Plan	1	1	2	1.875	OECD (2019)
Steps to Modify Zoning/Land Use Plan	1	1	2	1.875	OECD (2019)

Adherence to Zoning Regulations	1	1	2	1.875	OECD (2019)
Total Points for Subcategory 2.3.2	8	8	16	15.00	
2.3.3 Environmental Permits					
Public Online Availability of Environmental Licensing Requirements for Moderate-Risk Construction Project	1	1	2	1.67	Davis and Barlow (2017)
Applicable and Up to Date Fee Schedule for Environmental Clearances	1	1	2	1.67	Davis and Barlow (2017)
Availability of Official, Updated and Publicly Available List of approved EIAs	1	1	2	1.67	Davis and Barlow (2017)
Total Points for Subcategory 2.3.3	3	3	6	5.00	
Total Points for Category 2.3	23	23	46	40.00	
Total Points for Pillar II	52	52	104	100.00	

Note: FFP = Firm Flexibility Point; GIS = Geographic Information System; SBP = Social Benefits Point

PILLAR III—OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION					
3.1 PROPERTY TRANSFER AND LAND ADMINISTRATION					
3.1.1 Major Constraints on Access to Land					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Major Constraints on Access to land	100	n/a	100	13.33	Amadi-Enchendu and Pellissier (2014)
Total Points for Subcategory 3.1.1	100	n/a	100	13.33	
3.1.2 Time to Transfer a Property					
Time to Transfer a Property	100	n/a	100	13.33	Moussa and Li (2020); Wang and Cen (2016)
Total Points for Subcategory 3.1.2	100	n/a	100	13.33	
3.1.3 Cost to Transfer a Property					
Cost to Transfer a Property	100	n/a	100	13.33	Kuprenas and Chalmers (1999); NAHB (2021)
Total Points for Subcategory 3.1.3	100	n/a	100	13.33	
Total Points for Category 3.1	100	n/a	100	40.00	
3.2 CONSTRUCTION PERMITS					
3.2.1 Time to Obtain a Construction-Related Permit					
Time to Obtain a Construction Related Permit	100	n/a	100	13.33	IBA (2019); UNECE (2018)
Total Points for Subcategory 3.2.1	100	n/a	100	13.33	
3.2.2 Time to Obtain a Building Permit					
Time to Obtain a Building Permit	100	n/a	100	13.33	IBA (2019); UNECE (2018)
Total Points for Subcategory 3.2.2	100	n/a	100	13.33	
3.2.3 Cost to Obtain a Building Permit					
Cost to Obtain a Building Permit	100	n/a	100	13.33	Kuprenas and Chalmers (1999); NAHB (2021)
Total Points for Subcategory 3.2.3	100	n/a	100	13.33	
Total Point for Category 3.2	100	n/a	100	40.00	

3.3 ENVIRONMENTAL PERMITS					
3.3.1 Time to Obtain an Environmental Permit					
Time to Obtain an Environmental Permit	100	n/a	100	10.00	Ghosh (2013)
Total Points for Subcategory 3.3.1	100	n/a	100	10.00	
3.3.2 Cost to Obtain an Environmental Permit					
Cost to Obtain an Environmental Permit	100	n/a	100	10.00	Ghosh (2013)
Total Points for Subcategory 3.3.2	100	n/a	100	10.00	
Total Points for Category 3.3	100	n/a	100	20.00	
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 Questionnaires for Property Transfer, Building Permits and Environmental Permits. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

Accessibility and inclusivity requirements: Refers to provisions to ensure that buildings are accessible to all individuals, including those with disabilities, through features such as ramps, elevators, accessible restrooms, and signage.

Active fire safety measures: Refers to systems that require some amount of action or motion in order to work effectively in the event of a fire (for e.g.- fire extinguisher or sprinkler system). Passive fire safety measures refer to systems that compartmentalize a building through the use of fire-resistance-rated walls/floors, doors and gap-filling measures.

Arbitration: An alternative dispute resolution process where the parties submit their legal dispute to one or more independent third parties (arbitrators) who issue a binding decision (award).

Building classification: Is the set criteria for categorizing buildings based on their use, occupancy type, and size.

Building control agency: Is a division, mostly within a local government, that is responsible for the application and enforcement of building codes and regulations. Naming conventions can differ across countries.

Building envelope: Refers to the physical barrier between the conditioned interior of a building and the exterior environment. It includes all the components of a building that enclose its internal spaces, such as the walls, roof, windows, doors, and foundation.

Cadaster: An official public inventory outlining details of the ownership, value, location, and legal boundaries (often represented on maps) of each parcel of land.

Cadastral plan: A map or graphical representation of a particular parcel of land showing its boundaries, dimensions, and other physical features, accurately depicting and documenting the spatial extents of land ownership.

Commercial building: Refers to 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).

Conciliation: Please refer to the Mediation definition.

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.

Deed: A legal document that formally transfers ownership of real property from one person or entity to another.

Density bonuses: Are incentives that allow developers to build more than usually permitted if they exceed certain environmental performance or sustainability benchmarks. These incentives encourage the incorporation of green building practices, such as energy efficiency and sustainable materials, into new developments.

Digitization: The conversion of paper-based documents (such as property title certificates and cadastral plans) into digital format and enabling online access, often integrated into digital systems for online updating, management, and retrieval.

Direct surveying: Geodesic and topographic surveying conducted on-site (in situ), utilizing precision instruments for measuring angles and distances.

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

Due diligence clearance: A comprehensive investigation and verification process conducted to verify the ownership of the property and ensure there are no outstanding taxes, encumbrances, or legal, financial, and physical issues that could impede the transfer. It might include (but is not limited to): encumbrance checking, title search (to confirm ownership) checking, obtaining authorization to transfer state-owned land, outstanding taxes (property or other taxes) checking, bankruptcy checking, utilities (outstanding bills) checking, company profile checking, cadastral plan checking, zoning plan checking, building certificate from municipal council checking, informing the local council of sale and selling price, obtaining drainage certificate from water authority, identification surveying from licensed surveyor.

Energy efficiency in building design and sustainability: refers to the incorporation of design strategies, materials, and technologies that minimize the energy consumption of a building while maintaining comfort and functionality. This can include insulation, energy-efficient windows and doors, energy-efficient HVAC systems, and the use of renewable energy sources like solar panels.

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.

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).

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

Fire safety standards: Refer to 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 and 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: Are a model code that contains minimum requirements for increasing the environmental and health performance of buildings, sites, and structures.

Guarantee: This means that 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: Is a set of incentives 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 an 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.

Health and sanitation requirements: Refer to the standards ensuring buildings provide a safe, hygienic, and healthy environment for occupants by establishing requirements such as water supply, waste disposal, ventilation, plumbing, or other parameters.

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.

Immovable property registry: An official public inventory that documents and maintains information on ownership of all types of immovable property, including land and buildings.

Indirect surveying: Photogrammetric surveying conducted using high-resolution aerial photographs, with the use of instruments such as airplanes or drones.

Inspections: Are the official examination and review of the various stages of building work by a designated authority to ensure that the construction complies with the approved plans, building codes, and other regulations.

Land registry: An official public inventory that documents and maintains information on land ownership through recording titles (rights on land) or deeds (documents concerning changes in the legal situation of land).

Land use regulations: These are zoning regulations to govern land use, density, setbacks, and other development parameters.

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

Maintenance and renovation requirements: These are guidance on building maintenance requirements, periodic inspections, and renovation procedures to ensure the ongoing safety and functionality of existing structures.

Mediation: An alternative dispute resolution process, irrespective of the expression used (for example, the term sometimes might be referred to as Conciliation) or the basis upon which the process is carried out, whereby parties request an independent third person or persons (such as the mediator) to assist them in their attempt to reach an amicable settlement of a legal dispute. In contrast to court litigation or arbitration, the mediator does not have the authority to impose a solution on the parties to the dispute.

Mixed surveying: A combination of direct (on-site) and indirect (photogrammetric) surveying for each parcel of land.

National building code: Is a set of standards established at a 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.

Occupancy permit: Also known as a certificate of occupancy, is an official document issued by a local government agency or building department certifying that a building is in a condition suitable for use and occupancy.

Online communication: This is a communication feature such as messaging or email notification that can be crucial for efficient interaction between users and authorities regarding permit applications.

Online notification: Refers to notifications about application status updates or deadlines that can significantly enhance user experience and transparency in the permit process.

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.

Planning approvals: Is the consent granted by the local government, building, or planning authority for the construction or alteration of a building or structure. This approval is necessary before construction or renovation can commence and ensures that the proposed development is in accordance with local planning regulations, zoning laws, and development guidelines. The process of obtaining planning approval often involves submitting detailed plans and supporting documents for review, and may also require public consultation or notification of neighbors.

Pre-approvals: Are typically sought before a full building permit application is submitted, to ensure that the project is viable and to identify any potential issues that could prevent the project from moving forward. Examples of such pre-approvals are electrical, water, sewerage, environmental approvals, before a building permit application can be submitted and processed.

Property title certificate: A document usually issued by the land registry that officially confirms the title, proving the right of ownership of a property. It includes details such as the owner's name and property description, making the ownership enforceable against third parties.

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.

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

Quality assurance inspections and compliance enforcement: These are procedures for obtaining building permits, conducting inspections, and enforcing compliance with building regulations to ensure that constructed buildings meet safety, health, and environmental standards.

Quality control: In construction, evaluates 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.

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

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.

Regulatory relief: Is a non-financial incentive for green buildings, which involves simplified regulatory processing or reduced regulatory processing for builders if green building elements are adopted in the construction.

Restrictions on the location of property: Regulatory limitations imposed on where a property can be situated or developed. For the purposes of this questionnaire, these restrictions do not include restrictions related to (i) Protected and conserved areas due to their natural or ecological value (e.g., national parks), (ii) Special cultural inheritance areas (e.g., old city centers with special historical status), (iii) Areas significant for national defense (e.g., proximity to military bases), (iv) agricultural land.

Risk-based type inspections: Is a method for inspecting buildings that prioritizes the assessment of structures based on the level of risk they present. Instead of inspecting all buildings with the same level of scrutiny, a risk-based approach targets resources and attention to buildings that pose a higher risk, such as those with structural issues, older buildings, or those used for specific high-risk activities.

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

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.

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.

Structural requirements: These are specifications for structural design, materials, and construction techniques to ensure buildings' stability and resistance to various loads, including gravity, wind, seismic activity, and other environmental factors. They constitute guidelines for designing buildings to withstand natural hazards such as earthquakes, floods, hurricanes, and tsunamis, including structural reinforcement, site selection criteria, and evacuation planning.

Title: A legal right of ownership of real property.

Title search certificate: A document that summarizes the history of ownership of a property, i.e. title search. It confirms the current owner identifies any existing liens, mortgages, or other claims on the property, and ensures there are no issues that could affect the transfer of ownership.

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

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 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 “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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I-QUALITY OF REGULATIONS FOR BUSINESS LOCATION	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. 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 PROPERTY TRANSFER AND LAND ADMINISTRATION

1.1.1 Property Transfer Standards

- 1. Is there a legal obligation to verify that all documents required for a property transaction comply with the applicable laws and regulations? (Y/N)**
- 2. According to the regulatory framework, is it required to verify the identity of each party involved in a property transaction? (Y/N)**
- 3. According to the regulatory framework, must all property sale transactions be registered with the immovable property registry (through registration of deeds and/or registration of titles) to be enforceable against third parties? (Y/N)**
- 4. According to the regulatory framework, does a property title certificate issued online hold the same legal validity as a paper-based property title certificate? (Y/N)**
- 5. According to the regulatory framework, does a title search certificate issued online hold the same legal validity as a paper-based title search certificate? (Y/N)**

6. According to the regulatory framework, does a tax certificate issued online hold the same legal validity as a paper-based tax certificate? (Y/N)
7. According to the regulatory framework, does a company profile document issued online hold the same legal validity as a paper-based company profile document? (Y/N)
8. According to the regulatory framework, do cadastral plans issued online hold the same legal validity as paper-based cadastral plans? (Y/N)

1.1.2 Land Dispute Mechanisms

9. According to the regulatory framework, is arbitration offered as an out-of-court resolution mechanism for land disputes between private parties? (Y/N)
10. According to the regulatory framework, is conciliation or mediation offered as an out-of-court resolution mechanism for land disputes between private parties? (Y/N)
11. According to the regulatory framework, does the government or an authorized entity provide a guarantee (state guarantee or private title insurance) for the property title validity and accuracy, allowing for compensation payments to parties who incur losses due to errors made by the immovable property registry? (Y/N)
12. According to the regulatory framework, is there a specific out-of-court compensation mechanism (such as a fund or an insurance) to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry? (Y/N)

1.1.3 Land Administration System

13. According to the regulatory framework, is access to property ownership information granted to anyone (either for a fee or for free)? (Y/N)
14. According to the regulatory framework, is there a cadaster/mapping agency in [ECONOMY]? (Y/N)
15. According to the regulatory framework, is access to cadastral plans of privately held land plots granted to anyone (either for a fee or for free)? (Y/N)
16. According to the regulatory framework, does the cadaster (or immovable property registry, if applicable) include information on tax value of the real property? (Y/N)

1.1 PROPERTY TRANSFER AND LAND ADMINISTRATION			
1.1.1 Property Transfer Standards			
Indicators	FFP	SBP	Total Points
Legal Obligation to Check Compliance of Documents with the Law (1)	1	1	2
Legal Obligation to Verify Identities of Parties (2)	1	1	2
Legal Obligation to Register Sales Transactions (3)	1	1	2

Legal Provisions on the Legality of Online Documents	1	1	2
- Property title certificate (4)	0.2	0.2	0.4
- Title search certificate (5)	0.2	0.2	0.4
- Tax certificate (6)	0.2	0.2	0.4
- Company profile document (7)	0.2	0.2	0.4
- Cadastral plans (8)	0.2	0.2	0.4
Total Points	4	4	8
1.1.2 Land Dispute Mechanisms			
Indicators	FFP	SBP	Total Points
Legal Provisions for Arbitration as an Alternative Land Disputes Resolution Mechanism (9)	1	1	2
Legal Provisions for Conciliation or Mediation as Alternative Land Disputes Resolution Mechanisms (10)	1	1	2
Legal Provisions for Protection of Property Title (11)	1	1	2
Legal Provisions to Provide Out-of-Court Compensation for Losses Due to Erroneous Information from the Immovable Property Registry (12)	1	1	2
Total Points	4	4	8
1.1.3 Land Administration System			
Indicators	FFP	SBP	Total Points
Disclosure of Immovable Property Registry Information (13)	1	1	2
Infrastructure for Land Administration (14)	1	1	2
Disclosure of Cadastral Information (15)	1	1	2
Integration of Land Administration and Tax Value Information (16)	1	1	2
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.3 Restrictions on Owning and Leasing Property

1.3.1 Domestic Firms–Ownership

17. According to the regulatory framework, are there any restrictions on the size of the land that domestic firms can own? (Y/N; N – good practice)
18. According to the regulatory framework, are there any restrictions on the location of property that domestic firms can own? (Y/N; N – good practice)
19. According to the regulatory framework, are there any restrictions for domestic firms on owning agricultural land? (Y/N; N – good practice)
20. According to the regulatory framework, are there any restrictions on the type of property (residential, commercial, industrial) that domestic firms can own? (Y/N; N – good practice)

1.3.2 Domestic Firms–Leasehold

21. According to the regulatory framework, are there any restrictions on the size of the land that domestic firms can lease? (Y/N; N – good practice)
22. According to the regulatory framework, are there any restrictions for domestic firms on the duration of the lease? (Y/N; N – good practice)
23. According to the regulatory framework, are there any restrictions on the location of property that domestic firms can lease? (Y/N; N – good practice)
24. According to the regulatory framework, are there any restrictions for domestic firms on leasing agricultural land? (Y/N; N – good practice)
25. According to the regulatory framework, are there any restrictions on the type of property (residential, commercial, industrial) that domestic firms can lease? (Y/N; N – good practice)

1.3.3 Foreign Firms–Ownership

26. According to the regulatory framework, are there any restrictions on the size of the land that foreign firms can own? (Y/N; N – good practice)
27. According to the regulatory framework, are there any restrictions for foreign firms on the duration of ownership? (Y/N; N – good practice)
28. According to the regulatory framework, are there any restrictions on the location of property to own for foreign firms? (Y/N; N – good practice)
29. According to the regulatory framework, are there any restrictions for foreign firms to own agricultural land? (Y/N; N – good practice)
30. According to the regulatory framework, are there any restrictions on the type of property (residential, commercial, industrial) that foreign firms can own? (Y/N; N – good practice)

1.3.4 Foreign Firms–Leasehold

31. According to the regulatory framework, are there any restrictions on the size of the land that foreign firms can lease? (Y/N; N – good practice)
32. According to the regulatory framework, are there any restrictions for foreign firms on the duration of the lease? (Y/N; N – good practice)
33. According to the regulatory framework, are there any restrictions on the location of property that foreign firms can lease? (Y/N; N – good practice)
34. According to the regulatory framework, are there any restrictions for foreign firms on leasing agricultural land? (Y/N; N – good practice)
35. According to the regulatory framework, are there any restrictions on the type of property (residential, commercial, industrial) that foreign firms can lease? (Y/N; N – good practice)

1.3 RESTRICTIONS ON OWNING AND LEASING PROPERTY			
1.3.1 Domestic Firms–Ownership			
Indicators	FFP	SBP	Total Points
Restriction on Ownership Based on the Area of the Land for Domestic Firms (17)	1	n/a	1
Restriction on Ownership based on the Location of Property for Domestic Firms (18)	1	n/a	1
Restriction on Ownership of Agricultural Land for Domestic Firm (19)	1	n/a	1
Restriction on Ownership based on the Type of Building for Domestic Firms (20)	1	n/a	1
Total Points	4	0	4
1.3.2 Domestic Firms–Leasehold			
Indicators	FFP	SBP	Total Points
Restriction on Leasehold based on the Area of the Land for Domestic Firms (21)	1	n/a	1
Restriction on the Duration of the Lease for Domestic Firms (22)	1	n/a	1
Restriction on Leasehold based on the Location of Property for Domestic Firms (23)	1	n/a	1
Restriction on Leasehold of Agricultural Property for Domestic Firms (24)	1	n/a	1
Restriction on Leasehold based on the Type of Building for Domestic Firms (25)	1	n/a	1
Total Points	5	0	5
1.3.3 Foreign Firms–Ownership			
Indicators	FFP	SBP	Total Points
Restriction on Ownership based on the Area of the Land for Foreign Firms (26)	1	n/a	1
Restriction on the Duration of Ownership for Foreign Firms (27)	1	n/a	1
Restriction on Ownership Based on Location of Property for Foreign Firms (28)	1	n/a	1
Restriction on Ownership of Agricultural Land for Foreign Firms (29)	1	n/a	1
Restriction on Ownership based on the Type of Building for Foreign Firms (30)	1	n/a	1
Total Points	5	0	5
1.3.4 Foreign Firms–Leasehold			
Indicators	FFP	SBP	Total Points
Restriction on Leasehold based on the Area of the Land for Foreign Firms (31)	1	n/a	1
Restriction on the Duration of Lease for Foreign Firms (32)	1	n/a	1

Restriction on Leasehold based on the Location of Property for Foreign Firms (33)	1	n/a	1
Restriction on Leasehold of Agricultural Land for Foreign Firms (34)	1	n/a	1
Restriction on Leasehold based on the Type of Building for Foreign Firms (35)	1	n/a	1
Total Points	5	0	5

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II—QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS LOCATION	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. 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 DIGITAL SERVICES

2.1.1 Property Transfer—Digital Public Services

- 36. Is it possible to conduct a title search online when transferring property ownership? (Y/N)**
- 37. Is it possible to conduct an online search on outstanding taxes on property when transferring property ownership? (Y/N)**
- 38. Is it possible to conduct an online search on bankruptcy when transferring property ownership? (Y/N)**
- 39. Is it possible to conduct an online company profile search, transferring property ownership? (Y/N)**
- 40. Is it possible to conduct an online cadastral plan search when transferring property ownership? (Y/N)**
- 41. Is it possible to conduct an online liens search when transferring property ownership? (Y/N)**
- 42. Is it possible to conduct an online search on mortgages when transferring property ownership? (Y/N)**
- 43. Is it possible to conduct an online search on easements when transferring property ownership? (Y/N)**
- 44. Is it possible to conduct an online search on restrictions when transferring property ownership? (Y/N)**
- 45. Can all the necessary due diligence checks for property transfer be done on a single online platform? (Y/N)**

46. Is there a single online platform that facilitates the entire process of registering property ownership transfer (through registration of deeds and/or registration of titles), including initiation, verification, submission, and issuance of updated records? (Y/N)

Y → Provide response to questions 47, 48, 49, and 50.

47. Does this online platform allow users to download necessary documents (for example, the transfer deed, the title deed, registration documents) related to property ownership transfer? (Y/N)

48. Does this online platform allow users to upload necessary documents (for example, completed forms, copies of identification documents) related to property ownership transfer? (Y/N)

49. Does this online platform facilitate receiving notifications regarding updates, status changes, or important communications related to property transfers? (Y/N)

50. Can all necessary payments related to transfer of property ownership be processed via this online platform? (Y/N)

51. Is there an online platform where complaints about services and/or suggestions for improvements at immovable property registry can be filed? (Y/N)

Y → Provide response to question 52.

52. Are the responses to complaints from the immovable property registry publicly available on this platform? (Y/N)

53. Is there an online platform at the cadaster/mapping agency to file complaints about services and/or suggestions for improvements? (Y/N)

Y → Provide response to question 54.

54. Are the responses to complaints from the cadaster/mapping agency publicly available on this platform? (Y/N)

2.1.2 Property Transfer–Digital Land Management and Identification System

55. What is the format in which the majority of property title certificates (or equivalent documents confirming property ownership) are maintained at the immovable property registry?

55a. Paper format

55b. Digitized (certificates are scanned)

55c. Digitalized (certificates are digital and can be modified online)

56. What is the format in which the majority of cadastral plans are kept at the cadaster/mapping agency?

56a. Paper format

56b. Digitized (plans are scanned)

56c. Digitalized (plans are digital and can be modified online)

57. What method is used for cadastral surveying?

57a. Direct (in situ surveying)

57b. Mixed (combination of in situ surveying and high-resolution pictures for each land parcel)

57c. Indirect (high resolution pictures)

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

2.1.3 Property Transfer–Coverage of the Land Registry and Mapping Agency

59. Are all privately held land plots formally registered at the land registry in [ECONOMY]? (Y/N)

N → provide response to question 60.

60. What is your estimate on the percentage of privately held land plots that are formally registered at the land registry in [ECONOMY]?

60a. Above 50 percent

60b. Below 50 percent

61. Are all privately held land plots formally registered at the land registry in [CITY]? (Y/N)

N → provide response to question 62.

62. What is your estimate on the percentage of privately held land plots that are formally registered at the land registry in [CITY]?

62a. Above 50 percent

62b. Below 50 percent

63. Are all privately held land plots formally mapped and surveyed in the cadaster/mapping agency in [ECONOMY]? (Y/N)

N → provide response to question 64.

64. What is your estimate on the percentage of privately held land plots that are formally mapped and surveyed in the cadaster/mapping agency in [ECONOMY]?

64a. Above 50 percent

64b. Below 50 percent

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

N → provide response to question 66.

66. What is your estimate on the percentage of privately held land plots that are formally mapped and surveyed in the cadaster/mapping agency in [CITY]?

66a. Above 50 percent

66b. Below 50 percent

2.1 AVAILABILITY AND RELIABILITY OF DIGITAL SERVICES			
2.1.1 Property Transfer–Digital Public Services			
Indicators	FFP	SBP	Total Points
Online Due Diligence Checking	1	1	2
- Title search (ownership) (36)	0.2	0.2	0.4
- Outstanding taxes (tax agency) (37)	0.2	0.2	0.4
- Bankruptcy search (38)	0.2	0.2	0.4
- Company profile (39)	0.2	0.2	0.4
- Cadastral plan (40)	0.2	0.2	0.4

Online Due Diligence Checking – Encumbrances	1	1	2
- Liens (41)	0.25	0.25	0.5
- Mortgages (42)	0.25	0.25	0.5
- Easements (43)	0.25	0.25	0.5
- Restrictions (44)	0.25	0.25	0.5
Single Online Platform for Due Diligence Checking (45)	1	1	2
Online Platform for Property Transfer (46)	1	1	2
Processes Available Online for Property Transfer	1	1	2
- Downloading forms (47)	0.25	0.25	0.5
- Uploading documents (48)	0.25	0.25	0.5
- Getting notifications (49)	0.25	0.25	0.5
- Processing payments (50)	0.25	0.25	0.5
Complaint Mechanisms for Immovable Property Registry	1	1	2
- Online platform for complaints (51)	0.5	0.5	1
- Responses to complains made publicly available (52)	0.5	0.5	1
Complaint Mechanisms for Cadaster	1	1	2
- Online platform for complaints (53)	0.5	0.5	1
- Responses to complains made publicly available (54)	0.5	0.5	1
Total Points	7	7	14
2.1.2 Property Transfer–Digital Land Management and Identification System			
Indicators	FFP	SBP	Total Points
Format of Property Title Certificates	1	1	2
- Certificates are digitalized (55c) OR	1 OR	1 OR	2 OR
- Certificates are digitized (55b)	0.5	0.5	1
Format of Cadastral Plans	1	1	2
- Plans are digitalized (56c) OR	1 OR	1 OR	2 OR
- Plans are digitized (56b)	0.5	0.5	1
Method to Conduct Cadastral Surveying	1	1	2
- Direct (57a) OR			
- Mixed (57b)			
National Database for Checking Identification (58)	1	1	2
Total Points	4	4	8
2.1.3 Property Transfer–Coverage of the Land Registry and Mapping Agency			
Indicators	FFP	SBP	Total Points
Land Registration Coverage at National Level	1	1	2
- Full coverage (59) OR	1 OR	1 OR	2 OR
- Above 50% (60a)	0.5	0.5	1
Land Registration Coverage at Main Business City Level	1	1	2
- Full coverage (61) OR	1 OR	1 OR	2 OR
- Above 50% (62a)	0.5	0.5	1
Cadastral Coverage at National Level	1	1	2
- Full coverage (63) OR	1 OR	1 OR	2 OR
- Above 50% (64a)	0.5	0.5	1
Cadastral Coverage at Main Business City Level	1	1	2
- Full coverage (65) OR	1 OR	1 OR	2 OR
- Above 50% (66a)	0.5	0.5	1
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2 INTEROPERABILITY OF SERVICES

2.2.1 Interoperability of Services for Property Transfer

67. Is there an integrated database at the immovable property registry that shares updated information on property registration electronically and in real time with the cadaster/mapping agency? (Y/N)

68. Is there an integrated database at the immovable property registry that shares updated information electronically and in real time on property registration with agencies, other than the cadaster/mapping agency? (Y/N)

N → Provide response to question 70.

69. Does the immovable property registry or cadaster/mapping agency use a Geographical Information System (GIS)? (Y/N)

70. Do the immovable property registry and cadaster/mapping agency use a common unique identifier to search for properties? (Y/N)

2.2 INTEROPERABILITY OF SERVICES			
2.2.1 Interoperability of Services for Property Transfer			
Indicators	FFP	SBP	Total Points
Interoperability between Immoveable Property Registry and Cadaster (67)	1	1	2
Interoperability between Immoveable Property Registry and other Services (68)	1	1	2
Existence of a Geographic Information System (GIS) (69)	1	1	2
Existence of a Unique Identifier between Land Registry and Cadaster (70)	1	1	2
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.3 TRANSPARENCY OF INFORMATION

2.3.1 Immoveable Property (includes gender)

71. Are the instructions regarding documents required to perform all types of property transfers publicly available? (Y/N)

Y → Provide response to questions 72 and 73.

72. Are these instructions accessible online? (Y/N)

73. Are these instructions updated as soon as any changes occur? (Y/N)

74. Is the fee schedule for all types of property transfers at the immovable property registry publicly available? (Y/N)

Y → Provide response to questions 75 and 76.

75. Is this fee schedule accessible online? (Y/N)
76. Is this fee schedule updated as soon as any changes occur? (Y/N)
77. Does the immovable property registry publish online the estimated time it will take to deliver a legally binding document confirming property ownership? (Y/N)
78. Is the applicable fee schedule to access cadastral plans publicly available? (Y/N)
Y → Provide response to questions 79 and 80.
79. Is this fee schedule accessible online? (Y/N)
80. Is this fee schedule updated as soon as any changes occur? (Y/N)
81. Does the cadaster/mapping agency publish online the estimated time required to deliver a certified, up-to-date cadastral plan? (Y/N)
82. Are official statistics tracking the number and type of transactions at the land registry in [CITY] publicly available? (Y/N)
Y → Provide response to questions 83 and 84.
83. Are these statistics accessible online? (Y/N)
84. Are these statistics available for the most recent calendar year (2023)? (Y/N)
85. Are official statistics tracking the number and type of land disputes in [CITY] publicly available? (Y/N)
Y → Provide response to questions 86, 87, and 88.
86. Are these statistics accessible online? (Y/N)
87. Are these statistics available for the most recent calendar year (2023)? (Y/N)
88. Are these publicly available statistics sex-disaggregated? (Y/N)
89. Are official statistics tracking the average time it takes to resolve land disputes in [CITY] publicly available? (Y/N)
90. Are these statistics accessible online? (Y/N)
91. Are these statistics available for the most recent calendar year (2023)? (Y/N)
N → Provide response to question 96.
92. Are official statistics tracking sex-disaggregated data on land ownership in [CITY] publicly available? (Y/N)
Y → Provide response to question 93, 94, 95, 96, and 97.
93. Are these statistics available for the most recent calendar year? (Y/N)
94. Are these statistics anonymized? (Y/N)

95. Are these statistics publicly available online? (Y/N)

96. Are these statistics on sex-disaggregated data differentiated by the following types of ownership: Sole Proprietorship? (Y/N)

97. Are these statistics on sex-disaggregated data differentiated by the following types of ownership: Joint Property? (Y/N)

98. Is information on the property tax value of all privately held properties in [CITY] publicly available? (Y/N)

Y → Provide response to question 99.

99. Is this information publicly available online? (Y/N)

2.3 TRANSPARENCY OF INFORMATION			
2.3.1 Immovable Property (includes gender)			
Indicators	FFP	SBP	Total Points
Publication of Property Transactions Requirements - Available (71) AND - Online (72) AND - Updated (73)	1	1	2
Transparency of Property Transactions Costs - Available (74) AND - Online (75) AND - Updated (76)	1	1	2
Service Standards at the Immovable Property Registry (77)	1	1	2
Transparency of Cadaster Costs - Available (78) AND - Online (79) AND - Updated (80)	1	1	2
Service Standards for Cadaster (81)	1	1	2
Availability of Statistics on Land Transactions - Available (82) AND - Online (83) AND - Updated (84)	1	1	2
Availability of Statistics on Number and Type of Land Disputes - Available (85) AND - Online (86) AND - Updated (87)	1	1	2
Availability of Sex-Disaggregated Statistics on Number and Type of Land Disputes (88)	1	1	2
Availability of Statistics on Average Time Taken to Resolve Land Disputes - Available (89) AND - Online (90) AND - Updated (91)	1	1	2
Availability of Sex-Disaggregated Data on Land Ownership - Available (92) AND - Updated (93) AND - Anonymized (94) AND	1	1	2

- Online (95)			
Availability of Sex-Disaggregated Data on Land Ownership by Ownership Type	1	1	2
- Sole Proprietorship (96)	0.5	0.5	1
- Joint Property (97)	0.5	0.5	1
Availability of Information on Property Tax Value	1	1	2
- Available (98) AND			
- Online (99)			
Total Points	12	12	24

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Property Transfer and Land of Administration (Subcategory 3.1.1) are collected through firm-level surveys. Data for Pillar III on the Property Transfer and Land of Administration (Subcategory 3.1.2 and Subcategory 3.1.3) are collected through expert consultations using the following parameters:

Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. 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.
Other Parameters	Both selling and buying companies are owned by private nationals. Type of property under consideration is a commercial property. Transferring property might have a form of transferring state-owned land use rights, where applicable.

3.1 PROPERTY TRANSFER AND LAND ADMINISTRATION

100. On average, how many calendar days to complete due diligence clearance (such as encumbrance checking, title search, outstanding taxes search, bankruptcy search, company profile search, etc.), if mandatory or commonly done in practice? (*not scored*)

101. On average, what does it cost (in local currency) to complete due diligence clearance (such as encumbrance checking, title search, outstanding taxes search, bankruptcy search, company profile search, etc.), if mandatory or commonly done in practice? (*not scored*)

102. On average, how many calendar days does it take to review and sign the sale deed at notary/lawyer's office, if mandatory or commonly done in practice? *(not scored)*
103. On average, what does it cost (in local currency) to review and sign the sale deed at notary/lawyer's office, if mandatory or commonly done in practice? *(not scored)*
104. On average, how many calendar days does it take to complete payment of applicable fees and taxes? *(not scored)*
105. What is the amount of transfer tax (in local currency)? *(not scored)*
106. What is the amount of registration fees (in local currency)? *(not scored)*
107. What is the amount of stamp duty (in local currency)? *(not scored)*
108. What is the amount of other applicable fees and taxes (in local currency)? *(not scored)*
109. On average, how many calendar days does it take to complete the registration of transfer and issuance of new title/deed that enables the buyer to re-sell the property? *(not scored)*
110. On average, what does it cost (in local currency) to complete the registration of transfer and issuance of new title/deed that enables the buyer to re-sell the property (please consider only the costs that have not been considered previously)? *(not scored)*
111. Please mention what other step(s)/process(es) are required but not listed above. *(not scored)*
112. On average, how many calendar days does it take to complete this(ese) step(s)? *(not scored)*
113. On average, what does it cost (in local currency) to complete this(ese) step(s)? *(not scored)*

3.1.1 Major Constraints on Access to Land

114. To what degree is Access to Land an obstacle to the current operations of this establishment? (0 - no obstacle, 1 - minor obstacle, 2 - moderate obstacle, 3 - major obstacle to 4 - very severe obstacle)

3.1.2 Time to Transfer a Property

115. 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 (in calendar days)?

3.1.3 Cost to Transfer a Property

116. What is the total cost to complete the entire property transfer process between two domestic companies (in local currency)?
117. What is the total cost to complete the entire property transfer process between two domestic companies (as percentage of total property value)? *(not scored)*

3.1 PROPERTY TRANSFER AND LAND ADMINISTRATION			
3.1.1 Major Constraints on Access to Land			
Indicators	FFP	SBP	Total Points
Major Constraints on Access to Land (114)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Time to Transfer a Property			
Indicators	FFP	SBP	Total Points
Time to Transfer a Property (115) <i>Also corroborated with 100, 102, 104, 109, 112</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.2	100	n/a	100
3.1.3 Cost to Transfer a Property			
Indicators	FFP	SBP	Total Points
Cost to Transfer a Property (116) <i>Also corroborated with 101, 103, 105-108, 110, 113, 117</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.3	100	n/a	100
Total Points for Category 3.1	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.

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 “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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—QUALITY OF REGULATIONS FOR BUSINESS LOCATION	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. 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.

1.2 BUILDING, ZONING AND LAND USE

1.2.1 Building Standards

Does the legal framework in [ECONOMY] include the following building standards or codes?
(questions 1 through 9)

- 1. Structural Resilience of construction standard (e.g., to safeguard against earthquakes or other natural disasters) (Y/N)**
- 2. Fire Safety standard that needs to be adhered to in all construction (Y/N)**
- 3. Accessibility and Inclusivity standard applicable to all construction (Y/N)**
- 4. Health and Sanitation Requirements standard applicable to all construction (Y/N)**
- 5. Energy Efficiency in Building Design and Sustainability standard applicable to all construction (Y/N)**

6. **Building Classification standard (i.e. criteria for categorizing buildings based on their use, occupancy type, and size) (Y/N)**
7. **Land Use Regulations standard (i.e. zoning regulations to govern land use, density, setbacks, and other development parameters) (Y/N)**
8. **Quality Assurance Inspections and Compliance Enforcement standard in all construction (Y/N)**
9. **Maintenance and Renovation Requirements standard applicable to all construction (Y/N)**
10. **Is there a National Building Code or equivalent framework in [ECONOMY] that encompasses all legislation, regulations, and standards pertaining to building construction? (Y/N)**
11. **Does the legal framework require permits for handling, removing, or disposing of hazardous construction materials (e.g., asbestos, lead, mercury devices, or polychlorinated biphenyls)? (Y/N)**
12. **Based on the legal framework, is there a public agency (such as the building control agency), responsible for verifying that building plans comply with existing building regulations? (Y/N)**
13. **Based on the legal framework, are architectural and engineering firms, hired by the builder as independent third-party professionals, responsible for ensuring that building plans comply with current building regulations? (Y/N)**
14. **Based on the legal framework, is an architect or engineer required to conduct technical supervisions/inspections of construction projects? (Y/N)**
Y → Provide response to questions 15 to 17.

Which of the following conditions, if any, are required in order for a professional being eligible to conduct technical inspections of construction projects: (questions 15 through 17)

15. **A mandatory exam (besides the university degree) (Y/N)**
16. **Minimum number of years of practical experience (Y/N)**
17. **Being a registered member of the order (association) of architects or civil engineers (Y/N)**
18. **Does the law mandate inspections on a regular basis (weekly, monthly, quarterly) or during different phases of the construction process to assure structural safety? (Y/N)**
19. **Does the law mandate different types of inspections during construction to assure structural safety depending on the risk level of the construction and its use (risk-based inspections)? (Y/N)**

Who is legally responsible for conducting these inspections during construction? (questions 20 through 25)

20. **Self-certification (i.e. building company inspects itself)? (Y/N)**
21. **A third-party engineer or engineering firm? (Y/N)**
22. **Governmental agencies, such as the municipal building department? (Y/N)**

23. Is a final inspection of the construction required by law before a building can be occupied? (Y/N)
24. Does the law regulate liability when structural defects are detected after the completion of a construction project? (Y/N)
25. Is liability for structural defects defined only in the contract between the involved parties, rather than by law? (Y/N)

Based on the legal framework, who can be held liable for structural problems that surface during or after construction of a building? (questions 26 through 28)

26. Architects or engineers from the construction company? (Y/N)
27. A third-party engineer or engineering firm that conducted the inspections during construction? (Y/N)
28. The government agency, such as the municipal building department? (Y/N)
29. Is an occupancy permit required by law before a building can be occupied? (Y/N)
30. Does the legal framework mandate that appeals regarding building permits, inspections, or compliance be handled by an independent third-party agency? (Y/N)
- What authority is conferred by the law to a building control agency, in charge of enforcing building regulations? (questions 31 through 34)
31. The authority to issue an emergency order to address immediate safety concerns of a building? (Y/N)
32. The authority to issue orders to vacate premises for non-compliance with building regulations? (Y/N)
33. The authority to initiate prosecution in a court of competent jurisdiction for violations of building codes? (Y/N)
34. The authority to recommend the suspension or cancellation of licenses for non-compliant building practitioners to the registration body? (Y/N)

1.2.2 Building Energy Standards

35. Is the builder legally required to implement minimum energy-efficiency performance standards (such as building insulation, lighting and HVAC systems, or other) outlined in the building code or in any other building regulations? (Y/N)
36. Have the building energy codes or standards in [ECONOMY] been updated within the past 10 years? *(not scored)* (Y/N)

When applying for a building permit, which of the following are mandatory checks to be done? (questions 37 through 48)

37. Compliance with energy-efficiency standards. *(not scored)* (Y/N)

N → Provide response to question 49.

38. Thermal transmittance or insulation calculations for the building envelope (Y/N)
39. Solar heat gain calculations for the building envelope (Y/N)

40. Glazing factors for fenestration (Y/N)
41. Heating and cooling demand calculations (Y/N)
42. Daylighting and orientation aspects (Y/N)
43. Permanent shading (Y/N)
44. Air barrier, air leakage, or air infiltration (Y/N)
45. Efficiency of heating and cooling equipment and controls (Y/N)
46. Water heating equipment and controls efficiency (Y/N)
47. Lighting fixtures and controls efficiency (Y/N)
48. Insulation and heat traps (Y/N)
49. Based on the legal framework, are builders provided with either financial incentives (such as tax breaks and grants) or non-financial incentives (such as expedited permit processing or density bonuses) to promote the adoption of green building standards in new construction projects? (Y/N)

1.2.3 Zoning and Land Use Regulations

Based on the legal framework, please indicate which features are included in the land use planning/zoning regulations for [CITY]: (questions 50 through 54)

50. Requirements for essential infrastructure such as water supply, electricity, sanitation or drainage systems as prerequisites for land development (Y/N)
51. Requirement of a land use map that identifies different zoning categories, such as residential, commercial, agricultural, recreational, public/institutional, or mixed use (Y/N)
52. Requirement for hazard maps which identify areas where construction is not permitted due to natural hazards (Y/N)
53. Requirement for hazard maps, which identify minimum separation between residential and hazardous occupancies (Y/N)
54. Requirement for maps that identify areas where construction is prohibited due to considerations such as conservation areas, water bodies, environmentally sensitive zones, or other natural resource-related factors (Y/N)

1.2 BUILDING, ZONING AND LAND USE			
1.2.1 Building Standards			
Indicators	FFP	SBP	Total Points
Building Codes/Standards Applicable to All Constructions (10)	1	1	2

Clear Provisions or Guidelines Regarding Safety Standards	n/a	1	1
- Structural Resilience (1)	n/a	0.11	0.11
- Fire Safety (2)	n/a	0.11	0.11
- Accessibility and Inclusivity (3)	n/a	0.11	0.11
- Health and Sanitation (4)	n/a	0.11	0.11
- Energy Efficiency in Building Design and Sustainability (5)	n/a	0.11	0.11
- Building Classification (6)	n/a	0.11	0.11
- Land Use Regulations (7)	n/a	0.11	0.11
- Quality Assurance Inspections and Compliance Enforcement (8)	n/a	0.11	0.11
- Maintenance and Renovation Requirements (9)	n/a	0.11	0.11
Regulation of Health Risk Related to Construction Materials (11)	n/a	1	1
Responsibility for Compliance with Legal Requirements	1	1	2
- Public agency responsibility (12) OR			
- Third-party architectural and engineering firms responsibility (13)			
Qualifications to Conduct Technical Supervision/Inspections	1	1	2
- Is an architect or engineer (14)			
- Requirement of a mandatory exam (15) OR	0.50	0.50	1
- Years of practical experience (16) OR			
- Being a registered member of a professional association (17)	0.50	0.50	1
Type of Inspections Carried Out During Construction	1	1	2
- Inspections during various phases (18)	0.50	0.50	1
- Risk-based inspections (19)	0.50	0.50	1
Responsibility for Conducting Inspections During Construction	1	1	2
- Self-certification by the building company (20)			
- Third-party engineer or engineering firm (21)	0.33	0.33	0.67
- Governmental agencies (22)	0.33	0.33	0.67
	0.33	0.33	0.67
Requirement of Final Inspection by Law (23)	1	1	2
Liability for Structural Flaws/Problems	1	1	2
- Liability of construction company architect or engineer (26) OR			
- Liability of third-party inspectors (27) OR			
- Liability of government agencies (28)			
Occupancy Permit (29)	1	1	2
Ability to Dispute Building Permit Decisions (30)	1	1	2
Building Control Agency Authority	1	1	2
- Authority to Issue Emergency Orders (31)	0.25	0.25	0.5
- Authority to Issue Orders to Vacate (32)	0.25	0.25	0.5
- Authority to Initiate Prosecution (33)	0.25	0.25	0.5
- Authority to Recommend Suspension or Cancellation of Licenses (34)	0.25	0.25	0.5
Total Points	10	12	22
1.2.2 Building Energy Standards			
Indicators	FFP	SBP	Total Points
Mandatory Minimum Energy Efficiency Performance Standards (35)	n/a	1	1
Energy Efficiency Performance Standards are Verified as Part of the Building Permit Review Process	n/a	1	1
- Thermal transmittance or insulation calculations (38)			
- Solar heat gain calculations for building envelope (39)	n/a	0.09	0.09

- Glazing factors for fenestration (40)	n/a	0.09	0.09
- Heating/cooling demand calculations (41)	n/a	0.09	0.09
- Daylighting and orientation (42)	n/a	0.09	0.09
- Permanent shading (43)	n/a	0.09	0.09
- Air barrier, air leakage or air infiltration (44)	n/a	0.09	0.09
- Efficiency of heating and cooling equipment and controls (45)	n/a	0.09	0.09
- Efficiency of water heating equipment and controls (46)	n/a	0.09	0.09
- Efficiency of lighting fixtures and controls (47)	n/a	0.09	0.09
- Insulation and heat traps (48)	n/a	0.09	0.09
Incentives to Promote Green Building Standards (49)	n/a	1	1
Total Points	n/a	3	3

1.2.3 Zoning and Land Use Regulations

Indicators	FFP	SBP	Total points
Requirements for Essential Infrastructure Service Access (Water, Electricity, Sanitation) (50)	1	1	2
Maps that Identify Areas Allocated to Residential, Commercial, Agricultural, Recreational, Public/Institutional, Mixed use (51)	1	1	2
Hazard Maps that Identify Areas in which Building is not Permitted due to Natural Hazards (52)	1	1	2
Hazard Maps that Identify Minimum Separation between Residential and Hazardous Occupancies (53)	1	1	2
Maps that Identify Areas in which Building is not Permitted in relation to Natural Resources (54)	1	1	2
Total Points	5	5	10

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II—QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS LOCATION

Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. 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.

2.1 AVAILABILITY AND RELIABILITY OF DIGITAL SERVICES

2.1.4 Building Permits—Digital Public Services

55. Does [CITY] have an online platform that allows the Planning/Building Control Agency to process and issue building authorizations (such as planning approvals, building permits, and/or occupancy permits)? *(not scored)* (Y/N)

56. Which of the following best describes the level of integration of the planning/building control agency's online platform with other related agencies, such as the land registry, cadaster or utility service providers (please select one answer option that applies)?

- 56a. The online platform does not integrate any relevant authorizations from agencies outside of the planning/building control agency
- 56b. The online platform integrates some relevant authorizations from agencies outside of the planning/building control agency (but not all)
- 56c. The online platform fully integrates authorizations from all relevant agencies from organizations outside of the planning/building control agency

Please specify if the following features are available in the online platform: (questions 57 through 63)

57. Online payment of fees for obtaining the building permit and/or occupancy permit through the online platform (Y/N)

58. Online communication between users and the authorities regarding permit applications (Y/N)

59. Online notifications to keep users informed about application status updates or actions required (Y/N)

60. Submission of applications or documents required to obtain a building permit? (Y/N)

61. Auto-generated checklist to help users ensure that they have completed all necessary steps to submit a building permit application (Y/N)

62. Submission of the building permit application package and issuance of building permits (Y/N)

63. Submission of the occupancy permit application package and issuance of occupancy permits (Y/N)

64. Can final decisions by the building control agency on building permits be appealed online? (Y/N)

2.1 AVAILABILITY AND RELIABILITY OF DIGITAL SERVICES			
2.1.4 Building Permits–Digital Public Services			
Indicators	FFP	SBP	Total Points
Online Platform for Issuing Building Authorizations	1	1	2
- Online platform for building authorizations and full integration of authorizations from all relevant agencies from organizations outside of the planning/building control agency (56c) OR	1 OR	1 OR	2 OR
- Online platform for building authorizations and integration of some relevant authorizations from agencies outside of the planning/building control agency (56b)	0.5	0.5	1
Online Permitting Systems with Several Functionalities	1	1	2
- Online payment of fees (57)	0.2	0.2	0.4
- Online communication (58)	0.2	0.2	0.4
- Online notifications (59)	0.2	0.2	0.4
- Online submission (60)	0.2	0.2	0.4
- Auto-generated checklist (61)	0.2	0.2	0.4
Online Permitting Systems to Obtain Building and Occupancy Permits	1	1	2
- Building permit can be obtained online (62)	0.5	0.5	1
- Occupancy permit can be obtained online (63)	0.5	0.5	1
File Dispute Online on Building Permits (64)	1	1	2
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2 INTEROPERABILITY OF SERVICES

2.2.2 Interoperability of Services for Building Permits

65. Are spatial plans and zoning requirements accessible to developers and architects in the form of a Geographic Information System (GIS) or other spatial data platforms? (Please select one answer option that applies)

65a. Yes, available online for information purposes (not valid for official procedures)

65b. Yes, available from a local or central system (e.g., national spatial planning system, GIS, or registry of urban plans) and is valid for official procedures

65c. Not available digitally → Provide response to question 66.

66. Is there full integration of GIS and/or national spatial platforms between the building permit-issuing agency and other stakeholder agencies (e.g., cadaster, land registries, municipal departments, utility service providers, etc.)?

66a. Yes, fully integrated with all relevant stakeholders

66b. No integration

2.2 INTEROPERABILITY OF SERVICES			
2.2.2 Interoperability of Services for Building Permits			
Indicators	FFP	SBP	Total Points
Availability of Spatial Plans and Zoning Requirements to all Stakeholders (65b)	1	1	2
Integration of GIS or National Spatial Platforms	1	1	2
Fully integrated (66a)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; GIS = Geographic Information System; SBP = Social Benefits Point.

2.3 TRANSPARENCY OF INFORMATION

2.3.2 Building, Zoning and Land Use

Please specify which of the following information is made available online by the building permitting agencies: (questions 67 through 71)

67. Building control regulations, accessible to all stakeholders, including residents, developers, architects, and other interested parties (Y/N)

68. Detailed criteria and steps necessary to obtain building permits (e.g., documentation, fees, technical specifications) (Y/N)

69. List of approvals required prior to obtaining a building permit from local service providers (like water utilities, electricity providers, etc.) (Y/N)

70. List of documents required to apply for a building permit (e.g., land ownership certificate, types of drawings and plans) (Y/N)

71. List of documents required to apply for an occupancy permit (Y/N)

72. An updated fee schedule for all types of construction (Please select one answer option that applies)

72a. Yes, available online and updated regularly

72b. Available online but not updated regularly

72c. No, not available to the public

73. Official, updated statistics tracking the number of building permits issued? (Y/N) (Not scored)

74. Has the master plan/zoning plan of [CITY] been revised or amended within the last 10 years?

74a. Yes

74b. There is a master plan/zoning plan, but it has not been updated within the last 10 years

74c. There is no master plan/zoning plan in [CITY] → Provide response to question 76.

75. Are there official procedures and steps specifically defined for the relevant authority to follow when modifying the master plan/zoning plan in [CITY]? (Y/N)

76. How is adherence to zoning regulations verified before submitting a building permit application in [CITY] (please select one answer option that applies)?

76a. Zoning compliance can be verified by the builder through accessible online zoning maps, and is further checked by the permit issuing authority upon receipt of the building permit application, with no additional involvement required from the builder

76b. Builder obtains formal urban planning approval from planning agency before obtaining building permit

76c. Zoning regulations adherence is not verified

2.3 TRANSPARENCY OF INFORMATION			
2.3.2 Building, Zoning and Land use			
Indicators	FFP	SBP	Total Points
Public Accessibility of Planning and Building Control Regulations (67)	1	1	2
Public Online Availability of Requirements to Obtain all Types of Building Related Permits	1	1	2
- Detailed criteria and steps necessary to obtain building permits (68)	0.33	0.33	0.67
- List of approvals required prior to obtaining a building permit from local service providers (69)	0.33	0.33	0.67
- List of documents required to apply for a building permit (70)	0.33	0.33	0.67
Public Online Availability of Requirements Needed to Obtain Occupancy Permit (71)	1	1	2
Applicable Fee Schedules for all Types of Construction Publicly Available and Up to Date (72a)	1	1	2
Availability of Official, Updated and Publicly Available Online Statistics Tracking the Number of Issued Building Permits (73)	1	1	2
Updated City Master Plan/Zoning Plan (74)	1	1	2
Steps to Modify Zoning/Land Use Plan (75)	1	1	2
Adherence to Zoning Regulations (76a OR 76b)	1	1	2
Total Points	8	8	16

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

The data for Pillar III on the operational efficiency in obtaining a construction-related permit is collected through firm level surveys, using the following parameters:

PILLAR III—OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. Geographical location determines the 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 largest municipality with the largest number of customers served. The selection of municipality affects the responses provided by experts on the operational efficiency of services provided. For all questions under Pillar III, the experts will be asked to identify the largest municipality and 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. Some specific parameters to be considered for the operational efficiency of obtaining a building permit in practice:</p> <ul style="list-style-type: none"> - Type of building: commercial building that will be used for offices - Size of commercial building: 1,800 square meters (19,375 square feet) - Floors height of commercial building: 5 floors (each floor is 360 square meters (3,875 square feet) 9 ft and 10 inches) high) <p>Each floor is assumed to be 3 meters high (9ft 10 inches)</p> <ul style="list-style-type: none"> - Land plot: 603.8 square meters 6,500 sq feet (603.8 square meters 6,500 square feet) <p>No activity will be performed in the premises of the office building that would require clearances, permits and inspections due to the existence of hazardous or other regulated materials.</p>

3.2 CONSTRUCTION PERMITS

77. Please specify the municipality that would review and approve the building permit (in case of multiple municipalities in [CITY]): *(not scored)*

Preparation of Building Permits

Please fill out the information below for all steps officially required and/or commonly done in practice to obtain a building permit to construct an office building. Please assume that the building company has an

internal architect/ engineer and only count the steps that the building company has to do with external private or public parties.

When providing the time and the cost, please consider the time for each step and whether they can be done simultaneously with another process, excluding the time it takes for the architect or engineer to complete the required projects for the building permit. Additionally, when applicable, provide the official costs for each step only.

Please provide your response below for each of the steps required to obtain a building permit, in practice.

78. Is an ownership/property certificate required or commonly done in practice? (Y/N) *(not scored)*

N → Provide response to question 81.

79. How many calendar days does it take to obtain an ownership/property certificate? *(not scored)*

80. On average, how much does it cost to complete this step? *(not scored)*

81. Is a topographical survey required or commonly done in practice? (Y/N) *(not scored)*

N → Provide response to question 84.

82. How many calendar days does it take to carry out or commission a topographical survey? (Y/N) *(not scored)*

83. On average, how much does it cost to complete this step? *(not scored)*

84. Is obtaining a geotechnical investigation required or commonly done in practice? *(not scored)*

N → Provide response to question 87.

85. How many calendar days does it take to commission and obtain a geotechnical investigation? *(not scored)*

86. On average, how much does it cost to complete this step? *(not scored)*

87. Is an urban planning approval certificate required or commonly done in practice? *(not scored)*

N → Provide response to question 90.

88. How many calendar days does it take to receive an urban planning approval certificate?

89. On average, how much does it cost to complete this step? *(not scored)*

90. Is it mandatory to obtain a certificate of compliance from utility service providers on the technical conditions to ensure the safety of construction activities and to prevent damage to existing utility infrastructure? *(not scored)*

N → Provide response to question 93.

91. How many calendar days does it take to obtain the certificate of compliance from utility providers? *(not scored)*

92. On average, how much does it cost to complete this step? *(not scored)*

93. Are inspections by any agency prior to the issuing of a building permit required or commonly done in practice? *(not scored)*

N → Provide response to question 96.

94. How many calendar days does it take to carry out such inspections? *(not scored)*

95. On average, how much does it cost to complete this step? *(not scored)*

96. Please comment if there are any other steps that are required or commonly done in *practice* *(not scored)*

3.2.1 Time to Obtain a Construction-Related Permit

97. Over the last two years, did this establishment apply for a construction-related permit? *(not scored)*

98. Time to obtain a construction-related permit: in reference to the most recent application, approximately how many days did it take to obtain the construction-related permit from the date of the application to the day the permit was granted?

3.2.2 Time to Obtain a Building Permit

99. What is the total number of calendar days to complete the entire process to obtain a building permit for a commercial property that will be used as an office building under the scenario described above?

3.2.3 Cost to Obtain a Building Permit

100. What is the total cost to complete the entire process of obtaining a building permit for a commercial property that will be used as an office building under the scenario described above?

3.2 CONSTRUCTION PERMITS			
3.2.1 Time to Obtain a Construction-Related Permit			
Indicators	FFP	SBP	Total Points
Time to Obtain a Construction-Related Permit (98)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Time to Obtain a Building Permit			
Indicators	FFP	SBP	Total Points
Time to Obtain a Building Permit (99) <i>Further corroborated with data from 79, 82, 85, 88, 91, 94</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.2	100	n/a	100
3.2.3 Cost to Obtain a Building Permit			
Indicators	FFP	SBP	Total Points
Cost to Obtain a Building Permit (100) <i>Further corroborated with data from 80, 83, 86, 89, 92, 95</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.3	100	n/a	100
Total Points for Category 3.2	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.

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 “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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS FOR BUSINESS LOCATION	
Parameters	
Business Location	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.

1.4 ENVIRONMENTAL PERMITS

1.4.1 Environmental Permits for Construction

1. Does the legal framework in [ECONOMY] classify building construction projects based on their potential environmental impact? (Y/N) (*not scored*)

Y → Provide response to questions 2-7.

Does the legal framework in [ECONOMY] address the following environmental risks associated with building construction projects? (questions 2 through 7)

2. Risks that may affect biodiversity and natural resources, potentially threatening the protection, conservation, maintenance, and restoration of natural habitats and biodiversity, including ecosystems, protected areas, and forests. (Y/N)

3. Risks that may contribute to greenhouse gas emissions or climate change impacts. (Y/N)
4. Risks that may cause physical or biological hazards, such as contamination of air, water, soil, or noise. (Y/N)
5. Risks that may require pest management measures, such as pesticides or other chemicals. (Y/N)
6. Risks that may generate or release pollutants, such as wastewater, solid waste, or air emissions, and require measures to prevent or mitigate pollution. (Y/N)
7. Risks that may affect water resources, including water quality, quantity, and access, and require measures to manage and conserve water resources. (Y/N)
8. Does the legal framework mandate permits to prevent pollution (air, water, soil) during or from construction projects in the building industry? (Y/N)
Y → Provide response to question 9.
9. Have penalties or fines been established to enforce compliance? (Y/N)
10. Does the legal framework mandate permits to govern extraction of water resources during or from construction projects in the building industry? (Y/N)
Y → Provide response to question 11.
11. Have penalties or fines been established to enforce compliance? (Y/N)
12. Does the legal framework mandate permits to govern waste management and recycling during or from construction projects in the building industry? (Y/N)
Y → Provide response to question 13.
13. Have penalties or fines been established to enforce compliance? (Y/N)
14. Does the legal framework mandate permits to govern wastewater treatment during or from construction projects in the building industry? (Y/N)
Y → Provide response to question 15.
15. Have penalties or fines been established to enforce compliance? (Y/N)

According to the legal framework, which of the following criteria triggers an Environmental Impact Assessment (EIA) in [CITY] for a building construction project? (questions 16 through 19)

16. Size of the project (e.g., surface area of the project, number of floors, parking lots) (Y/N)
17. Geographical location of the project (e.g., environmentally sensitive locations, cultural heritage) (Y/N)
18. Nature of the project (e.g., type of construction, industrial vs. residential use) (Y/N)
19. Environmental impact (e.g., changes to land use, pollution, human health and safety) (Y/N)

20. Does the legal framework require that all projects, including those categorized as having a low environmental impact, must obtain an environmental approval by a public entity? (Y/N)
21. Is it mandatory by law that an Environmental Impact Assessment (EIA) must be conducted by a qualified professional or professional agency? (Y/N)

Based on the existing legal framework, does the EIA process include each of the following requirements? (questions 22 through 26)

22. Scoping (identification of the scope of the assessment, including the issues to be addressed and the potential environmental impacts of the proposed project) (Y/N)
23. 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) (Y/N)
24. Mitigation measures (development of measures to avoid, minimize, or compensate for the negative environmental impacts of the proposed project, and enhancement of positive impacts) (Y/N)
25. Public consultation (community engagement through the disclosure of project-related information, consultation, and the incorporation of feedback, particularly from affected communities. This also includes providing project-based grievance mechanisms. Information will be disclosed in a timely manner, in an accessible place, and in a format and language understandable to both project-affect parties and other interested stakeholders) (Y/N)
26. 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) (Y/N)
27. Is the public disclosure of relevant information from Environmental Impact Assessments (EIAs) (i.e. Environmental Impact Statement) mandatory by law? (Y/N)

Does the legal framework for Environmental Impact Assessments (EIAs) require the following activities and approaches to enable stakeholders to contribute to the decision making? (questions 28 through 30)

28. Relevant information for EIA clearance is provided in formats and languages that are understandable and accessible to both project-affected and other interested parties. (Y/N)
29. Relevant information for EIA clearance is provided in accessible places, online, gazettes and media. (Y/N)
30. Capacity-building activities (such as training, resources, and technical assistance) are offered (Y/N)
31. According to the legal framework, are Environmental Impact Assessment (EIA) reports subject to a review by a responsible authority or body? (Y/N)
Y → Provide response to question 32.
32. Does the legal framework for Environmental Impact Assessments (EIAs) offer formal guidelines and procedures for the EIA review process? (Y/N)

33. Is it legally required that the formal review of EIAs be conducted by a qualified professional or an expert in EIAs? (Y/N)
34. Can the final decisions on EIAs be legally enforced through penalties, fines, and other mechanisms? (Y/N)
35. If a project causes environmental damage, can either the approving authority of an EIA or the project developer/owner be held liable? (Y/N)

1.4.2 Dispute Resolution Mechanism for EIA Decisions

36. According to the legal framework, can EIA decisions in [ECONOMY] be disputed or appealed by affected parties? (Y/N)
37. According to the legal framework, is arbitration offered as an out-of-court resolution mechanism for affected parties to dispute the EIA or environmental permits decisions with public bodies in [ECONOMY]? (Y/N)
38. According to the legal framework, is conciliation or mediation offered as an out-of-court resolution mechanism for affected parties to dispute EIA or environmental permits decisions with public bodies in [ECONOMY]? (Y/N)

1.4 ENVIRONMENTAL PERMITS			
1.4.1 Environmental Permits for Construction			
Indicators	FFP	SBP	Total Points
Environmental Risks as Defined by Legal Framework	n/a	1	1
- Risks that may affect biodiversity and natural resources (2)	n/a	0.167	0.167
- Risks that may contribute to greenhouse gas emissions or climate change impacts (3)	n/a	0.167	0.167
- Risks that may cause physical or biological hazards, such as contamination of air, water, soil, or noise (4)	n/a	0.167	0.167
- Risks that may require pest management measures (5)	n/a	0.167	0.167
- Risks that may generate or release pollutants (6)	n/a	0.167	0.167
- Risks that may affect water resources, including water quality, quantity, and access (7)	n/a	0.167	0.167
Environmental Permits Requirements for Construction	n/a	1	1
- Permits to prevent pollution (air, water, soil) (8)	n/a	0.25	0.25
- Permits to govern extraction of water resources (10)	n/a	0.25	0.25
- Permits to govern waste management and recycling (12)	n/a	0.25	0.25
- Permits to govern wastewater treatment (14)	n/a	0.25	0.25
Enforcement Mechanism for Environmental Permits	n/a	1	1
- Penalties or fines established for permits to prevent pollution (air, water, soil) (9)	n/a	0.25	0.25
- Penalties or fines established for permits to govern extraction of water resources (11)	n/a	0.25	0.25
- Penalties or fines established for permits to govern waste management and recycling (13)	n/a	0.25	0.25
- Penalties or fines established for permits to govern wastewater treatment (15)	n/a	0.25	0.25

Qualified Professional/Professional Agency to Conduct EIA (21)	n/a	1	1
Criteria that Trigger an EIA	n/a	1	1
- Extent (size) of project (16)	n/a	0.25	0.25
- Geographical location (17)	n/a	0.25	0.25
- Nature of the project (18)	n/a	0.25	0.25
- Environmental impact (19)	n/a	0.25	0.25
EIA for projects with low environmental impacts (20)	n/a	1	1
Requirements for an EIA Process	n/a	1	1
- Scoping and baseline studies (22)	n/a	0.2	0.2
- Impact assessment (23)	n/a	0.2	0.2
- Mitigation measures (24)	n/a	0.2	0.2
- Public participation (25)	n/a	0.2	0.2
- Monitoring and follow-up (26)	n/a	0.2	0.2
Legal Responsibility for Checking Compliance	n/a	1	1
- EIA is subject to review (31)	n/a	0.5	0.5
- EIA offer formal guidelines and procedures (32)	n/a	0.5	0.5
Qualified Professional to Review EIA (33)	n/a	1	1
Enforcement mechanism of EIA decisions (34)	n/a	1	1
Liability for Environmental Damages (35)	n/a	1	1
Public Consultations Requirement Elements	n/a	1	1
- Information in a form and language understandable to project-affected parties and other interested parties (28)	n/a	0.33	0.33
- Clear and accessible information (in an accessible place, online, in gazettes, media etc.) (29)	n/a	0.33	0.33
- Capacity buildings (training, resources, and technical assistance to stakeholders, as needed) (30)	n/a	0.33	0.33
Disclosure of EIA information (27)	n/a	1	1
Total Points	0	13	13
1.4.2 Dispute Mechanisms for Construction-Related Environmental Permits			
Indicators	FFP	SBP	Total Points
Ability to Dispute Environmental Clearances and Permits (36)	1	1	2
Out of Court Resolution Mechanisms for Environmental Disputes	1	1	2
- Arbitration (37)	0.5	0.5	1
- Conciliation or Mediation (38)	0.5	0.5	1
Total Points	2	2	4

Note: EIA = Environmental Impact Assessment; FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II—QUALITY OF PUBLIC SERVICES AND TRANSPARENCY OF INFORMATION FOR BUSINESS LOCATION

Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. Geographical location determines the agency governing environmental permits, as well as the type of permits 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.
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.
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2.1 AVAILABILITY AND RELIABILITY OF DIGITAL SERVICES

2.1.5 Environmental Permits–Digital Public Services

39. Is there an electronic system that facilitates public participation for environmental permitting? (Y/N)
40. Can the fees for obtaining environmental permits in [CITY] be paid through an online payment system (i.e. a portal specialized in online payment transactions)? (Y/N)
41. Is there an electronic system that facilitates the online communication between users and the authorities for obtaining environmental permits in [CITY]? (Y/N)
42. Is there an electronic system that facilitates the online submission of documents for obtaining environmental permits in [CITY]? (Y/N)
Y → Provide response to question 43.
43. When submitting the documentation for obtaining environmental permits electronically, is it also necessary to send paper copies? (Y/N) N → good practice
44. Is there an auto-generated checklist of documents that help users ensure they have submitted all necessary documents for obtaining environmental permits in [CITY]? (Y/N)
45. Can final decisions on environmental permits be appealed online? (Y/N)

2.1 AVAILABILITY AND RELIABILITY OF DIGITAL SERVICES			
2.1.5 Environmental Permits–Digital Public Services			
Indicators	FFP	SBP	Total Points
Online Permitting Systems to Facilitate Public Participation (39)	1	1	2
Online Permitting Systems with Several Functionalities	1	1	2
- Online payment (40)	0.25	0.25	0.5
- Online communication (41)	0.25	0.25	0.5
- Online submission (42)	0.25	0.25	0.5
- Auto-generated checklist (44)	0.25	0.25	0.5
Paper Copies Required in Conjunction with Online Submission (43)	1	1	2
File a Dispute Online on Environmental Licensing (45)	1	1	2
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.3 TRANSPARENCY OF INFORMATION

2.3.3 Environmental Permits

46. Are the requirements for submitting an application to obtain environmental clearances or permits for constructing a building in [CITY] available online? (Y/N)
47. Is the current fee schedule applicable for environmental permits in [CITY] as of September 2024 available online? (Y/N)
48. Is there public, official and updated information that shows a list or total number of approved EIAs in [ECONOMY]? (Y/N)

2.3 TRANSPARENCY OF INFORMATION			
2.3.3 Environmental Permits			
Indicators	FFP	SBP	Total Points
Public Online Availability of Environmental Licensing Requirements for Moderate-Risk Construction Project (46)	1	1	2
Applicable and Up to Date Fee Schedule for Environmental Clearances (47)	1	1	2
Availability of Official, Updated and Publicly Available List of approved EIAs (48)	1	1	2
Total Points	3	3	6

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

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

PILLAR III—OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION	
Parameters	
Business Location	The largest (most populous city) in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. Geographical location determines the agency governing environmental permits, 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.
Type and Size of Project	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.

3.3 ENVIRONMENTAL PERMIT

When providing the time and cost, please consider the time for each process and whether they can be done simultaneously with another process, and when applicable, provide the costs in local currency and only the official costs.

49. For the housing development project as described above, what kind of Environmental Impact Assessment (EIA) would be required? (*not scored*)

49a. Self-declaration of compliance with environmental regulations

49b. Simplified Environmental Impact Assessment (i.e., environmental permit involving environmental study with limited scope)

49c. Full Environmental Impact Assessment (see glossary for definition)

49d. No Environmental Impact Assessment applies to such a project

49e. Other

49.1 Please specify what kind of Environmental Impact Assessment process is required for the housing development project as described above:

49.2 Please specify the law that outlines the requirements and type of Environmental Impact Assessment (EIA) required for the project described above:

For the housing development project as described above, which of the following other environmental clearances are required? (questions 50 through 54)

50. Pollution (Y/N)

51. Extraction of water resources (Y/N)

52. Water management and recycling (Y/N)

53. Wastewater treatment (Y/N)

54. Other (Y/N)

3.3.1 Time to Obtain an Environmental Permit

When answering the questions below, please consider, for the housing development project as outlined above:

- i. What is applicable in [ECONOMY] based on the regulatory framework to complete an Environmental Impact Assessment (EIA) and/or other environmental permits.
- ii. All steps officially required by law and/or commonly done in practice to obtain an environmental clearance where public services offered by respective authorities are directly involved. This may include, but is not limited to, acquiring information on environmental clearance requirements, confirming if an EIA is required and submitting the necessary documents for approval. However, steps that do not involve direct public service participation, such as the time and cost of hiring consultants to prepare reports, will NOT be considered.
- iii. For questions 55-58, if this step is not officially required by law and/or commonly done in practice for this kind of project, mark n/a.

55. For a housing development project as outlined above, how many calendar days will it take to obtain confirmation from respective authorities on the need for an EIA and/or environmental

permits? (If this step is not officially required by law and/or commonly done in practice for this kind of project, mark n/a.) *(not scored)*

56. For a housing development project as outlined above, how many calendar days will it take to obtain information from the respective authorities on all the necessary requirements the project must comply with (details on needed clearances and steps for both EIA and/or environmental permits)? (If this step is not officially required by law and/or commonly done in practice for this kind of project, mark n/a) *(not scored)*
57. Upon submission of all the required environmental documentation (impact assessments, and other) to the respective authorities, how many calendar days will it take to receive an answer on the completeness of that documentation? (If this step is not officially required by law and/or commonly done in practice for this kind of project, mark n/a) *(not scored)*
58. Upon receiving satisfactory submission of all environmental documentation to the respective authorities, how many calendar days will it take for public authorities to conduct public consultation (from the time of advertising to the completion of consultation phase)? (If this step is not officially required by law and/or commonly done in practice for this kind of project, mark n/a) *(not scored)*
59. Upon satisfactory completion and submission of all environmental documentation to the respective authorities, how many calendar days will it take for the respective authorities to officially grant clearance? (If this step is not officially required by law and/or commonly done in practice for this kind of project, mark n/a) *(not scored)*
60. Counting from the time of the submission of required environmental documentation until its final clearance, what is the total time for all permits and clearances (in calendar days)?

3.3.2 Cost to Obtain an Environmental Permit

61. Considering all costs involved from the submission of required environmental documentation until its final clearance, what is the total cost for all permits and clearances (in local currency)?

3.3 ENVIRONMENTAL PERMIT			
3.3.1 Time to Obtain an Environmental Permit			
Indicators	FFP	SBP	Total Points
Time to Obtain an Environmental Permit (60) <i>Further collaborated with 55, 56, 57, 58, 59</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.3.1	100	n/a	100
3.3.2 Cost to Obtain an Environmental Permit			
Indicators	FFP	SBP	Total Points
Cost to Obtain an Environmental Permit (61)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.3.2	100	n/a	100
Total Points for Category 3.3	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 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 improves 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 The 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 operational 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. In addition to regulatory effectiveness, the quality, reliability, and sustainability of these services are vital and should be maintained through monitoring the quality of service supply and connection safety;⁸ Interoperability through agency coordination and digitalization of utilities can also help improve the quality of public services and the customer experience and reduce the environmental impact by optimizing resource use.

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 operational 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 connections. 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 indicators related to the provision of service connections and the 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 and the cost of utility service (operational 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 summarizes all three pillars and their respective categories for the three areas measured: Electricity, Water, and Internet.

Table 1. Summary Table of all Three Pillars for the Utility Services Topic

Pillar I—Quality of Regulations on Utility Services (33 indicators)	
1.1	Electricity (10 indicators)
1.1.1	Regulatory Monitoring of Tariffs and Service Quality (2 indicators)
1.1.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms (2 indicators)
1.1.3	Regulations on Safety of Electricity Connections (3 indicators)
1.1.4	Environmental Sustainability (3 indicators)
1.2	Water (12 indicators)
1.2.1	Regulatory Monitoring of Tariffs and Service Quality (2 indicators)
1.2.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms (2 indicators)
1.2.3	Regulations on Safety of Water Connections (3 indicators)
1.2.4	Environmental Sustainability (5 indicators)
1.3	Internet (11 indicators)
1.3.1	Regulatory Monitoring of Tariffs and Service Quality (2 indicators)
1.3.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms (4 indicators)
1.3.3	Regulations on Safety of Internet Connections (3 indicators)
1.3.4	Environmental Sustainability (2 indicators)
Pillar II—Quality of the Governance and Transparency of Utility Services (43 indicators)	
2.1	Electricity (15 indicators)
2.1.1	Digital Services and Interoperability (4 indicators)
2.1.2	Monitoring of Service Supply (includes gender and environment) (3 indicators)
2.1.3	Availability of Information and Transparency (6 indicators)
2.1.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms (2 indicators)
2.2	Water (15 indicators)
2.2.1	Digital Services and Interoperability (4 indicators)
2.2.2	Monitoring of Service Supply (includes gender and environment) (3 indicators)
2.2.3	Availability of Information and Transparency (6 indicators)
2.2.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms (2 indicators)
2.3	Internet (13 indicators)
2.3.1	Digital Services and Interoperability (4 indicators)
2.3.2	Monitoring of Service Supply (includes gender and environment) (2 indicators)
2.3.3	Availability of Information and Transparency (5 indicators)
2.3.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms (2 indicators)
Pillar III—Operational Efficiency of Utility Service Provision (9 indicators)	
3.1	Electricity (3 indicators)
3.1.1	Affordability (1 indicator)
3.1.2	Time to Obtain a Connection (1 indicator)
3.1.3	Reliability of Supply (1 indicator)
3.2	Water (3 indicators)
3.2.1	Affordability (1 indicator)
3.2.2	Time to Obtain a Connection (1 indicator)
3.2.3	Reliability of Supply (1 indicator)
3.3	Internet (3 indicators)
3.3.1	Affordability (1 indicator)
3.3.2	Time to Obtain a Connection (1 indicator)
3.3.3	Reliability of Supply (1 indicator)

1. PILLAR I. QUALITY OF REGULATIONS ON UTILITY SERVICES

Table 2 shows the structure for Pillar I, Quality of Regulations on Utility Services. Each of this pillar's subcategories will be discussed in more detail as they relate to each of the three areas measured: Electricity, Water, and Internet.

Table 2. Pillar I–Quality of Regulations on Utility Services

1.1	Electricity
1.1.1	Regulatory Monitoring of Tariffs and Service Quality
1.1.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms
1.1.3	Regulations on Safety of Electricity Connections
1.1.4	Environmental Sustainability
1.2	Water
1.2.1	Regulatory Monitoring of Tariffs and Service Quality
1.2.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms
1.2.3	Regulations on Safety of Water Connections
1.2.4	Environmental Sustainability
1.3	Internet
1.3.1	Regulatory Monitoring of Tariffs and Service Quality
1.3.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms
1.3.3	Regulations on Safety of Internet Connections
1.3.4	Environmental Sustainability

Each subcategory is divided into several indicators, each of which may, in turn, have several components.

1.1.1, 1.2.1, 1.3.1 Regulatory Monitoring of Tariffs and Service Quality (Electricity, Water and Internet)

The 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 the 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, Subcategories 1.1.1, 1.2.1, and 1.3.1–Regulatory Monitoring of Tariffs and Service Quality comprise six indicators: two for Electricity (Subcategory 1.1.1) (table 3), two for Water (Subcategory 1.2.1) (table 4), and two for Internet (Subcategory 1.3.1) (table 5).

Table 3. Subcategory 1.1.1–Regulatory Monitoring of Tariffs and Service Quality (Electricity)

	Indicators	Components
1	Monitoring of Tariffs	Regulator has the final decision-making power in setting/approving tariffs
2	Monitoring of Service Quality	i) Setting standards to ensure the quality of electricity service supply ii) Monitoring standards to ensure the quality of electricity service supply

Table 4. Subcategory 1.2.1–Regulatory Monitoring of Tariffs and Service Quality (Water)

	Indicators	Components
1	Monitoring of Tariffs	Regulator has the final decision-making power in setting/approving tariffs
2	Monitoring of Service Quality	i) Setting standards to ensure the quality of water service supply ii) Monitoring standards to ensure the quality of water service supply

Table 5. Subcategory 1.3.1–Regulatory Monitoring of Tariffs and Service Quality (Internet)

	Indicators	Components
1	Monitoring of Tariffs	i) Monitoring of wholesale connectivity tariffs ii) Monitoring of interconnection agreements iii) Investigations for anticompetitive practices iv) Fines for anticompetitive practices
2	Monitoring of Service Quality	i) Setting standards to ensure the quality of internet service ii) Monitoring standards to ensure the quality of internet service

1.1.2, 1.2.2, 1.3.2 Utility Infrastructure Sharing and Quality Assurance Mechanisms (Electricity, Water, and Internet)

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 sharing the same infrastructure among different utility providers, including those encouraging common excavation plans or “dig once” policies, enhance interoperability and lessen the time and cost to receive a utility connection. Similarly, time limits for approvals of agencies involved in the utility connection process improve the 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

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 the quality of electricity, water, and internet service provision.¹⁷ Therefore, Subcategories 1.1.2, 1.2.2, and 1.3.2—Utility Infrastructure Sharing and Quality Assurance Mechanisms comprise eight indicators: two for Electricity (Subcategory 1.1.2) (table 6), two for Water (Subcategory 1.2.2) (table 7), and four for Internet (Subcategory 1.3.2) (table 8).

Table 6. Subcategory 1.1.2—Utility Infrastructure Sharing and Quality Assurance Mechanisms (Electricity)

	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	Mechanisms on Service Quality Assurance	Existence in the regulatory framework of sanctions and/or remedies such as compensations or penalties paid by service provider to discourage supply disruption

Table 7. Subcategory 1.2.2—Utility Infrastructure Sharing and Quality Assurance Mechanisms (Water)

	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	Mechanisms on Service Quality Assurance	Existence in the regulatory framework of sanctions and/or remedies such as compensations or penalties paid by service provider to discourage supply disruption

Table 8. Subcategory 1.3.2—Utility Infrastructure Sharing and Quality Assurance Mechanisms (Internet)

	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	i) Regulations on equal access to government-owned infrastructure ii) Regulations on rights of way for digital infrastructure service providers
3	Open Infrastructure	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
4	Mechanisms on Service Quality Assurance	Existence in the regulatory framework of financial deterrence mechanisms such as compensations or penalties paid by service provider to discourage supply disruption

1.1.3, 1.2.3, 1.3.3 Regulations on Safety of Utility Connections (Electricity, Water, and Internet)

Professional certification reduces uncertainty 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.¹⁹ Similarly, in the electricity sector, the importance of engineer qualifications to protect public health, welfare, and safety is well recognized.²⁰ 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 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 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

Broadband connections do not generally pose physical safety risks analogous to water and electricity connections. The adoption and use of digital technologies by firms, however, does depend on the 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, Subcategories 1.1.3, 1.2.3, and 1.3.3–Safety of Utility Connections comprise nine indicators: three for Electricity (Subcategory 1.1.3) (table 9), three for Water (Subcategory 1.2.3) (table 10), and four for Internet (Subcategory 1.3.3) (table 11).

Table 9. Subcategory 1.1.3–Regulations on Safety of Electricity Connections

	Indicators	Components
1	Professional Certifications	A combination of the requirements (two or more) to ensure professional qualification of practitioners performing installations is assessed.
2	Inspection Regimes	i) Internal installation works ii) External installation works are of adequate quality and comply with the regulation <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>
3	Liability Regimes	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

Table 10. Subcategory 1.2.3–Regulations on Safety of Water Connections

	Indicators	Components
1	Professional Certifications	A combination of the requirements (two or more) to ensure professional qualification of practitioners performing installations is assessed.
2	Inspection Regimes	i) Internal installation works ii) External installation works are of adequate quality and comply with the regulation <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>

3	Liability Regimes	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
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Table 11. Subcategory 1.3.3–Regulations on Safety of Internet Connections

	Indicators	Components
1	Liability Regimes	i) Liability and a legal right to pursue compensation for personal data protection breaches ii) Provisions on data breach incident reporting
2	Cybersecurity Coordination	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
3	Cybersecurity Safeguards	i) Cybersecurity protection or minimum standards and safeguards ii) Computer Security Incident Response Teams

1.1.4, 1.2.4, 1.3.4 Environmental Sustainability (Electricity, Water, and Internet)

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

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 labeling 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 Further, 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

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, Subcategories 1.1.4, 1.2.4, and 1.3.4–Environmental Sustainability comprise ten indicators: three for Electricity (Subcategory 1.1.4) (table 12), five for Water (Subcategory 1.2.4) (table 13), and two for Internet (Subcategory 1.3.4) (table 14).

Table 12. Subcategory 1.1.4–Environmental Sustainability (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

Table 13. Subcategory 1.2.4–Environmental Sustainability (Water)

	Indicators	Components
1	Environmental Sustainability and Quality 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	i) Financial incentives for businesses to adopt water-saving practices ii) Nonfinancial incentives for businesses to adopt water-saving practices
4	Sustainability of Wastewater Treatment	i) Existence of entity regulating wastewater discharge ii) Wastewater treatment standards that require to isolate wastewater
5	Wastewater Reuse	Regulation on wastewater reuse, such as guidelines for the use of reclaimed water, effluent quality limits and treatment process/type

Table 14. Subcategory 1.3.4–Environmental Sustainability (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
2	Emissions and Energy Efficiency of Infrastructure	National targets for emissions or energy efficiency of electronic communication networks, including data centers

2. PILLAR II. QUALITY OF THE GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES

Table 15 shows the structure for Pillar II, the Quality of the Governance and Transparency of Utility Services. Each of this pillar's subcategories will be discussed in more detail as they relate to each of the three areas measured: Electricity, Water, and Internet.

Table 15. Pillar II–Quality of the Governance and Transparency of Utility Services

2.1	Electricity (15 indicators)
2.1.1	Digital Services and Interoperability (4 indicators)
2.1.2	Monitoring of Service Supply (includes gender and environment) (3 indicators)
2.1.3	Availability of Information and Transparency (6 indicators)
2.1.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms (2 indicators)
2.2	Water (15 indicators)
2.2.1	Digital Services and Interoperability (4 indicators)
2.2.2	Monitoring of Service Supply (includes gender and environment) (3 indicators)
2.2.3	Availability of Information and Transparency (6 indicators)
2.2.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms (2 indicators)
2.3	Internet (13 indicators)
2.3.1	Digital Services and Interoperability (4 indicators)

2.3.2	Monitoring of Service Supply (includes gender and environment) (2 indicators)
2.3.3	Availability of Information and Transparency (5 indicators)
2.3.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms (2 indicators)

Each subcategory is divided into several indicators, each of which may, in turn, have several components.

2.1.1, 2.2.1, 2.3.1 Digital Services and Interoperability (Electricity, Water, and Internet)

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.³⁸ Web-based platforms for making online payments for utility services enhance efficiency and cost-effectiveness. Digital platforms also reduce delays associated with applying for new connections and payment of monthly fees.³⁹

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.⁴⁰ In addition, an online unified platform with information about planned infrastructure works is essential for effective coordination of network expansion.⁴¹ 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.⁴²

Therefore, Subcategories 2.1.1, 2.2.1, and 2.3.1–Digital Services and Interoperability comprise twelve indicators: four for Electricity (Subcategory 2.1.1) (table 16), four for Water (Subcategory 2.2.1) (table 17), and four for Internet (Subcategory 2.3.1) (table 18).

Table 16. Subcategory 2.1.1–Digital Services and Interoperability (Electricity)

	Indicators	Components
1	Electronic Application	i) The availability of online application for new commercial connections ii) The availability of online tracking of the applications
2	Electronic Payment	i) The possibility of paying online the fee for a new connection ii) The possibility of paying online for monthly tariffs
3	Information on Existing Infrastructure and Planned Works	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
4	Coordination Mechanisms for Excavation Permits	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.

Table 17. Subcategory 2.2.1–Digital Services and Interoperability (Water)

	Indicators	Components
1	Electronic Application	i) The availability of online application for new commercial connections ii) The availability of online tracking of the applications
2	Electronic Payment	i) The possibility of paying online the fee for a new connection ii) The possibility of paying online for monthly tariffs
3	Information on Existing Infrastructure and Planned Works	i) The existence of a 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
4	Coordination Mechanisms for Excavation Permits	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.

Table 18. Subcategory 2.3.1–Digital Services and Interoperability (Internet)

	Indicators	Components
1	Electronic Application	i) The availability of online application for new commercial connections ii) The availability of online tracking of the applications
2	Electronic Payment	i) The possibility of paying online the fee for a new connection ii) The possibility of paying online for monthly tariffs
3	Information on Existing Infrastructure and Planned Works	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
4	Coordination Mechanisms for Excavation Permits	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.

2.1.2, 2.2.2, 2.3.2 Monitoring of Service Supply (includes gender and environment) (Electricity, Water, and Internet)

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.⁴³ Reliability of electricity supply can be monitored through the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI).⁴⁴ Reliability of water supply can be monitored by measuring average hours of service per day or number of customers with interrupted supply.⁴⁵ Water quality can be maintained through regular monitoring of percentage of water receiving chemical treatment as well as percentage of water unsuitable for consumption.⁴⁶ Quality of the internet supply can be monitored through average download and upload speeds or latency times.⁴⁷

Environmental sustainability of electricity supply can be monitored through a percentage of energy used from renewable sources. 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, amongst others.⁴⁸

Sex-disaggregated data promote gender parity, allowing service providers to identify areas where opportunities for women lag behind.⁴⁹ 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.⁵⁰ Therefore, Subcategories 2.1.2, 2.2.2, and 2.3.2–Monitoring of Service Supply (includes gender and environment) comprise eight indicators: three for Electricity (Subcategory 2.1.2) (table 19), three for Water (Subcategory 2.2.2) (table 20), and two for Internet (Subcategory 2.3.2) (table 21).

Table 19. Subcategory 2.1.2–Monitoring of Service Supply (includes gender and environment) (Electricity)

	Indicators	Components
1	Reliability and Quality of Electricity Supply	Monitoring of the duration and frequency of electricity outage
2	Environmental Sustainability of Electricity Supply	Existence of KPIs on sustainability of electricity supply
3	Access to Electricity for Women Entrepreneurs	Sex-disaggregated customer survey results, including consumer satisfaction surveys, and complaint submissions

Note: KPI = Key Performance Indicator.

Table 20. Subcategory 2.2.2–Monitoring of Service Supply (includes gender and environment) (Water)

	Indicators	Components
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1	Reliability and Quality of Water Supply	i) Monitoring of the reliability of water supply ii) Monitoring of the parameters on the quality of water
2	Environmental Sustainability of Water Supply	Existence of KPIs on sustainability of water supply
3	Access to Water for Women Entrepreneurs	Sex-disaggregated customer survey results, including consumer satisfaction surveys, and complaint submissions

Note: KPI = Key Performance Indicator.

Table 21. Subcategory 2.3.2–Monitoring of Service Supply (includes gender and environment) (Internet)

	Indicators	Components
1	Reliability and Quality of Internet Supply	Existence of KPIs on the reliability and quality of internet service
2	Access to Internet for Women Entrepreneurs	Sex-disaggregated customer survey results, including consumer satisfaction surveys, and complaint submissions

Note: KPI = Key Performance Indicator.

2.1.3, 2.2.3, 2.3.3 Availability of Information and Transparency (Electricity, Water, and Internet)

Transparency in the provision of utility services is crucial for reducing transaction costs and improving predictability to users, as well as fostering accountability among utility service providers.⁵¹ 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.⁵²

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.⁵³ Furthermore, transparency of the billing system and formula prescribing how end-user tariffs are set enable businesses to contest charges, if necessary.⁵⁴

Public availability of planned outages or their notifications to customers improves predictability of service provision.⁵⁵ Internet interruptions adversely impact both businesses and customers.⁵⁶ Similarly, unpredictable electricity and water services may lead to spoilage and damaged inventory, thereby posing financial risks to business.⁵⁷ Transparency of planned outages contributes to a more predictable business environment. 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.⁵⁸

Furthermore, regular monitoring and publishing of utility performance KPIs improves service predictability and transparency.⁵⁹ End users should be able to compare a utility's actual performance against the performance goals set in its accountability framework.⁶⁰ Therefore, Subcategories 2.1.3, 2.2.3, and 2.3.3–Availability of Information and Transparency comprise seventeen indicators: six for Electricity (Subcategory 2.1.3) (table 22), six for Water (Subcategory 2.2.3) (table 23), and five for Internet (Subcategory 2.3.3) (table 24).

Table 22. Subcategory 2.1.3–Availability of Information and Transparency (Electricity)

	Indicators	Components
1	Connection Requirements	i) The required documents ii) Procedures

		iii) Connection cost iv) Stipulated connection time standards
2	Tariffs and Tariff Setting	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
3	Planned Outages	Planned outages are available online or communicated to customers
4	Complaint Mechanisms	i) Entity in charge of managing the complaints ii) Required documents iii) Steps necessary to make a complaint iv) Criteria or scope of complaint mechanism
5	Service Quality Indicators	Online availability of KPIs on duration and frequency of electricity outages
6	Environmental Sustainability Indicators	Online availability of KPIs on environmental sustainability of electricity

Note: KPI = Key Performance Indicator.

Table 23. Subcategory 2.2.3–Availability of Information and Transparency (Water)

	Indicators	Components
1	Connection Requirements	i) The required documents ii) Procedures iii) Connection cost iv) Stipulated connection time standards
2	Tariffs and Tariff Setting	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
3	Planned Outages	Planned outages are available online or communicated to customers
4	Complaint Mechanisms	i) Entity in charge of managing the complaints ii) Required documents iii) Steps necessary to make a complaint iv) Criteria or scope of complaint mechanism
5	Service Quality Indicators	Online availability of indicators on reliability and quality of water services.
6	Environmental Sustainability Indicators	Online availability of KPIs on environmental sustainability of water supply

Note: KPI = Key Performance Indicator.

Table 24. Subcategory 2.3.3–Availability of Information and Transparency (Internet)

	Indicators	Components
1	Connection Requirements	i) The required documents ii) Procedures iii) Connection cost iv) Stipulated connection time standards
2	Tariffs and Tariff Setting	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.
3	Planned Outages	Planned outages are available online or communicated to customers
4	Complaint Mechanisms	i) Entity in charge of managing the complaints ii) Required documents iii) Steps necessary to make a complaint iv) Criteria or scope of complaint mechanism
5	Service Quality Indicators	Online availability of KPIs on reliability and quality of Internet supply

Note: KPI = Key Performance Indicator.

2.1.4, 2.2.4, 2.3.4 Enforcement of Safety Regulations and Consumer Protection Mechanisms (Electricity, Water, and Internet)

The way in which regulations are implemented and enforced determines if a regulatory system is working as intended.⁶¹ 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.⁶²

Furthermore, existence of an independent complaint mechanism contributes to the enforcement of regulations, benefiting businesses by allowing them to report inadequate service supply and escalate complaints and appeals.⁶³ In addition, it benefits businesses by allowing them to report inadequate service supply. A strong complaint mechanism enables resolution of issues without engaging in costly and lengthy dispute resolution processes. Having an independent complaint mechanism is also important for escalating complaints and appeals if needed. Therefore, Subcategories 2.1.4, 2.2.4, and 2.3.4—Enforcement of Safety Regulations and Consumer Protection Mechanisms comprise six indicators: two for Electricity (Subcategory 2.1.4) (table 25), two for Water (Subcategory 2.2.4) (table 26), and two for Internet (Subcategory 2.3.4) (table 27).

Table 25. Subcategory 2.1.4—Enforcement of Safety Regulations and Consumer Protection Mechanisms (Electricity)

	Indicators	Components
1	Implementation of Inspections for Electricity Connections	i) Internal installations works ii) External installations works <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>
2	Independent Complaint Mechanism	The existence of complaint mechanism independent from the utility to escalate complaints

Table 26. Subcategory 2.2.4—Enforcement of Safety Regulations and Consumer Protection Mechanisms (Water)

	Indicators	Components
1	Implementation of Inspections for Water Connections	i) Internal installations works ii) External installations works <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>
2	Independent Complaint Mechanism	The existence of complaint mechanism independent from the utility to escalate complaints

Table 27. Subcategory 2.3.4—Enforcement of Safety Regulations and Consumer Protection Mechanisms (Internet)

	Indicators	Components
1	Cybersecurity Protocols	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	Independent Complaint Mechanism	The existence of complaint mechanism independent from the utility to escalate complaints

3. PILLAR III. OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION

Table 14 shows the structure for Pillar III, the Operational Efficiency of Utility Service Provision. Each of this pillar's subcategories will be discussed in more detail as they relate to each of the three areas measured: Electricity, Water, and Internet.

Table 28. Pillar III—Operational Efficiency of Utility Service Provision

3.1	Electricity
3.1.1	Affordability

3.1.2	Time to Obtain a Connection
3.1.3	Reliability of Supply
3.2	Water
3.2.1	Affordability
3.2.2	Time to Obtain a Connection
3.2.3	Reliability of Supply
3.3	Internet
3.3.1	Affordability
3.3.2	Time to Obtain a Connection
3.3.3	Reliability of Supply

3.1.1, 3.2.1, 3.3.1 Affordability (Electricity, Water, and Internet)

Expensive processes of obtaining utility connections and tariffs are burdensome and can impact firms. High service commissions, contribution charges, taxes, and costly monthly bills discourage applicants from obtaining utility connections and cost-efficient utility services.⁶⁴ By contrast, a less expensive utility connection process is associated with better firm performance, particularly in industries with high electricity needs.⁶⁵ For instance, energy tariffs affect firms' productivity and consumption levels.⁶⁶ In addition, the efficient pricing of energy tariffs impacts firms' investment decisions, which can reduce environmental footprint and improve social welfare.⁶⁷ Moreover, in today's digital age, the internet is a fundamental resource for conducting business, and lower internet costs can significantly reduce operating costs, allowing businesses to allocate resources to other growth-oriented initiatives.⁶⁸ Therefore, Subcategories 3.1.1, 3.2.1, and 3.3.1–Affordability comprise three indicators, one for each of the Electricity (Subcategory 3.1.1) (table 29), Water (Subcategory 3.2.1) (table 30), and Internet (Subcategory 3.3.1) (table 31).

Table 29. Subcategory 3.1.1–Affordability (Electricity)

	Indicators	Components
1	Cost of Connection and Cost of Service (Electricity)	i) The cost to obtain a new connection ii) Monthly cost of utility service

Table 30. Subcategory 3.2.1–Affordability (Water)

	Indicators	Components
1	Cost of Connection and Cost of Service (Water)	i) The cost to obtain a new connection ii) Monthly cost of utility service

Table 31. Subcategory 3.3.1–Affordability (Internet)

	Indicators	Components
1	Cost of Connection and Cost of Service (Internet)	i) The cost to obtain a new connection ii) Monthly cost of utility service

3.1.2, 3.2.2, 3.3.2 Time to Obtain a Connection (Electricity, Water, and 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.⁶⁹ A straightforward process that requires less time to receive an electricity connection positively impacts firm revenues, lowers connection rates, and limits bribes.⁷⁰ Therefore, Subcategories 3.1.2, 3.2.2, and 3.3.2–Time to Obtain a Connection comprise three indicators, one for each of the Electricity (Subcategory 3.1.2) (table 32), Water (Subcategory 3.2.2) (table 33), and Internet (Subcategory 3.3.2) (table 34).

Table 32. Subcategory 3.1.2–Time to Obtain a Connection (Electricity)

	Indicators	Components
1	Time to Obtain an Electricity Connection	The period in calendar days between the completed and submitted application and the connection provision

Table 33. Subcategory 3.2.2–Time to Obtain a Connection (Water)

	Indicators	Components
1	Time to Obtain a Water Connection	The period in calendar days between the completed and submitted application and the connection provision

Table 34. Subcategory 3.3.2–Time to Obtain a Connection (Internet)

	Indicators	Components
1	Time to Obtain an Internet Connection	The period in calendar days between the completed and submitted application and the connection provision

3.1.3, 3.2.3, 3.3.3 Reliability of Supply (Electricity, Water, and Internet)

Economies that do not monitor electricity outages tend to experience high instances of electricity interruptions.⁷¹ 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.⁷² 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.⁷³ 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.⁷⁴ Therefore, Subcategories 3.1.3, 3.2.3, and 3.3.3–Reliability of Utility Services comprise three indicators, one for each of the Electricity (Subcategory 3.1.3) (table 35), Water (Subcategory 3.2.3) (table 36), and Internet (Subcategory 3.3.3) (table 37).

Table 35. Subcategory 3.1.3–Reliability of Supply (Electricity)

	Indicators	Components
1	Reliability of Electricity Supply	i) Number of power outages experienced by firms in a typical month ii) Average duration of outages iii) Losses due to electrical outages as a percentage of annual sales iv) Percentage of firms owning or sharing a generator

Table 36. Subcategory 3.2.3–Reliability of Supply (Water)

	Indicators	Components
1	Reliability of Water Supply	Percentage of firms not experiencing water insufficiencies

Table 37. Subcategory 3.3.3–Reliability of Supply (Internet)

	Indicators	Components
1	Reliability of Internet Supply	Percentage of firms not experiencing internet disruptions

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 lawyers working in the areas of Electricity, Water, and Internet, as well as practitioners, such as construction companies, contractors, engineers, energy and water specialists, broadband technicians, network architects, and engineers. In Pillar III, affordability data are collected through consultations with private sector experts, while data on the time to obtain a connection and on the reliability of supply are collected through Enterprise Surveys. Enterprise Surveys provide representative data on time to receive utility connections, on service disruptions 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. For Pillar III, for indicators whose data are collected through consultations with private sector experts, broad parameters are defined (described in section IV) to ensure data comparability across economies.

4.2 Screening and Selection of Experts

The Utility Services topic has three questionnaires, one for each utility: Electricity, Water, and Internet. Each questionnaire targets experts in their respective areas of expertise. A screener questionnaire is used to assist the selection of experts receiving the Utility Services topic questionnaires based on a set of criteria (table 38).

Table 38. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions	
Electricity	Construction companies, contractors, engineers, lawyers, academia (professors, lecturers and/or researchers), energy consultants, policy analysts, management and strategy consultants, etc.
Water	Construction companies, contractors, engineers, lawyers, academia (professors, lecturers and/or researchers), water specialists, policy analysts, management and strategy consultants, 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, academia (professors, lecturers and/or researchers), regulatory compliance specialists, policy analysts, management and strategy consultants, etc.
Relevant Areas of Specialization	
Electricity	Civil engineering, construction contracting, electrical engineering, electrical installations, energy and environmental policy, environment/energy transition / sustainable and clean energy, electricity/energy consulting, construction / environmental / energy law
Water	Civil engineering, construction contracting, chemical engineering, water installations, sanitary or environmental engineering, water resources management, regulation of water and wastewater services, water and wastewater infrastructure projects, construction / environmental law
Internet	Telecommunication engineering, broadband installations, IT systems administration, IT security/cybersecurity, IT hardware maintenance and administration, Web/software developing, network design/infrastructure, digital transformation/digital economy, ICT Policy/Advocacy, ICT law/regulatory compliance (infrastructure- investment/ownership/licensing), ICT law/regulatory compliance (commercial disputes/regulator disputes), ICT law/regulatory compliance (cybersecurity/liability/data protection and privacy/consumer protection/ cross-border data flows/digital commerce law), digital trade policy
Assessment of 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, digital trade

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 expertise related to commercial Electricity, Water, and Internet connections and related regulations, services, and processes.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Utility Services topic uses general and specific parameters. A parameter refers to an assumption about the characteristics of location, utility provider, and the specific characteristics of utility connection and service. 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

Electricity, Water, and Internet connections employ the same general parameter. 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.

5.1.1 Business Location

Justification:

Geographic location determines the availability of electricity, water, and internet connections, in addition to the type of connections and construction required. Different locations often have distinct infrastructure setups, regulatory frameworks, and resource availability, which impact the process and feasibility of obtaining utility services. 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 and cost required 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. This approach ensures that the assessment reflects the most common and impactful scenarios within an economy.

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 utility service provider and is important for identifying a geographical area of provision of utility services. For Pillar III, the parameter is used to determine the complexity of the connection process as well as the associated costs.

5.2 Specific Parameters

Utility Services employs eight specific parameters. Many economies have multiple utility providers, and the assessment of the performance of utility service provision requires identifying the relevant provider. Therefore, to ensure accurate and relevant assessments, it is essential to establish consistent parameters across service providers. Utility-specific parameters are also necessary to ensure that estimates specific to the connection, such as information on the cost to obtain utility connections provided by experts, are comparable across economies. Utility connections can vary 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, electricity; water consumption, length of connection, pipe diameter; and download/upload speed are designed for electricity, water, and internet connections, respectively.

5.2.1 Utility–Largest Utility Provider

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 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 10 Mbps [Megabits per second] download speed) is selected, as their pricing and service levels set the benchmark for the industry.

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 of tariff transparency, in cases where tariffs are published on regulatory agency websites. Pillar III applies this parameter to assess how the largest provider's pricing and operational efficiency impact businesses. For the internet, different packages are typically offered by ISPs. These packages vary in terms of download speed and costs, and this variation can significantly affect a business's operation. This is why it is crucial to set the largest utility provider as a parameter, as it directly influences the availability, affordability, and quality of internet services accessible to businesses.

5.2.2 Electricity–Load capacity

Justification:

For electricity, a specific parameter of load capacity is used for 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. The Utility Services topic assumes two scenarios of the load capacity i) a larger electricity connection of 180 kVA and ii) a smaller electricity connection of 60 kVA.

Application:

- 180 kVA load capacity: The load capacity of 180 kVA 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.⁷⁵ 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.⁷⁶

An illustrative breakdown of 180 kVA capacity is as follows:⁷⁷

- 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
- 60 kVA: The load capacity of 60 kVA corresponds to connections of the firms that operate in sectors that require moderate but consistent power usage. The subscribed capacity of 60 kVA can refer to SMEs operating in services sector, such as a retail shop, non-refrigerated storage facility or an education center.⁷⁸
 - This parameter is used for cost of electricity connections.

5.2.3 Electricity–Consumption

Justification:

To make the data on monthly tariffs comparable across economies, electricity consumption of a business is used as a unit of measurement. Electricity consumption reflects the intensity of a firm's reliance on electricity and is required to calculate the applicable tariff. The Utility Services topic assumes the electricity monthly consumption of 34,560 kWh.

Application:

- T 34,560 kWh: Electricity consumption is correlated with load capacity. For the warehouse with the subscribed capacity of 180 kVA that operates 8 hours a day for 30 days a month, with equipment utilized at 80% of capacity on average, with a power factor of 1 (1 kVA = 1 kW), the monthly energy consumption will be 34,560 kWh, and the hourly consumption 144 kWh (34,560 kWh/30 days/8 hours).

5.2.4 Electricity–Length of Connection

Justification:

Distance to the distribution line determines material and labor cost. Utility fee schedules may also differentiate lengths to the source. The cost of materials and labor may constitute a significant share of connection cost; therefore, the distance cannot be regarded as insignificant. The Utility Services topic assumes two scenarios of the distance to the distribution main: i) for a larger electricity connection of 75 meters and ii) for a simpler electricity connection of 10 meters.

Application:

- 75 meters: The length of 75 meters corresponds to the more complex connection case, wherein the location of the premises of the company would require extending the cables from the electricity distribution main. For example, in more rural or less developed districts of the city, the spacing between poles can reach 75 meters or more, depending on the terrain and infrastructure needs. The distance of 75 meters is informed by the data from the Subnational B-Ready project, that covered six economies and 40 cities. In 38% of these cities, experts reported that the most common distance from the main distribution line to the connection falls within the 51-99 meter range, making it the most prevalent range.
- 10 meters: The connection length of 10 meters corresponds to the simplest connection case. For example, a commercial district within the city wherein the network is well developed and the connection points are readily available within the short distance, assumed to be 10 meters.

5.2.5 Water–Pipe Diameter

Justification:

The pipe diameter directly affects water connection costs, as larger diameter pipes lead to increased material and installation expenses due to their size and complexity. To standardize the comparison of water connection costs across economies, the assessment uses two scenarios for pipe diameters: i) 1/2 inch (21 mm) and ii) 1 inch (33 mm). This distinction effectively captures the typical variations in water demand and usage based on enterprise size, ensuring a relevant and comparable evaluation of connection costs.

Application:

For new connections, the 1/2-inch (21 mm) diameter pipe is applicable to smaller businesses with lower water needs, while the 1-inch (33 mm) diameter pipe suits medium-sized businesses. These diameter parameters correspond to globally standardized small service connections, which are typically offered by water utilities for small or medium-sized businesses. Since these connection sizes are commonly available in all economies, information about their costs is often transparently available online, increasing the likelihood that experts can provide accurate responses. In contrast, larger service connections may require clients to request custom quotes from the water utility.

5.2.6 Water–Distance from Water Mains

Justification:

The distance from the water mains affects connection costs as greater distances require materials and labor to extend the pipe network or develop additional infrastructure, leading to higher installation expenses. Conversely, shorter distances typically involve lower costs due to reduced material needs and simpler installation processes. The parameter of 5 meters from the water mains was chosen to standardize connection costs, providing a uniform basis for evaluating connection expenses.

Application:

The 5-meter distance from the water mains is applied to assess connection costs for businesses where the proximity to existing infrastructure is relatively short and straightforward. This standard distance is used to represent typical urban settings, facilitating a consistent and comparable assessment of costs for new commercial water connections across different regions and economies.

5.2.7 Water–Consumption

Justification:

Water consumption levels impact service costs through tiered tariff structures, where more intense usage often results in higher rates per unit of consumption. To enable comparison of service costs across economies, two scenarios for monthly consumption levels are chosen: i) 20 cubic meters, and ii) 1,000 cubic meters. These levels cover a range of water usage from low to medium, ensuring a comprehensive assessment of ongoing service expenses.

Application:

The two scenarios for monthly water consumption – 1,000 cubic meters and 20 cubic meters – are used to assess the impact of varying water usage levels on service costs. The 1,000 cubic meters scenario typically represents water consumption levels associated with medium-sized commercial operations. Under increasing block tariff (IBT) structures, such consumption levels might fall into higher tariff blocks, leading to increased service expenses. In contrast, the 20 cubic meters scenario represents lower consumption more common in smaller businesses or facilities, typically resulting in lower tariff rates and reduced service costs. These scenarios facilitate a comprehensive analysis of how different usage levels influence overall service expenses and provide a representative overview for most business needs.

5.2.8 Internet–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. 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.

A minimum of 10 Mbps is usually required by firms that have medium data usage requirements, such as those that operate in the education, e-commerce, construction, or basic manufacturing sectors.⁷⁹ In this

regard, for the cost of connection questions, 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.

In order to ensure comparability of the cost of internet service, three ranges of download speed are considered: i) between 10 Mbps and 30 Mbps, ii) between 30 and 100 Mbps, and iii) more than 100 Mbps.

Application:

A range of connection “packages” or “bundles” are usually available to firms in most markets.⁸⁰ Higher internet speeds allow firms to access more advanced digital functionalities such as file transfers, video conferencing, and cloud-based software and applications.

V. TOPIC SCORING

The Utility Services topic has three pillars: Pillar I – Quality of Regulations on Utility Services; Pillar II – Quality of the Governance and Transparency of Utility Services; and Pillar III – Operational Efficiency of Utility Service Provision. 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 39 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 39. Aggregate Scoring Overview

Pillar	Title	Number of Indicators	Score			Rescaled Points (0–100)	Weight
			Firm Flexibility Points	Social Benefits Points	Total Points		
I	Quality of Regulations on Utility Services	33	25	33	58	100	0.33
II	Quality of the Governance and Transparency of Utility Services	43	39	43	82	100	0.33
III	Operational Efficiency of Utility Service Provision	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 on Utility Services

Pillar I covers 33 indicators with a total score of 58 points (25 points on firm flexibility and 33 points on social benefits) (table 40). The scoring for each category under this pillar is as follows:

6.1.1 *Electricity* has 10 indicators with a total maximum score of 18 points (8 points on firm flexibility and 10 points on social benefits). Specifically, the *Regulatory Monitoring of Tariffs and Service Quality* Subcategory has 2 indicators; the *Utility Infrastructure Sharing and Quality Assurance Mechanisms* Subcategory has 2 indicators; the *Regulations on Safety of Electricity Connections* Subcategory has 3 indicators, and *Environmental Sustainability* has 3 indicators.

6.1.2 *Water* has 12 indicators with a total maximum score of 20 points (8 points on firm flexibility and 12 points on social benefits). Specifically, the *Regulatory Monitoring of Tariffs and Service Quality* Subcategory has 2 indicators; the *Utility Infrastructure Sharing and Quality Assurance*

Mechanisms Subcategory has 2 indicators; the *Regulations on Safety of Water Connections* Subcategory has 3 indicators, and *Environmental Sustainability* has 5 indicators.

- 6.1.3** *Internet* has 11 indicators with a total maximum score of 20 points (9 points on firm flexibility and 11 points on social benefits). Specifically, the *Regulatory Monitoring of Tariffs and Service Quality* Subcategory has 2 indicators; the *Utility Infrastructure Sharing and Quality Assurance Mechanisms* Subcategory has 4 indicators; the *Regulations on Safety of Internet Connections* Subcategory has 3 indicators, and *Environmental Sustainability* has 2 indicators.

A regulatory framework that ensures regulatory monitoring, efficiency of connection processes, adequate quality of service supply and promotes the safety of connections benefits both firms (firm flexibility) and society/customers (social benefits). Hence, across Electricity, Water, and Internet, equal points are assigned to firm flexibility and social benefits in *Regulatory Monitoring of Tariffs and Service Quality*, *Utility Infrastructure Sharing and Quality Assurance Mechanisms*, and *Regulations on Safety of Utility Connections* Subcategories. For *Environmental Sustainability* Subcategories, the positive impact on society is derived from enhanced environmental sustainability and improved adherence to environmental standards. Most of the measures under *Environmental Sustainability* Subcategories have either a neutral impact on firms, wherein requirements are imposed on other actors (such as utilities and data centers), or an ambiguous impact and hence are not scored.

Table 40. Aggregate Scoring Pillar I

Pillar I – Quality of Regulations on Utility Services		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Electricity	10	8	10	18	33.33
1.1.1	Regulatory Monitoring of Tariffs and Service Quality	2	2	2	4	8.33
1.1.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	2	2	2	4	8.33
1.1.3	Regulations on Safety of Electricity Connections	3	3	3	6	8.33
1.1.4	Environmental Sustainability	3	1	3	4	8.33
1.2	Water	12	8	12	20	33.33
1.2.1	Regulatory Monitoring of Tariffs and Service Quality	2	2	2	4	8.33
1.2.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	2	2	2	4	8.33
1.2.3	Regulations on Safety of Water Connections	3	3	3	6	8.33
1.2.4	Environmental Sustainability	5	1	5	6	8.33
1.3	Internet	11	9	11	20	33.33
1.3.1	Regulatory Monitoring of Tariffs and Service Quality	2	2	2	4	8.33
1.3.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	4	4	4	8	13.33
1.3.3	Regulations on Safety of Internet Connections	3	3	3	6	8.33
1.3.4	Environmental Sustainability	2	n/a	2	2	3.33
Total		33	25	33	58	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.2 Pillar II—Quality of the Governance and Transparency of Utility Services

Pillar II covers 43 indicators with a total score of 82 points (39 points on firm flexibility and 43 points on social benefits) (table 41). The scoring for each category under the pillar is as follows:

- 6.2.1** *Electricity* has 15 indicators with a total maximum score of 28 points (13 points on firm flexibility and 15 points on social benefits). Specifically, the *Digital Services and Interoperability* Subcategory has 4 indicators; the *Monitoring of Service Supply (includes gender and environment)* Subcategory has 3 indicators; the *Availability of Information and Transparency* Subcategory has 6

indicators and the *Enforcement of Safety Regulations and Consumer Protection Mechanisms* Subcategory has 2 indicators.

6.2.2 *Water* has 15 indicators with a total maximum score of 28 points (13 points on firm flexibility and 15 points on social benefits). Specifically, the *Digital Services and Interoperability* Subcategory has 4 indicators; the *Monitoring of Service Supply (includes gender and environment)* Subcategory has 3 indicators; the *Availability of Information and Transparency* Subcategory has 6 indicators and the *Enforcement of Safety Regulations and Consumer Protection Mechanisms* has 2 indicators.

6.2.3 *Internet* has 13 indicators with a total maximum score of 26 points (13 points on firm flexibility and 13 points on social benefits). Specifically, the *Digital Services and Interoperability* Subcategory has 4 indicators; the *Monitoring of Service Supply (includes gender and environment)* Subcategory has 2 indicators; the *Availability of Information and Transparency* Subcategory has 5 indicators; and the *Enforcement of Safety Regulations and Consumer Protection Mechanisms* has 2 indicators.

A regulatory framework that promotes digital services and interoperability of utility services benefits both firms (firm flexibility) and society (social benefits). Hence, across Electricity, Water, and Internet, equal points are assigned to both categories. A regulatory framework that ensures transparency of utility services benefits both firms (firm flexibility) and society (social benefits). Monitoring is equally important. Thus, the score for the most part is allocated equally between firm flexibility and social benefits, except for the measures on KPIs to monitor the environmental sustainability of electricity and water supply. These measures do not directly impact firms and, thus, are scored on social benefits only. The enforcement of regulations including the implementation of inspections in water and electricity, cybersecurity protocols in internet, and the existence of independent complaint mechanisms improve public safety and accountability, extending benefits to firms and society as a whole. Hence, equal points are assigned in this subcategory across Water, Electricity, and Internet.

Table 41. Aggregate Scoring Pillar II

Pillar II–Public Services: Quality of Governance and Transparency of Utility Services		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Electricity	15	13	15	28	33.33
2.1.1	Digital Services and Interoperability	4	4	4	8	8.33
2.1.2	Monitoring of Service Supply (includes gender and environment)	3	2	3	5	8.33
2.1.3	Availability of Information and Transparency	6	5	6	11	8.33
2.1.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	2	2	4	8.33
2.2	Water	15	13	15	28	33.33
2.2.1	Digital Services and Interoperability	4	4	4	8	8.33
2.2.2	Monitoring of Service Supply (includes gender and environment)	3	2	3	5	8.33
2.2.3	Availability of Information and Transparency	6	5	6	11	8.33
2.2.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	2	2	4	8.33
2.3	Internet	13	13	13	26	33.33
2.3.1	Digital Services and Interoperability	4	4	4	8	8.33
2.3.2	Monitoring of Service Supply (includes gender and environment)	2	2	2	4	8.33
2.3.3	Availability of Information and Transparency	5	5	5	10	8.33
2.3.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	2	2	4	8.33
Total		43	39	43	82	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; KPI = Key Performance Indicator.

6.3 Pillar III—Operational Efficiency of Utility Service Provision

Pillar III covers 9 indicators with points ranging from 0 to 100 (table 42). The points under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of service provision to firms. For example, long times to obtain electricity, water, and internet connections as well as service disruptions have adverse impacts on firms, thus hampering firm flexibility.

6.3.1 *Electricity* has 3 indicators with a total maximum score of 33.33 points. Specifically, the *Affordability* Subcategory has 1 indicator, the *Time to Obtain a Connection* Subcategory has 1 indicator, and the *Reliability of Supply* Subcategory has 1 indicator.

6.3.2 *Water* has 3 indicators with a total maximum score of 33.33 points. Specifically, the *Affordability* Subcategory has 1 indicator, the *Time to Obtain a Connection* Subcategory has 1 indicator, and the *Reliability of Supply* Subcategory has 1 indicator.

6.3.3 *Internet* has 3 indicators with a total maximum score of 33.33 points. Specifically, the *Affordability* Subcategory has 1 indicator, the *Time to Obtain a Connection* Subcategory has 1 indicator, and the *Reliability of Supply* Subcategory has 1 indicator.

Table 42. Aggregate Scoring Pillar III

Pillar III—Operational Efficiency of Utility Service Provision		No. of Indicators	Rescaled Points
3.1	Electricity	3	33.33
3.1.1	Affordability	1	11.11
3.1.2	Time to Obtain a Connection	1	11.11
3.1.3	Reliability of Supply	1	11.11
3.2	Water	3	33.33
3.2.1	Affordability	1	11.11
3.2.2	Time to Obtain a Connection	1	11.11
3.2.3	Reliability of Supply	1	11.11
3.3	Internet	3	33.33
3.3.1	Affordability	1	11.11
3.3.2	Time to Obtain a Connection	1	11.11
3.3.3	Reliability of Supply	1	11.11
	Total	9	100.00

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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–QUALITY OF REGULATIONS ON UTILITY SERVICES					
1.1 ELECTRICITY					
1.1.1 Regulatory Monitoring of Tariffs and Service Quality					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Monitoring of Tariffs	1	1	2	4.17	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 Service Quality	1	1	2	4.17	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)
Total Points for Subcategory 1.1.1	2	2	4	8.33	
1.1.2 Utility Infrastructure Sharing and Quality Assurance Mechanisms					
Joint Planning and Construction	1	1	2	4.17	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
Mechanisms on Service Quality Assurance	1	1	2	4.17	Costello (2012); Foster and Rana (2020)
Total Points for Subcategory 1.1.2	2	2	4	8.33	
1.1.3 Regulations on Safety of Electricity Connections					
Professional Certifications	1	1	2	2.78	IFC, World Bank, and MIGA (2013); IEEE (2022); ISSA (n.d); Leland (1979)
Inspection Regimes	1	1	2	2.78	Boyne et al. (2002); IEC (2016); IFC, World Bank, and MIGA (2013); World Bank (2017b)
Liability Regimes	1	1	2	2.78	IFC, World Bank, and MIGA (2013); Wilson et al. (2009)
Total Points for Subcategory 1.1.3	3	3	6	8.33	

1.1.4 Environmental Sustainability					
Environmental Sustainability of Electricity Provision	n/a	1	1	2.08	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	n/a	1	1	2.08	AfDB (2021); Barreira et al. (2017); Geller et al. (2006); IEA (2008); OECD (2009); UNEP (n.d.)
Incentives to Adopt Energy-Saving Practices	1	1	2	4.17	Barreira et al. (2017); De la Rue du Can et al. (2014); Geller et al. (2006); UNEP (n.d.)
Total Points for Subcategory 1.1.4	1	3	4	8.33	
Total Points for Category 1.1	8	10	18	33.33	
1.2 WATER					
1.2.1 Regulatory Monitoring of Tariffs and Service Quality					
Monitoring of Tariffs	1	1	2	4.17	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 Service Quality	1	1	2	4.17	Brown et al. (2006); Foster and Rana (2020); OECD (2021a); Pérez-Arriaga et al. (2017); World Bank (2019)
Total Points for Subcategory 1.2.1	2	2	4	8.33	
1.2.2 Utility Infrastructure Sharing and Quality Assurance Mechanisms					
Joint Planning and Construction	1	1	2	4.17	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
Mechanisms on Service Quality Assurance	1	1	2	4.17	Foste and Rana (2020); Molinos-Senante and R. Sala-Garrido (2017)
Total Points for Subcategory 1.2.2	2	2	4	8.33	
1.2.3 Regulations on Safety of Water Connections					
Professional Certifications	1	1	2	2.78	Alegre et al. (2006) ; Leland (1979)
Inspection Regimes	1	1	2	2.78	Boyne et al. (2002); IFC, World Bank, and MIGA (2013); World Bank (2017b)
Liability Regimes	1	1	2	2.78	IFC, World Bank, and MIGA (2013); Wilson et al. (2009)
Total Points for Subcategory 1.2.3	3	3	6	8.33	

1.2.4 Environmental Sustainability					
Environmental Sustainability and Quality of Water Provision	n/a	1	1	1.39	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	n/a	1	1	1.39	Fan et al. (2019); OECD (2009); Pinto et al. (2017); Colorado WaterWise (n.d.)
Incentives to Adopt Water-Saving Practices	1	1	2	2.78	OECD (2011, 2021b); Onyenankeya, Onyenankeya, and Osunkunle (2021)
Sustainability of Wastewater Treatment	n/a	1	1	1.39	Corcoran et al. (2010) ; UNEP (2015)
Wastewater Reuse	n/a	1	1	1.39	Corcoran et al. (2010); EU (2020); IWA (2018)
Total Points for Subcategory 1.2.4	1	5	6	8.33	
Total Points for Category 1.2	8	12	20	33.33	
1.3 INTERNET					
1.3.1 Regulatory Monitoring of Tariffs and Service Quality					
Monitoring of Tariffs	1	1	2	4.17	ITU and World Bank (2020); Kelly and Rossotto (2012); World Bank Group (2018)
Monitoring of Service Quality	1	1	2	4.17	ITU and World Bank (2020); Kelly and Rossotto (2012); World Bank Group (2018)
Total Points for Subcategory 1.3.1	2	2	4	8.33	
1.3.2 Utility Infrastructure Sharing and Quality Assurance Mechanisms					
Joint Planning and Construction	1	1	2	3.33	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
Rights of Way	1	1	2	3.33	ITU and World Bank (2020); OECD (2008, 2018)
Open Infrastructure	1	1	2	3.33	ITU and UNESCO (2021); ITU and World Bank (2020); OECD (2008, 2018)
Mechanisms on Service Quality Assurance	1	1	2	3.33	ITU (2017); ITU and the World Bank (2020)
Total Points for Subcategory 1.3.2	4	4	8	13.33	
1.3.3 Regulations on Safety of Internet Connections					
Liability Regimes	1	1	2	2.78	EU Council (2016); ITU (2018); OECD (2013a); World Bank (2017a)
Cybersecurity Coordination	1	1	2	2.78	ITU (2018); World Bank (2016, 2017a, 2021b)
Cybersecurity Safeguards	1	1	2	2.78	ITU (2018); World Bank (2016, 2017a, 2021b)
Total Points for Subcategory 1.3.3	3	3	6	8.33	

1.3.4 Environmental Sustainability					
Environmental Reporting or Disclosure Standards for Digital Connectivity Infrastructure	n/a	1	1	1.67	Belkhir and Elmeligi (2018); ITU and World Benchmarking Alliance (2022)
Emissions and Energy Efficiency of Infrastructure	n/a	1	1	1.67	ITU and World Benchmarking Alliance (2022)
Total Points for Subcategory 1.3.4	n/a	2	2	3.33	
Total Points for Category 1.3	9	11	20	33.33	
Total Points for Pillar I	25	33	58	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 THE GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES					
2.1 ELECTRICITY					
2.1.1 Digital Services and Interoperability					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Electronic Application	1	1	2	2.08	Ha (2022); Katz (2017)
Electronic Payment	1	1	2	2.08	Popa and Prostean (2013)
Information on Existing Infrastructure and Planned Works	1	1	2	2.08	ITU (2019); OGC et al. (2018); UNESCAP (2019)
Coordination Mechanisms for Excavation Permits	1	1	2	2.08	FPISC (2017); IFC, World Bank, and MIGA (2013); UNESCAP (2019); Yu, Zhang, and Li (2013)
Total Points for Subcategory 2.1.1	4	4	8	8.33	
2.1.2 Monitoring of Service Supply (includes gender and environment)					
Reliability and Quality of Electricity Supply	1	1	2	3.33	AfDB (2021); Banerjee et al. (2017); Bird (2005); IEEE (2004)
Environmental Sustainability of Electricity Supply	n/a	1	1	1.67	Hristov and Chirico (2019)
Access to Electricity for Women Entrepreneurs	1	1	2	3.33	ADB (2012); Pangare et al. (2019)
Total Points for Subcategory 2.1.2	2	3	5	8.33	
2.1.3 Availability of Information and Transparency					
Connection Requirements	1	1	2	1.51	Balabanyan (2021); ECRB (2021); Geginat and Saltane (2014)
Tariffs and Tariff Settings	1	1	2	1.51	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009); Foster and Rana (2020)
Planned Outages	1	1	2	1.51	Balabanyan (2021); ECRB (2021); Liberty Mutual (2022)
Complaint Mechanisms	1	1	2	1.51	Transparency International (2016); ECRB (2018)
Service Quality Indicators	1	1	2	1.51	Banerjee et al. (2017); World Bank (2021a)
Environmental Sustainability Indicators	n/a	1	1	0.76	Kelly and Rossotto (2012)
Total Points for Subcategory 2.1.3	5	6	11	8.33	
2.1.4 Enforcement of Safety Regulations and Consumer Protection Mechanisms					

Implementation of Inspections for Electricity Connections	1	1	2	4.17	IFC, World Bank, and MIGA (2013); OECD (2018); Scaddan (2011)
Independent Complaint Mechanism	1	1	2	4.17	Transparency International (2016); ECRB (2018)
Total Points for Subcategory 2.1.4	2	2	4	8.33	
Total Points for Category 2.1	13	15	28	33.33	
2.2 WATER					
2.2.1 Digital Services and Interoperability					
Electronic Application	1	1	2	2.08	Ha (2022); Katz (2017)
Electronic Payment	1	1	2	2.08	Popa and Prostean (2013)
Information on Existing Infrastructure and Planned Works	1	1	2	2.08	ITU (2019); OGC et al. (2018); UNESCAP (2019)
Coordination Mechanisms for Excavation Permits	1	1	2	2.08	FPISC (2017); IFC, World Bank, and MIGA (2013); UNESCAP (2019); Yu, Zhang, and Li (2013)
Total Points for Subcategory 2.2.1	4	4	8	8.33	
2.2.2 Monitoring of Service Supply (includes gender and environment)					
Reliability and Quality of Water Supply	1	1	2	3.33	Alegre et al. (2006); Danilenko et al. (2014); Hristov (2019); IBNET (n.d.); WAREG-European Water Regulators (2017); OECD; OECD (2015); UNECE and WHO (2019)
Environmental Sustainability of Water Supply	n/a	1	1	1.67	Alegre et al. (2006); Hristov and Chirico (2019)
Access to Water for Women Entrepreneurs	1	1	2	3.33	ADB (2012); Pangare et al. (2019)
Total Points for Subcategory 2.2.2	2	3	5	8.33	
2.2.3 Availability of Information and Transparency					
Connection Requirements	1	1	2	1.51	Balabanyan (2021); Geginat and Saltane (2014); World Bank (2017b)
Tariffs and Tariff Settings	1	1	2	1.51	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009)
Planned Outages	1	1	2	1.51	Balabanyan (2021); Mwitirehe, Cheruiyot, and Ruranga (2022)
Complaint Mechanisms	1	1	2	1.51	Transparency International (2016)
Service Quality Indicators	1	1	2	1.51	WAREG-European Water Regulators (2017)
Environmental Sustainability Indicators	n/a	1	1	0.76	Kelly and Rossotto (2012)
Total Points for Subcategory 2.2.3	5	6	11	8.33	
2.2.4 Enforcement of Safety Regulations and Consumer Protection Mechanisms					

Implementation of Inspections for Water Connections	1	1	2	4.17	IFC, World Bank, and MIGA (2013); OECD (2018); World Bank (2017b)
Independent Complaint Mechanism	1	1	2	4.17	Transparency International (2016)
Total Points for Subcategory 2.2.4	2	2	4	8.33	
Total Points for Category 2.2	13	15	28	33.33	
2.3 INTERNET					
2.3.1 Digital Services and Interoperability					
Electronic Application	1	1	2	2.08	Kelly and Rossotto (2012)
Electronic Payment	1	1	2	2.08	Popa and Prostean (2013)
Information on Existing Infrastructure and Planned Works	1	1	2	2.08	ITU (2019); OGC et al. (2018); UNESCAP (2019)
Coordination Mechanisms for Excavation Permits	1	1	2	2.08	FPISC (2017); IFC, World Bank, and MIGA (2013); UNESCAP (2019); Yu, Zhang, and Li (2013)
Total Points for Subcategory 2.3.1	4	4	8	8.33	
2.3.2 Monitoring of Service Supply (includes gender and environment)					
Reliability and Quality of Internet Supply	1	1	2	4.17	Kelly and Rossotto (2012)
Access to Internet for Women Entrepreneurs	1	1	2	4.17	ADB (2012); Pangare et al. (2019)
Total Points for Subcategory 2.3.2	2	2	4	8.33	
2.3.3 Availability of Information and Transparency					
Connection Requirements	1	1	2	1.67	Balabanyan (2021); Geginat and Saltane (2014)
Tariffs and Tariff Settings	1	1	2	1.67	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009)
Planned Outages	1	1	2	1.67	Balabanyan (2021); Kelly and Rossotto (2012)
Complaint Mechanisms	1	1	2	1.67	Transparency International (2016)
Service Quality Indicators	1	1	2	1.67	Kelly and Rossotto (2012); WAREG-European Water Regulators (2017); World Bank (2021a); Chetty et al (2011); Chetty et al (2012)
Total Points for Subcategory 2.3.3	5	5	10	8.33	
2.3.4 Enforcement of Safety Regulations and Consumer Protection Mechanisms					
Cybersecurity Protocols	1	1	2	4.17	ITU (2018); Kelly and Rossotto (2012); World Bank (2017a)
Independent Complaint Mechanism	1	1	2	4.17	Transparency International (2016)
Total Points for Subcategory 2.3.4	2	2	4	8.33	

Total Points for Category 2.3	13	13	26	33.33	
Total Points for Pilar II	39	43	82	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.

PILLAR III—OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION					
3.1 ELECTRICITY					
3.1.1 Affordability					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Cost of Connection and Cost of Service	100	n/a	100	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)
Total points of Subcategory 3.1.1	100	n/a	100	11.11	
3.1.2 Time to Obtain a Connection					
Time to Obtain an Electricity Connection	100	n/a	100	11.11	Geginat and Ramalho (2015); Hamman (2014)
Total points of Subcategory 3.1.2	100	n/a	100	11.11	
3.1.3 Reliability of Supply					
Reliability of Electricity Supply	100	n/a	100	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)
Total points of Subcategory 3.1.3	100	n/a	100	11.11	
Total Points for Category 3.1	100	n/a	100	33.33	
3.2 WATER					
3.2.1 Affordability					
Cost of Connection and Cost of Service	100	n/a	100	11.11	Abeberese (2017); Arlet (2017); Cecilia et al. (2011); Frauendorfer (2008); Geginat and Ramalho (2015); IEA (2016); Lee et al. (2018)
Total points of Subcategory 3.2.1	100	n/a	100	11.11	
3.2.2 Time to Obtain a Connection					
Time to Obtain a Water Connection	100	n/a	100	11.11	Alegre et al. (2006); World Bank (2017b); Hamman (2014)
Total points of Subcategory 3.2.2	100	n/a	100	11.11	

3.2.3 Reliability of Supply					
Reliability of Water Supply	100	n/a	100	11.11	Chen (2019); Escribano (2010); Sjöstrand et al. (2021); World Bank (2017b)
Total points of Subcategory 3.2.3	100	n/a	100	11.11	
Total Points for Category 3.2	100	n/a	100	33.33	
3.3 INTERNET					
3.3.1 Affordability					
Cost of Connection and Cost of Service	100	n/a	100	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)
Total points of Subcategory 3.3.1	100	n/a	100	11.11	
3.3.2 Time to Obtain a Connection					
Time to Obtain an Internet Connection	100	n/a	100	11.11	Hamman (2014); ITU and the World Bank (2020); Kelly and Rossotto (2012)
Total points of Subcategory 3.3.2	100	n/a	100	11.11	
3.3.3 Reliability of Supply					
Reliability of Internet Supply	100	n/a	100	11.11	Ericsson (2013)
Total points of Subcategory 3.3.3	100	n/a	100	11.11	
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 QUESTIONNAIRE

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).

Glossary

Access node switch: A network switch that connects the access layer of a network to subnets, which are made up of access devices like routers and IP devices.

Asymmetric regulation: A regulation that systematically favors new entrants, for example by dispossessing the incumbents for their benefit to make them on the market.

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: tariff 1*block 1 consumption + tariff 2*block 2 consumption + tariff3*(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.

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

Last mile: The final leg of the network that connects the local points of presence to individual homes, businesses, or end-user devices.

Latency: The delays in data transfer due to unreliable networks.

LCU: Local currency unit.

Lit fiber: A high-speed internet service that uses thin strands of glass or plastic to transmit data as light pulses.

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.

Planned outage: A deliberate interruption to a utility service that is scheduled in advance.

RAN Access: A major component of a wireless telecommunications system that connects individual devices to other parts of a network through a radio link.

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 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 “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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS ON UTILITY SERVICES (ELECTRICITY)	
Parameters	
Business Location	The largest (most populous) city in the economy. For all questions in Pillar I, the experts will be asked to provide their response accounting for this specific parameter unless specified otherwise in the question per se.

1.1.1. REGULATORY MONITORING OF TARIFFS AND SERVICE QUALITY

1. **Is there a regulatory agency overseeing the electricity sector? (Y/N) (*not scored*)**
Y → provide response to questions 2, 3, and 4.
2. **Per the regulatory framework, does the electricity regulator have final decision-making authority in the approval of electricity tariffs? (Y/N)**
3. **Per the regulatory framework, is the electricity regulator required to set performance standards to ensure service quality and the reliability of electricity services? (Y/N)**
4. **Per the regulatory framework, is the electricity regulator required to monitor adherence to performance standards to ensure service quality and the reliability of electricity services? (Y/N)**

1.1.1 REGULATORY MONITORING OF TARIFFS AND SERVICE QUALITY			
Indicators	FFP	SBP	Total Points
Monitoring of Tariffs (2)	1	1	2
Monitoring of Service Quality	1	1	2
- Set performance standards (3)	0.5	0.5	1
- Monitor adherence to performance standards (4)	0.5	0.5	1
Total Points	2	2	4

1.1.2 UTILITY INFRASTRUCTURE SHARING AND QUALITY ASSURANCE MECHANISMS

5. Are there regulatory provisions requiring coordination in the joint construction of infrastructure, such as electrical poles, overhead or underground cables, water pipes, and/or telephone wires? (Y/N)
6. Are there legally defined time limits for all concerned agencies to provide approval on joint construction of infrastructure? (Y/N)
7. Does the regulatory framework stipulate sanctions and/or remedies applicable to utilities to ensure reliable electricity supply (limit outages)? (Y/N)

1.1.2 UTILITY INFRASTRUCTURE SHARING AND QUALITY ASSURANCE MECHANISMS			
Indicators	FFP	SBP	Total Points
Joint Planning and Construction	1	1	2
- Common excavation provisions (5)	0.5	0.5	1
- Timelines for approvals (6)	0.5	0.5	1
Mechanisms on Service Quality Assurance (7)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.1.3 REGULATIONS ON SAFETY OF ELECTRICITY CONNECTIONS

8. Per the regulatory framework, are professionals carrying out electricity installation works required to meet at least two of the conditions listed below? (Y/N)
 - Minimum number of years of experience
 - Education qualification (for example, university degree in the relevant field)
 - Registered member of the national association of electricians or electrical engineers
 - Pass a qualification exam
9. Per the regulatory framework, are internal electricity installations of all types, including low voltage, required to be carried out by a licensed professional/company? (Y/N)
10. Per the regulatory framework, is the company that carried out internal electricity installations required to inspect/certify the quality of installations of all types, including low voltage? (Y/N)
11. Per the regulatory framework, is a final inspection required to be carried out by a third party to ensure the quality of internal electricity installations of all types, including low voltage? (Y/N)
12. Per the regulatory framework, are external electricity installations of all types, including low voltage, required to be carried out by a licensed professional/company? (Y/N)
13. Per the regulatory framework, is the company that carried out external electricity installations required to inspect/certify the quality of installations of all types, including low voltage? (Y/N)
14. Per the regulatory framework, is a final inspection required to be carried out by a third party to ensure the quality of external electricity installations of all types, including low voltage? (Y/N)

15. Can any party (aside from the project investor or owner) involved in providing the electricity connection be held liable by law in case faults are discovered when the electricity connection is in use? (Y/N)

1.1.3 REGULATIONS ON SAFETY OF UTILITY CONNECTIONS			
Indicators	FFP	SBP	Total Points
Professional Certifications (8)	1	1	2
Inspection Regimes	1	1	2
- Internal installation works (11 OR (9 AND 10))	0.5	0.5	1
- External installation works (14 OR (12 AND 13))	0.5	0.5	1
<i>A score is assigned if 11 is selected OR both 9 and 10 are selected</i>			
<i>A score is assigned if 14 is selected OR both 12 and 13 are selected</i>			
Liability Regimes (15)	1	1	2
Total Points	3	3	6

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.1.4 ENVIRONMENTAL SUSTAINABILITY

16. Does the regulatory framework set energy efficiency requirements for electricity generation? (Y/N)
17. Does the regulatory framework set requirements for fossil fuel plants to reduce emissions of local air pollutants? (Y/N)
18. Does the regulatory framework stipulate any financial sanctions applicable to electricity generation plants for not meeting the requirements on energy efficiency or emissions reduction? (Y/N)
19. Does the regulatory framework set energy efficiency requirements on electricity transmission and distribution? (Y/N)
20. Does the regulatory framework stipulate requirements or incentives on the roll-out of smart meters to commercial customers? (Y/N)
21. Does the regulatory framework include requirements for the development of 'smart-grids'? (Y/N)
22. Does the regulatory framework stipulate any financial sanctions applicable to electricity transmission and distribution utilities for not meeting the requirements on energy efficiency, smart meters or 'smart-grids'? (Y/N)
23. Does the regulatory framework require businesses to switch to energy-efficient practices? (Y/N)
Y → provide response to question 24.
24. Does the regulatory framework include any financial sanctions to businesses for not complying with energy-efficiency requirements? (Y/N)
25. Does the regulatory framework include any financial mechanisms to incentivize businesses to adopt energy-efficient practices or energy-efficient technology? (Y/N)

26. Does the regulatory framework include any non-financial mechanisms to incentivize businesses to adopt energy-efficient practices or energy-efficient technology? (Y/N)

1.1.4 ENVIRONMENTAL SUSTAINABILITY			
Indicators	FFP	SBP	Total Points
Environmental Sustainability of Electricity Provision	n/a	1	1
- Environmental standards for electricity generation (16 AND 17)	n/a	0.25	0.25
- Enforcement of environmental standards for generation (18)	n/a	0.25	0.25
- Environmental standards for electricity transmission and distribution (19 OR 20 OR 21)	n/a	0.25	0.25
- Enforcement of standards for transmission and distribution (22)	n/a	0.25	0.25
Environmental Sustainability of Electricity Use	n/a	1	1
- Requirements for businesses to adhere to energy-efficient practices (23)	n/a	0.5	0.5
- Enforcement mechanisms to foster businesses' compliance with energy-efficient requirements (24)	n/a	0.5	0.5
Incentives to Adopt Energy-Saving Practices	1	1	2
- Financial and nonfinancial incentives for businesses (25 AND 26) OR	1 OR	1 OR	2 OR
- Financial incentives for businesses (25)	0.5	0.5	1
Total Points	1	3	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II-QUALITY OF THE GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES (ELECTRICITY)	
Parameters	
Business Location	The largest (most populous) city in the economy. 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). 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.

27. Is [LARGEST ELECTRICITY UTILITY PROVIDER] the largest electricity provider in [CITY]? (Y/N) (not scored)

2.1.1 DIGITAL SERVICES AND INTEROPERABILITY

28. Is it possible to apply for a new commercial electricity connection through a fully online process? (Y/N)

29. Is it possible to track online the status of the connection process for a new electricity connection? (Y/N)

30. Is it possible to pay the fee for a new electricity connection through electronic payment methods? (Y/N)

31. Is it possible to pay for the monthly electricity bill through electronic payment methods? (Y/N)

32. Is there a publicly available national or local infrastructure database (for example, a GIS database) that shows the existing electricity distribution network? (Y/N)

33. Is there a shared database for the network lines of multiple utilities, such as electricity, water, and internet? (Y/N)

34. Is there a publicly available online platform with information about planned works on utility networks that are carried out in [CITY]? (Y/N)

Are any of the following coordinating mechanisms in place to facilitate collaboration between agencies on excavation permit applications? (questions 35 and 36)

35. An online platform to coordinate excavation permits (Y/N)

36. An agency or office in charge of coordination (Y/N)

2.1.1 DIGITAL SERVICES AND INTEROPERABILITY			
Indicators	FFP	SBP	Total Points
Electronic Application	1	1	2
- Electronic application for new electricity connection (28)	0.5	0.5	1
- Online tracking for electricity connection process (29)	0.5	0.5	1
Electronic Payment (30 AND 31)	1	1	2
Information on Existing Infrastructure and Planned Works	1	1	2
- National/Local infrastructure database for multiple utilities/ electricity distribution networks (32 OR 33)	0.5	0.5	1
- Platform with the Information on the Planned Works on Utility Networks (34)	0.5	0.5	1
Coordination Mechanisms for Excavation Permits	1	1	2
- An online platform (35) OR	1 OR	1 OR	2 OR
- A coordinating agency (36)	0.5	0.5	1
<i>A score of 1 is assigned if 35 is selected; a score of 0.5 is assigned if only 36 is selected</i>			
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.1.2 MONITORING OF SERVICE SUPPLY (includes gender and environment)

37. Are electricity outages (duration and frequency) monitored by the largest electricity utility in [CITY]? (Y/N)

38. Are there Key Performance Indicators (KPIs) to monitor the environmental sustainability of electricity supply? (Y/N)

39. Does the largest electricity utility in [CITY] publish sex-disaggregated customer surveys (for example, in order to measure the quality of services provided by the utility from the perspective of women-owned businesses)? (Y/N)

2.1.2 MONITORING OF SERVICE SUPPLY (includes gender and environment)			
Indicators	FFP	SBP	Total Points
Reliability and Quality of Electricity Supply (37)	1	1	2
Sustainability of Electricity Supply (38)	n/a	1	1
Access to Electricity for Women Entrepreneurs (39)	1	1	2
Total Points	2	3	5

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.1.3 AVAILABILITY OF INFORMATION AND TRANSPARENCY

For new commercial electricity connections, can you find the following information online? (questions 40 through 43)

40. List of documents required for obtaining a new commercial electricity connection (Y/N)

41. Required steps to get a new commercial electricity connection (for example, application submission, payment of fees, site inspection, etc.) (Y/N)

42. Estimated total cost charged by utility for a new electricity connection (Y/N)

43. Estimated connection time standards (Y/N)

44. Are the current electricity tariffs available online? (Y/N)

45. Are changes in electricity tariffs communicated to the customers at least one billing cycle in advance? (For example, published in the press or on a website, through letters, bills, emails, and/or SMS) (Y/N)

46. Are the components that are included in the total amount of the utility bill explained to the customer? (For example, published online or in a customer bill) (Y/N)

47. Are planned power outages communicated to customers in advance either through public announcements or direct communication? (Y/N)

48. Is there a complaint mechanism at the level of the electricity utility to report issues with the provided electricity services (for example, incorrect billing or issues with the electric supply)? (Y/N) (*not scored*)

Y → provide response to questions 49, 50, 51, 52.

Is the following information available online to guide customers to file a complaint about their electricity service under the complaint mechanism of the electricity utility? (questions 49 through 52)

49. Where to file a complaint (Y/N)

50. The list of documents necessary to file a complaint (Y/N)

51. The type of issues that can be reported in a complaint (Y/N)

52. Information on the steps that are part of the complaint process: (Y/N)

53. Are the indicators on duration and frequency of electricity outages published online at least once a year? (Y/N)

54. Are the Key Performance Indicators (KPIs) to monitor the environmental sustainability of electricity supply published online at least once a year? (Y/N)

2.1.3 AVAILABILITY OF INFORMATION AND TRANSPARENCY			
Indicators	FFP	SBP	Total Points
Connection Requirements	1	1	2
- Required documents (40)	0.25	0.25	0.5
- Required procedures (41)	0.25	0.25	0.5
- Connection cost (42)	0.25	0.25	0.5
- Stipulated connection time standards (43)	0.25	0.25	0.5
Tariffs and Tariff Setting	1	1	2
- Tariffs are published online (44) AND			
- Customers are notified in advance of tariff changes (45) AND			
- Tariff setting formula is publicly available (46)			
Planned Outages (47)	1	1	2
Complaint Mechanisms	1	1	2
- Information on the entity in charge of complaints (49)	0.25	0.25	0.5
- Documents necessary to make a complaint (50)	0.25	0.25	0.5
- Criteria/scope of complaint mechanism (51)	0.25	0.25	0.5
- Steps necessary to make a complaint (52)	0.25	0.25	0.5
Service Quality Indicators (53)	1	1	2
Environmental Sustainability Indicators (54)	n/a	1	1
Total Points	5	6	11

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.1.4 ENFORCEMENT OF SAFETY REGULATIONS AND CONSUMER PROTECTION MECHANISMS

55. Are internal electricity installation works of all types, including low voltage, always carried out by a licensed professional or company in practice? (Y/N)

56. Does the company or licensed professional that performed internal electricity installation works, always verify the quality of the installation of all types, including low voltage? (Y/N)

57. Is there a quality check or final inspection by a third party to ensure the quality and safety of internal electricity installations of all types, including low voltage? (Y/N)

58. Are external electricity installation works of all types, including low voltage, always carried out by a licensed professional or company in practice? (Y/N)

59. Does the licensed professional or company that performed external electricity installation works always check and verify the quality of works of all types, including low voltage? (Y/N)

60. Is there a quality check or final inspection by a third party to ensure the quality and safety of external electricity installations of all types, including low voltage? (Y/N)

61. Is there a complaint mechanism independent from the electricity utility to escalate complaints? (Y/N)

2.1.4 ENFORCEMENT OF SAFETY REGULATIONS AND CONSUMER PROTECTION MECHANISMS			
Indicators	FFP	SBP	Total Points
Implementation of Inspections for Electricity Connections	1	1	2
- Internal installation works ([55 AND 56] OR 57)	0.5	0.5	1
- External installation works ([58 AND 59] OR 60)	0.5	0.5	1
<i>A score is assigned if 57 is selected OR both 55 and 56 are selected</i>			
<i>A score is assigned if 60 is selected OR both 58 and 59 are selected</i>			
Independent Complaint Mechanism (61)	1	1	2
Total Points	2	2	4

PILLAR III—OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION (ELECTRICITY)

The scores for Pillar III indicators that are based on firm level data are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Operational Efficiency of Utility Service Provision are collected through expert consultations (questions 62-64) and firm-level surveys (questions 65-69). Data collected through expert consultations use the following parameters:

PILLAR III—OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION (ELECTRICITY)	
Parameters	
Business Location	The largest (most populous) city in the economy. For questions on cost of connection and cost of service, the experts will be asked to provide their response accounting for this specific parameter.
Largest Utility Provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). For questions on cost of connection and cost of service, the experts will be asked to provide their response accounting for this specific parameter.
Load Capacity: i) 180kVA ii) 60 kVA	A specific parameter of load capacity is used to obtain comparable data on the cost of connection. The load capacity is used as a unit of measurement; it determines how much power is used and where it is used. For questions on cost of connection, the experts will be asked to provide their response accounting for this specific parameter.
Length of Connection: i) 75 meters ii) 10 meters	A specific parameter of the length of electricity connection is used to obtain comparable data on the cost of connection. Distance to the distribution line determines material and labor cost. Utility fee schedules may also differentiate lengths to the source. For questions on cost of connection, the experts will be asked to provide their response accounting for this specific parameter.
Electricity Consumption: 34,560 kWh	A specific parameter of electricity consumption is used to obtain comparable data on the monthly tariff. Electricity consumption reflects the intensity of a firm's reliance on electricity and is required to calculate the

	applicable tariff. For questions on cost of service, the experts will be asked to provide their response accounting for this specific parameter.
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3.1.1 AFFORDABILITY

62. For an electricity connection of 60 kVA/60 kW (for example, a shop or a non-refrigerated storage facility) in [CITY], with a distance of 10 meters from the main distribution line, please provide the approximate average cost to obtain a new electricity connection, including all cost items (local currency)
63. For an electricity connection of 180 kVA/180 kW (for example, a small retail mall or a restaurant) in [CITY], with a distance of 75 meters from the main distribution line, please provide the approximate average cost to obtain a new electricity connection, including all cost items (local currency)
64. What would be the total estimated monthly bill based on the applicable tariff for a commercial establishment consuming 34,560 kWh (load capacity of 180 kVA/180 kW)?

3.1.1 AFFORDABILITY			
Indicators	FFP	SBP	Total Points
Cost of Connection and Cost of Service - Cost of Connection (62 AND 63) - Cost of Service (64) <i>Scoring scenarios will be determined depending on the variance of cost estimates delivered</i>	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100

3.1.2 TIME TO OBTAIN A CONNECTION

65. How many days did it take to obtain electrical connection from the day of the application to the day the service was received?

3.1.2 TIME TO OBTAIN A CONNECTION			
Indicators	FFP	SBP	Total Points
Time to Obtain an Electricity Connection (65)	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100

3.1.3 RELIABILITY OF SUPPLY

66. Number of outages: In a typical month, how many power outages did this establishment experience?
67. Duration of outages: How long did these power outages last on average?
68. Losses due to outages: Please estimate the losses that resulted from power outages either as a percentage of sales or in local currency
69. Over the course of fiscal year, did this establishment own or share a generator?

3.1.3 RELIABILITY OF SUPPLY			
Indicators	FFP	SBP	Total Points
Reliability of Electricity Supply	100 (100%)	n/a	100 (100%)
- Average frequency of power outages (66)	25 (25%)	n/a	25 (25%)
- Average duration of power outages (67)	25 (25%)	n/a	25 (25%)
- Losses due to outages as a percentage of annual sales (68)	25 (25%)	n/a	25 (25%)
- Percentage of firms owning or sharing a generator (69)	25 (25%)	n/a	25 (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 Benefits Point.

WATER 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 “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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS ON UTILITY SERVICES (WATER)	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. Geographical location determines availability of water connections, as well as the type of connections and construction required. For Pillar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding the regulations of the largest city.

1.2.1 REGULATORY MONITORING OF TARIFFS AND SERVICE QUALITY

- 1. Is there a regulatory agency overseeing the water sector? (Y/N) (*not scored*)**
Y → provide response to questions 2, 3, and 4.
- 2. Per the regulatory framework, does the water regulator have a final decision-making authority in the approval of water tariffs? (Y/N)**
- 3. Per the regulatory framework, is the water regulator required to set performance standards to ensure service quality and the reliability of water services? (Y/N)**
- 4. Per the regulatory framework, is the water regulator required to monitor adherence to performance standards to ensure service quality and the reliability of water services? (Y/N)**

1.2.1 REGULATORY MONITORING OF TARIFFS AND SERVICE QUALITY			
Indicators	FFP	SBP	Total Points
Monitoring of Tariffs (2)	1	1	2
Monitoring of Service Quality	1	1	2

- Set performance standards (3)	0.5	0.5	1
- Monitor adherence to performance standards (4)	0.5	0.5	1
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.2.2 UTILITY INFRASTRUCTURE SHARING AND QUALITY ASSURANCE MECHANISMS

5. Are there regulatory provisions requiring coordination in the joint construction of infrastructure, such as electrical poles, overhead or underground cables, water pipes, and/or telephone wires? (Y/N)
6. Are there legally defined time limits for all concerned agencies to provide approvals on joint construction of infrastructure? (Y/N)
7. Does the regulatory framework stipulate sanctions, and/or remedies applicable to utilities to ensure reliable water supply (limit insufficiencies)? (Y/N)

1.2.2 UTILITY INFRASTRUCTURE SHARING AND QUALITY ASSURANCE MECHANISMS			
Indicators	FFP	SBP	Total Points
Joint Planning and Construction	1	1	2
- Common excavation provisions (5)	0.5	0.5	1
- Timelines for approvals (6)	0.5	0.5	1
Mechanisms on Service Quality Assurance (7)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.2.3 REGULATIONS ON SAFETY OF WATER CONNECTIONS

8. Per the regulatory framework, are professionals carrying out water installation works required to meet at least two of the conditions listed below? (Y/N)
 - Minimum number of years of experience
 - Education qualification (i.e. university degree in the relevant field)
 - Registered member of the national association of engineers
 - Pass a qualification exam
9. Per the regulatory framework, are internal water installations required to be carried out by a licensed professional/company? (Y/N)
10. Per the regulatory framework, is the company that carries out internal water installations required to inspect/certify the quality of the installation? (Y/N)
11. Per the regulatory framework, is a final inspection required to be carried out by a third party to ensure the quality of internal water installations? (Y/N)
12. Per the regulatory framework, are external water installations required to be carried out by a licensed professional/company? (Y/N)
13. Per the regulatory framework, is the company that carries out external water installations required to inspect/ certify the quality of the installation? (Y/N)

14. Per the regulatory framework, is a final inspection required to be carried out by a third party to ensure the quality of external water installations? (Y/N)

15. Can any party (aside from the project investor or owner) involved in providing the water connection be held liable by law in case faults are discovered when the water connection is in use? (Y/N)

1.2.3 REGULATIONS ON SAFETY OF WATER CONNECTIONS			
Indicators	FFP	SBP	Total Points
Professional Certifications (8)	1	1	2
Inspection Regimes	1	1	2
- Internal installation works (11 OR (9 AND 10))	0.5	0.5	1
- External installation works (14 OR (12 AND 13))	0.5	0.5	1
<i>A score is assigned if 11 is selected OR both 9 and 10 are selected</i>			
<i>A score is assigned if 14 is selected OR both 12 and 13 are selected</i>			
Liability Regimes (15)	1	1	2
Total Points	3	3	6

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.2.4 ENVIRONMENTAL SUSTAINABILITY

Does the regulatory framework set requirements to carry out the following tests, at the consumer tap, to ascertain water quality standards are met for end user consumption (questions 16 through 19):

16. Aesthetic tests (e.g., taste, odor, appearance) (Y/N)

17. Microbiological parameters' tests (Y/N)

18. Physical-chemical tests (Y/N)

19. Radiological tests (Y/N)

20. Does the regulatory framework stipulate any financial sanctions imposed on water utilities to ensure compliance with water quality standards? (Y/N)

21. Does the regulatory framework set targets or requirements for water utilities to increase efficiency in water provision by reducing water losses? (Y/N)

22. Does the regulatory framework stipulate any financial sanctions imposed on water utilities to ensure compliance with targets or requirements aimed at reducing water losses? (Y/N)

23. Does the regulatory framework require businesses to adopt practices that ensure efficient water use? (Y/N)

24. Does the regulatory framework include any financial sanctions to businesses for not complying with water-efficiency requirements? (Y/N)

25. Does the regulatory framework include any financial mechanisms to incentivize businesses to adopt water-saving practices or water-efficient technology? (Y/N)

26. Does the regulatory framework include any non-financial mechanisms to incentivize businesses to adopt water-saving practices or water-efficient technology? (Y/N)
27. Is there a regulatory agency responsible for regulating wastewater discharge to the local sewerage system? (Y/N)
28. Are there any legal requirements for wastewater to be treated before it is discharged to water bodies or land (such as discharge limits, and/or pretreatment conditions for discharges)? (Y/N)
29. Does the regulatory framework establish rules on wastewater reuse (such as guidelines for the use of reclaimed water, effluent quality limits and/or treatment process/type)? (Y/N)

1.2.4 ENVIRONMENTAL SUSTAINABILITY			
Indicators	FFP	SBP	Total Points
Environmental Sustainability and Quality of Water Provision	n/a	1	1
- Environmental standards for water quality (16 AND 17 AND 18 AND 19)	n/a	0.25	0.25
- Enforcement of environmental standards for water quality (20)	n/a	0.25	0.25
- Environmental standards for efficient water supply (21)	n/a	0.25	0.25
- Enforcement of standards for water supply efficiency (22)	n/a	0.25	0.25
Environmental Sustainability of Water Use	n/a	1	1
- Requirements for businesses to adhere to efficient water use practices (23)	n/a	0.5	0.5
- Enforcement mechanisms to foster businesses' compliance with water efficiency requirements (24)	n/a	0.5	0.5
Incentives to Adopt Water-Saving Practices	1	1	2
- Financial and non-financial incentives for businesses (25 AND 26) OR	1 OR	1 OR	OR
- Financial incentives for businesses (25)	0.5	0.5	1
Sustainability of Wastewater Treatment	n/a	1	1
- Existence of entity regulating wastewater discharge (27)	n/a	0.5	0.5
- Wastewater treatment requirements (28)	n/a	0.5	0.5
Wastewater Reuse (29)	n/a	1	1
Total Points	1	5	6

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II–QUALITY OF THE GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES (WATER)	
Parameters	
Business Location	The largest (most populous) city in the economy. 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). 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.

30. Is [LARGEST UTILITY PROVIDER] the largest water utility provider in [CITY]? (Y/N) (not scored)

2.2.1 DIGITAL SERVICES AND INTEROPERABILITY

31. Is it possible to apply for a new commercial water connection through a fully online process? (Y/N)
32. Is it possible to track online the status of the connection process for a new water connection? (Y/N)
33. Is it possible to pay the fee for a new water connection through electronic payment methods? (Y/N)
34. Is it possible to pay for the monthly water bill through electronic payment methods? (Y/N)
35. Is there a local infrastructure database (for example, a GIS database) that shows the existing water distribution network? (Y/N)
36. Is there a shared database for the network lines of multiple utilities, such as electricity, water, and internet? (Y/N)
37. Is there a publicly available online platform with information about the planned works on utility networks that are carried out in [CITY]? (Y/N)

Are any of the following coordinating mechanisms in place to facilitate collaboration between agencies on excavation permit applications? (questions 38 and 39)

38. An online platform to coordinate excavation permits (Y/N)
39. An agency or office in charge of coordination: (Y/N)

2.2.1 DIGITAL SERVICES AND INTEROPERABILITY			
Indicators	FFP	SBP	Total Points
Electronic Application	1	1	2
- Electronic application for new water connection (31)	0.5	0.5	1
- Online tracking for water connection process (32)	0.5	0.5	1
Electronic Payment (33 AND 34)	1	1	2
Information on Existing Infrastructure and Planned Works	1	1	2
- Local infrastructure database for multiple utilities/ water distribution networks (35 OR 36)	0.5	0.5	1
- Platform with the information on the planned works on utility networks (37)	0.5	0.5	1
Coordination Mechanisms for Excavation Permits	1	1	2
- Online platform (38) OR	1 OR	1 OR	OR
- A coordinating agency (39)	0.5	0.5	0.5
<i>A score of 1 is assigned if 38 is selected; a score of 0.5 is assigned if only 39 is selected</i>			
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2.2 MONITORING OF SERVICE SUPPLY (includes gender and environment)

40. Is the reliability of water supply (for example, continuity and pressure) monitored by the largest water utility in [CITY]? (Y/N)

41. Are parameters of water quality (for example, pH, biochemical oxygen demand, chemical oxygen demand, and lead) monitored? (Y/N)
42. Are there Key Performance Indicators (KPIs) to monitor the environmental sustainability of water supply? (Y/N)
43. Does the largest water utility in [CITY] publish sex-disaggregated customer surveys (for example, in order to measure the quality of services provided by the utility from the perspective of women owned businesses)? (Y/N)

2.2.2 MONITORING OF SERVICE SUPPLY (includes gender and environment)			
Indicators	FFP	SBP	Total Points
Reliability and Quality of Water Supply (40 AND 41)	1	1	2
Environmental Sustainability of Water Supply (42)	n/a	1	1
Access to Water for Women Entrepreneurs (43)	1	1	2
Total Points	2	3	5

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2.3 AVAILABILITY OF INFORMATION AND TRANSPARENCY

For new commercial water connections, can you find the following information online? (questions 44 through 47)

44. List of documents required for obtaining a new commercial water connection (Y/N)
45. Required steps to get a new commercial water connection (for example, application submission, payment of fees, site inspection, etc.) (Y/N)
46. Estimated total cost charged by utility for a new water connection (Y/N)
47. Estimated connection time standards (Y/N)
48. Are the current water tariffs available online? (Y/N)
49. Are changes in water tariffs communicated to customers at least one billing cycle in advance (for example, published in the press or on a website, through letters, bills, emails, and/or SMS)? (Y/N)
50. Are the components that are included in the total amount of the utility bill explained to the customer (for example, published online or in a customer bill)? (Y/N)
51. Are planned water outages communicated to customers in advance either through public announcements or direct communication? (Y/N)
52. Is there a complaint mechanism at the level of the water utility to report issues with the provided water services (for example, incorrect billing or issues with the water supply)? (Y/N) *(not scored)*
 Y → proceed to the remaining questions.
 N → 0 points on questions 53 to 56.

Is the following information available online to guide customers to file a complaint about their water service under the complaint mechanism of the water utility? (Y/N) (questions 53 through 56)

53. Where to file a complaint (Y/N)

54. The list of documents necessary to file a complaint (Y/N)

55. The kind of issues that can be reported in a complaint (Y/N)

56. Information on the steps that are part of the complaint process (Y/N)

57. Are the indicators on reliability of water supply published online at least once a year? (Y/N)

58. Are the indicators on quality of supplied water published online at least once a year? (Y/N)

59. Are the Key Performance Indicators (KPIs) to monitor the environmental sustainability of water supply published online at least once a year? (Y/N)

2.2.3 AVAILABILITY OF INFORMATION AND TRANSPARENCY			
Indicators	FFP	SBP	Total Points
Connection Requirements	1	1	2
- Required documents (44)	0.25	0.25	0.5
- Required procedures (45)	0.25	0.25	0.5
- Connection cost (46)	0.25	0.25	0.5
- Stipulated connection time standards (47)	0.25	0.25	0.5
Tariffs and Tariff Setting	1	1	2
- Tariffs are published online (48) AND			
- Customers are notified in advance of tariff changes (49) AND			
- Tariff setting formula is publicly available (50)			
Planned Outages (51)	1	1	2
Complaint Mechanisms	1	1	2
- Information on the entity in charge of complaints (53)	0.25	0.25	0.5
- Documents necessary to make a complaint (54)	0.25	0.25	0.5
- Criteria/scope of complaint mechanism (55)	0.25	0.25	0.5
- Steps necessary to make a complaint (56)	0.25	0.25	0.5
Service Quality Indicators	1	1	2
- KPIs on reliability of water supply (57)	0.5	0.5	1
- KPIs on water quality (58)	0.5	0.5	1
Environmental Sustainability Indicators (59)	n/a	1	1
Total Points	5	6	11

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2.4 ENFORCEMENT OF SAFETY REGULATIONS AND CONSUMER PROTECTION MECHANISMS

60. Are internal water installation works always carried out by a licensed professional or company in practice? (Y/N)

61. Does the company or licensed professional that performed internal water installations works always verify the quality of the installation? (Y/N)

62. Is there a quality check or final inspection by a third-party to ensure the quality and safety of internal water installation works? (Y/N)
63. Are external water installation works always carried out by a licensed professional or company in practice? (Y/N)
64. Does the licensed professional or company that performed external water installation works also always check and verify the quality of the works? (Y/N)
65. Is there a quality check or final inspection by a third party to ensure the quality and safety of external water installations works? (Y/N)
66. Is there a complaint mechanism independent from the water utility to escalate the complaints? (Y/N)

2.2.4 ENFORCEMENT OF SAFETY REGULATIONS AND CONSUMER PROTECTION MECHANISMS			
Indicators	FFP	SBP	Total Points
Implementation of Inspections for Water Connections	1	1	2
- Internal installation works ((60 AND 61) OR 62)	0.5	0.5	1
- External installation works ((63 AND 64) OR 65)	0.5	0.5	1
<i>A score is assigned if 62 is selected OR both 60 and 61 are selected.</i>			
<i>A score is assigned if 65 is selected OR both 63 and 64 are selected</i>			
Independent Complaint Mechanism (66)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION (WATER)

The scores for Pillar III indicators that are based on firm level data are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Operational Efficiency of Utility Service Provision are collected through expert consultations (questions 67-70) and firm-level surveys (questions 71 and 72). Data collected through expert consultations use the following parameters:

PILLAR III—OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION (WATER)	
Parameters	
Business Location	The largest (most populous) city in the economy. For questions on cost of connection and cost of service, the experts will be asked to provide their response accounting for this specific parameter.
Largest Utility Provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). For questions on cost of connection and cost of service, the experts will be asked to provide their response accounting for this specific parameter.

Water – Pipe Diameter: i) 1/2 inch (21 mm) ii) 1 inch (33 mm)	A specific parameter of pipe diameter is used to obtain comparable data on the cost of connection. The pipe diameter directly affects water connection costs, as larger diameter pipes lead to increased material and installation expenses due to their size and complexity. For questions on cost of connection, the experts will be asked to provide their response accounting for this specific parameter.
Water Consumption: i) 1000 cubic meters (220 000 gallons; 35 315 cubic feet; ii) 20 cubic meters (4400 gallons; 706 cubic feet)	A specific parameter of water consumption is used to obtain comparable data on the monthly tariff. Water consumption reflects the intensity of a firm's reliance on water and is required to calculate the applicable tariff. For questions on cost of service, the experts will be asked to provide their response accounting for this specific parameter.
Distance from the Water Main: 5 meters	A specific parameter of distance from the water main is used to obtain comparable data on the cost of connection. The distance from the water mains affects connection costs as greater distances require materials and labor to extend the pipe network or develop additional infrastructure, leading to higher installation expenses. For questions on cost of connection, the experts will be asked to provide their response accounting for this specific parameter.

3.2.1 AFFORDABILITY

What was the total cost in local currency to obtain that water connection, including application, permits, inspection fees, and all external connection works (exclude internal piping and connections)?

67. Under the scenario of a small-size business, requiring a new water connection of 1/2 inch (21 mm) of diameter (or approximate dimension), with a distance of 5 meters from the water mains to the property line in a concrete footpath, please provide an estimate of the cost to obtain a new water connection in [CITY] (in local currency):
68. Under the scenario of a medium-size business requiring a new water connection of 1 inch (33 mm) of diameter (or approximate dimension), with a distance of 5 meters from the mains to the property line in a concrete footpath, please provide an estimate of the cost to obtain a new water connection in [CITY] (in local currency):
69. Please provide the total monthly amount paid for water and wastewater services, excluding all applicable taxes, for a commercial establishment (for example, a hotel) with a monthly consumption of 1000 cubic meters (220 000 gallons; 35 315 cubic feet) in [CITY] (in local currency).
70. Please provide the total monthly amount paid for water and wastewater services, excluding all applicable taxes, for a small commercial establishment with a monthly consumption of 20 cubic meters (4400 gallons; 706 cubic feet), in [CITY] (in local currency).

3.2.1 AFFORDABILITY			
Indicators	FFP	SBP	Total Points
Cost of Connection and Cost of Service - Cost of Connection (67 AND 68) - Cost of Service (69 AND 70) <i>Scoring scenarios will be determined depending on the variance of cost estimates delivered</i>	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100

3.2.2 TIME TO OBTAIN CONNECTION

71. How many days did it take to obtain water connection from the day of the application to the day the service was received?

3.2.2 TIME TO OBTAIN CONNECTION			
Indicators	FFP	SBP	Total Points
Time to Obtain a Water Connection (71)	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100

3.2.3 RELIABILITY OF SUPPLY

72. Over fiscal year [Insert last complete fiscal year], did this establishment experience insufficient water supply?

3.2.3 RELIABILITY OF SUPPLY			
Indicators	FFP	SBP	Total Points
Reliability of Water Supply - Percentage of firms not experiencing water insufficiencies (72)	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 Benefits Point.

INTERNET 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 “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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS ON UTILITY SERVICES (INTERNET)	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. Geographical location determines availability of internet connections, as well as the type of connections and construction required. For Pillar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding the regulations of the largest city.

1.3.1 REGULATORY MONITORING OF TARIFFS AND SERVICE QUALITY

- 1. Is there a regulatory agency overseeing internet operators and providers? (Y/N) (*not scored*)**
Y → provide response to questions 2,3,4,5.

Per the regulatory framework, is the regulatory agency required to oversee the following: (questions 2 and 3)

- 2. Wholesale connectivity tariffs (Y/N)**
- 3. Interconnection agreements between internet service providers (Y/N)**

Per the regulatory framework, are there any government authorities required to carry out the following functions: (questions 4 and 5)

- 4. Initiate investigations for anticompetitive practices (Y/N)**
- 5. Impose fines for anticompetitive practices (Y/N)**
- 6. Per the regulatory framework, is the internet regulator required to set performance standards to ensure service quality and the reliability of internet services? (Y/N)**

7. Per the regulatory framework, is the internet regulator required to monitor adherence to performance standards to ensure service quality and the reliability of internet services? (Y/N)

1.3.1 REGULATORY MONITORING OF TARIFFS AND SERVICE QUALITY			
Indicators	FFP	SBP	Total Points
Monitoring of Tariffs (2 AND 3 AND 4 AND 5)	1	1	2
Monitoring of Service Quality	1	1	2
- Setting performance standards (6)	0.5	0.5	1
- Monitoring of performance standards (7)	0.5	0.5	1
Total Points	2	2	4

1.3.2 UTILITY INFRASTRUCTURE SHARING AND QUALITY ASSURANCE MECHANISMS

8. Are there regulatory provisions requiring coordination in the joint construction of infrastructure, such as electrical poles, overhead or underground cables, water pipes, and/or telephone wires? (Y/N)
9. Are there legally defined time limits for all concerned agencies to provide approval on joint construction of infrastructure? (Y/N)
10. Does the regulatory framework guarantee equal access to government-owned infrastructure for internet service operators and providers to build and maintain their networks? (Y/N)
11. Are there provisions regulating rights of way for internet service providers to install and maintain their equipment on public and private lands? (Y/N)
12. Are there regulatory provisions stipulating requirements for operators owning passive infrastructure to share access for the last mile with internet service providers? (Y/N)
13. Are there regulatory provisions stipulating requirements for operators owning active infrastructure to share access for the last mile with internet service providers? (Y/N)
14. Are there regulatory provisions guaranteeing both local loop unbundling and line access? (Y/N)
15. Does the regulatory framework allow utility partnerships for infrastructure sharing? (Y/N)
16. Are there asymmetric regulations for dominant operators or operators with significant market power that establish remedial actions? (Y/N)
17. Does the regulatory framework stipulate sanctions and/or remedies applicable to utilities to ensure reliable internet supply (limit internet service outages or slowdowns)? (Y/N)

1.3.2 UTILITY INFRASTRUCTURE SHARING AND QUALITY ASSURANCE MECHANISMS			
Indicators	FFP	SBP	Total Points
Joint Planning and Construction	1	1	2
- Common excavation provisions (8)	0.5	0.5	1
- Timelines for approvals (9)	0.5	0.5	1

Rights of Way	1	1	2
- Regulation on equal access to government-owned infrastructure (10)	0.5	0.5	1
- Regulation on rights of way for digital infrastructure service providers (11)	0.5	0.5	1
Open Infrastructure	1	1	2
- Passive or active infrastructure sharing (12 or 13)	0.25	0.25	0.5
- Local loop unbundling and line access (14)	0.25	0.25	0.5
- Utility partnerships for infrastructure sharing (15)	0.25	0.25	0.5
- Asymmetric regulations for dominant carriers (16)	0.25	0.25	0.5
Mechanisms on Service Quality Assurance (17)	1	1	2
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point. ISP = Internet Service Provider.

1.3.3 REGULATIONS ON SAFETY OF INTERNET CONNECTIONS

18. Does the regulatory framework stipulate liability for personal data protection breaches, including the right to pursue compensation? (Y/N)
19. Does the regulatory framework establish requirements on data breach incident reporting? (Y/N)
20. Is there an agency responsible for cybersecurity at national level? (Y/N) *(not scored)*
Y → provide response to questions 21 to 24.
21. Per the regulatory framework, does the agency responsible for cybersecurity coordination at national level have the mandate to define and implement risk assessment strategies? (Y/N)
22. Per the regulatory framework, does the agency responsible for cybersecurity coordination at national level have the mandate to carry out security audits?? (Y/N)
23. Does the regulatory framework establish procedures for the agency responsible for cybersecurity coordination at national level to lead collective response involving both public and private stakeholders in handling cybersecurity incidents? (Y/N)
24. Per the regulatory framework, does the agency responsible for cybersecurity coordination at national level have the mandate to enforce cybersecurity laws and regulations? (Y/N)
25. Does the regulatory framework establish mandatory cybersecurity standards and cybersecurity safeguards? (Y/N)
26. Does the regulatory framework require the establishment of at least one computer security incident response team responsible for handling cybersecurity incidents? (Y/N)

1.3.3 REGULATIONS ON SAFETY OF INTERNET CONNECTIONS			
Indicators	FFP	SBP	Total Points
Liability Regimes	1	1	2
- Liability for personal data protection breaches (18)	0.5	0.5	1
- Data breach incident reporting (19)	0.5	0.5	1
Cybersecurity Coordination	1	1	2
- Mandate for risk-assessment strategies (21)	0.25	0.25	0.5
- Mandate for cybersecurity audits (22)	0.25	0.25	0.5

- Procedures for collective response against cyber incidents (23)	0.25	0.25	0.5
- Mandate to enforce cybersecurity laws and regulations (24)	0.25	0.25	0.5
Cybersecurity Safeguards	1	1	2
- Cybersecurity protection or minimum standards (25)	0.5	0.5	1
- Computer Security Incident Response Teams (26)	0.5	0.5	1
Total Points	3	3	6

1.3.4 ENVIRONMENTAL SUSTAINABILITY

27. Does the regulatory framework include any environmental reporting or disclosure standards for digital connectivity infrastructure? (Y/N)

28. Does the regulatory framework establish any national targets for emissions or energy efficiency of digital connectivity infrastructure (data centers included)? (Y/N)

1.3.4 ENVIRONMENTAL SUSTAINABILITY			
Indicators	FFP	SBP	Total Points
Environmental Reporting or Disclosure Standards for Digital Connectivity Infrastructure (27)	n/a	1	1
Emissions and Energy Efficiency of Infrastructure (28)	n/a	1	1
Total Points	n/a	2	2

PILLAR II–QUALITY OF THE GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES (INTERNET)	
Parameters	
Business Location	The largest (most populous) city in the economy. 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 fixed broadband internet service provider in the largest city is considered by market share or number of <u>all</u> customers served. 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.

29. Is the largest fixed internet service provider in [CITY] the following: [largest utility provider]? (not scored) (Y/N)

2.3.1 DIGITAL SERVICES AND INTEROPERABILITY

30. Is it possible to apply for a new commercial internet connection through a fully online process? (Y/N)

31. Is it possible to track online the status of the connection process for a new commercial internet connection? (Y/N)

32. Is it possible to pay the connection fee for a new fixed broadband connection through electronic payment methods? (Y/N)

33. Is it possible to pay the monthly internet bill through electronic payment methods? (Y/N)
34. Is there a publicly available national or local infrastructure database (for example, a GIS database) that shows the existing internet distribution network? (Y/N)
35. Is there a shared database for the network lines of multiple utilities, such as electricity, water, and internet? (Y/N)
36. Is there a publicly available online platform with information about planned works on utility networks that are carried out in [CITY]? (Y/N)

Are any of the following coordinating mechanisms in place to facilitate collaboration among agencies for excavation permit applications? (questions 37 and 38)

37. An online platform to coordinate excavation permits (Y/N)

38. An agency or office in charge of coordination of excavation permits (Y/N)

2.3.1 DIGITAL SERVICES AND INTEROPERABILITY			
Indicators	FFP	SBP	Total Points
Electronic Application	1	1	2
- Electronic application for new internet connection (30)	0.5	0.5	1
- Online tracking application for internet connection (31)	0.5	0.5	1
Electronic Payment (32 AND 33)	1	1	2
Information on Existing Infrastructure and Planned Works	1	1	2
- National/Local infrastructure database for multiple utilities/ internet service provider networks (34 OR 35)	0.5	0.5	1
- Platform with the information on the planned works on utility networks (36)	0.5	0.5	1
Coordination Mechanisms for Excavation Permits	1	1	2
- Online platform (37) OR	OR	OR	OR
- A coordinating agency or office (38) OR	0.5	0.5	1
<i>A score of 1 is assigned if 37 is selected; a score of 0.5 is assigned if only 38 is selected</i>			
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.3.2 MONITORING OF SERVICE SUPPLY (includes gender and environment)

39. Are there any Key Performance Indicators to monitor reliability and quality of internet supply (for example, download/upload speed, latency, minimum uptimes, throughput, jitter, recovery time etc.)? (Y/N)
40. Does the largest internet service provider in [CITY] publish sex-disaggregated customer surveys (for example, in order to measure quality of services provided by the utility from the perspective of women-owned businesses)? (Y/N)

2.3.2 MONITORING OF SERVICE SUPPLY (includes gender and environment)			
Indicators	FFP	SBP	Total Points

Reliability and Quality of Internet Supply (39)	1	1	2
Access to Internet for Women Entrepreneurs (40)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.3.3 AVAILABILITY OF INFORMATION AND TRANSPARENCY

For new commercial internet connections, can you find the following information online? (questions 41 through 44)

- 41. List of documents required to get a new commercial internet connection (Y/N)**
- 42. Required steps to get a new commercial internet connection (for example, application submission, payment of fees, site inspection, etc.) (Y/N)**
- 43. Estimated total cost charged by utility for a new commercial internet connection (Y/N)**
- 44. Connection time estimates (Y/N)**
- 45. Are the monthly internet tariffs for commercial customers available online? (Y/N)**
- 46. Are changes in monthly internet tariffs communicated to customers at least one billing cycle in advance (for example, as published in the press, regulations, on a website, through letters, bills, and/or emails)? (Y/N)**
- 47. Are the components that are included in the total amount of the internet bill explained to the customer (for example, published online or in a customer bill)? (Y/N)**
- 48. Are planned internet outages communicated to customers in advance either through public announcements or direct communication? (Y/N)**
- 49. Is there a complaint mechanism at the level of internet service provider to report issues with the provided internet services (for example, incorrect billing or issues with the internet supply)? (not scored)**
Y → provide response to questions 50 to 53.

Is the following information available online to guide customers to file a complaint about their internet service under the complaint mechanism of the internet service provider? (questions 50 through 53)

- 50. Where to file the complaint (Y/N)**
- 51. The list of documents necessary to file a complaint (Y/N)**
- 52. The type of issues that can be reported in a complaint (Y/N)**
- 53. Information on the steps that are part of the complaint process (Y/N)**
- 54. Are the indicators on reliability and quality of internet supply published online at least once a year? (Y/N)**

2.3.3 AVAILABILITY OF INFORMATION AND TRANSPARENCY			
Indicators	FFP	SBP	Total Points
Connection Requirements	1	1	2
- Required documents (41)	0.25	0.25	0.5
- Required procedures (42)	0.25	0.25	0.5
- Connection cost (43)	0.25	0.25	0.5
- Stipulated connection time standards (44)	0.25	0.25	0.5
Tariffs and Tariff Settings	1	1	2
- Tariffs are published online (45) AND			
- Customers are notified in advance of tariff changes (46) AND			
- Tariff setting formula is publicly available (47)			
Planned Outages (48)	1	1	2
Complaint Mechanisms	1	1	2
- Information on the entity in charge of complaints (50)	0.25	0.25	0.5
- Documents necessary to make a complaint (51)	0.25	0.25	0.5
- Criteria/scope of complaint mechanism (52)	0.25	0.25	0.5
- Steps necessary to make a complaint (53)	0.25	0.25	0.5
Service Quality Indicators (54)	1	1	2
Total Points	5	5	10

2.3.4 ENFORCEMENT OF SAFETY REGULATIONS AND CONSUMER PROTECTION MECHANISMS

Does the authority responsible for cybersecurity coordination carry out the following in practice?
(questions 55 through 58)

55. Cybersecurity risk-assessments (Y/N)

56. Cybersecurity audits (Y/N)

57. Coordination of collective response involving both public and private stakeholders in handling cybersecurity incidents (Y/N)

58. Enforcement of cybersecurity laws and regulations (Y/N)

59. Is there at least one operational computer security incident response team responsible for handling cybersecurity incidents? (Y/N)

60. Is there a complaint mechanism independent from the internet service provider to escalate complaints? (Y/N)

2.3.4 ENFORCEMENT OF SAFETY REGULATIONS AND CONSUMER PROTECTION MECHANISMS			
Indicators	FFP	SBP	Total Points
Cybersecurity Protocols	1	1	2
- Cybersecurity risk-assessments (55)	0.2	0.2	0.2
- Cybersecurity audits (56)	0.2	0.2	0.2
- Leading collective efforts against cyber incidents (57)	0.2	0.2	0.2
- Enforcement of cybersecurity laws and regulations (58)	0.2	0.2	0.2
- Computer Security Incident Response Teams (59)	0.2	0.2	0.2

Independent Complaint Mechanism (60)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION (INTERNET)

The scores for Pillar III indicators that are based on firm-level data are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Operational Efficiency of Utility Service Provision are collected through expert consultations (questions 61-65) and firm-level surveys (questions 66 and 67). Data collected through expert consultations use using the following parameters:

Parameters	
Business Location	The largest (most populous) city in the economy. Geographical location determines availability of electricity, water, and internet connections, in addition to the type of connections and construction required. For questions on cost of connection and cost of service, the experts will be asked to provide their response accounting for this specific parameter.
Largest Utility Provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). For questions on cost of connection and cost of service, the experts will be asked to provide their response accounting for this specific parameter.
Speed: 10 Mbit/s 10 Mbit/s to 30 Mbit/s; 30 Mbit/s to 100 Mbit/s; More than 100 Mbit/s	Speed (measured in bandwidth): The parameter will apply to all questions in Pillar 3. 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 direct to satellite links are only considered when they are the most prevalent option for local businesses. For questions on cost of connection and cost of service, the experts will be asked to provide their response accounting for this specific parameter.

3.3.1 AFFORDABILITY

- 61. Is the installation service cost billed separately from the internet service cost by the largest internet service provider in [CITY]? (Y/N)**
- 62. Under the scenario of a business requiring a broadband internet connection with a minimum 10 Mbps of download speed in an existing building, please provide an estimate of the least expensive cost to obtain a new internet connection from the largest internet service provider in [CITY] (exclude Value Added Tax, if applicable):**
- 63. Does the largest internet service provider in [CITY] offer fixed internet package(s) with a download speed of at least 10 Mbit/s but less than 30 Mbit/s? (Y/N)**
- 64. Does the largest internet service provider in [CITY] offer fixed internet package(s) with a download speed of at least 30 Mbit/s but less than 100 Mbit/s? (Y/N)**

65. Does the largest internet service provider in [CITY] offer a fixed internet package(s) with a download speed equal to or above 100 Mbit/s? (Y/N)

3.3.1 AFFORDABILITY			
Indicators	FFP	SBP	Total Points
Cost of Internet Connection and Service - Cost of Connection (61 OR 62) - Cost of Service (63, 64 AND 65) <i>Scoring scenarios will be determined depending on the variance of cost estimates delivered</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 Benefits Point.

3.3.2 TIME TO OBTAIN A CONNECTION

66. How many days did it take to obtain the internet connection from the day of the application until the service was received?

3.3.2 TIME TO OBTAIN A CONNECTION			
Indicators	FFP	SBP	Total Points
Time to Obtain an Internet Connection (66)	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 Benefits Point.

3.3.3 RELIABILITY OF SUPPLY

67. Over fiscal year, did this establishment experience any disruptions to its internet connection, including complete downtime and connection slowdowns (please exclude disruptions that are directly due to power outages)?

3.3.3 RELIABILITY OF SUPPLY			
Indicators	FFP	SBP	Total Points
Reliability of Internet Supply (67)	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 Benefits Point.

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. A 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 restrictions 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 employment services on which the labor market and the enforcement of labor regulations depend. The third pillar measures the operational efficiency of labor regulations and public services in practice, assessing 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 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 summarizes all three pillars and their respective categories.

Table 1. Summary Table of all Three Pillars for the Labor Topic

Pillar I–Quality of Labor Regulations (33 indicators)	
1.1	Workers’ Conditions (19 indicators)
1.1.1	Labor Rights (12 indicators)
1.1.2	Minimum Wage Attributes (4 indicators)
1.1.3	Termination of Employment (3 indicators)
1.2	Employment Restrictions and Costs (14 indicators)
1.2.1	Terms of Employment (9 indicators)
1.2.2	Minimum Wage Rate (1 indicator)
1.2.3	Termination of Employment (4 indicators)
Pillar II–Adequacy of Public Services for Labor (21 indicators)	
2.1	Social Protection (9 indicators)
2.1.1	Unemployment Insurance (3 indicators)
2.1.2	Health Care Coverage (3 indicators)
2.1.3	Retirement Pension (3 indicators)
2.2	Employment Services (12 indicators)
2.2.1	Employment Centers and Training (4 indicators)
2.2.2	Labor Dispute Resolution Mechanisms (2 indicators)
2.2.3	Labor Inspectorates (5 indicators)
2.2.4	Sex-Disaggregated Data (1 indicator)
Pillar III–Operational Efficiency of Labor Regulations and Public Services in Practice (10 indicators)	
3.1	Employment Restrictions and Costs (5 indicators)
3.1.1	Social Contribution (1 indicator)
3.1.2	Obstacles to Hiring and Dismissing Workers (2 indicators)
3.1.3	Dismissal Time and Cost (2 indicators)
3.2	Employment Services (5 indicators)
3.2.1	On-the-Job Training (1 indicator)
3.2.2	Prevalence and Operational Efficiency of Labor Disputes (2 indicators)
3.2.3	Safety and Health Inspection (2 indicators)

1. PILLAR I. QUALITY OF LABOR REGULATIONS

Table 2 shows the structure for Pillar I, 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	Labor Rights
1.1.2	Minimum Wage Attributes
1.1.3	Termination of Employment
1.2	Employment Restrictions and Costs
1.2.1	Terms of Employment
1.2.2	Minimum Wage Rate
1.2.3	Termination of Employment

1.1 Workers’ Conditions

Category 1.1 is divided into three subcategories consisting of several indicators, some of which may, in turn, have several components.

1.1.1 Labor Rights

Labor rights encompass the basic rights and protections that workers should be granted in the workplace. These rights are aimed at ensuring fair and safe working conditions, promoting equality and non-discrimination, and safeguarding the dignity and well-being of workers. They are rooted in the core labor standards embedded in the Fundamental Principles and Rights at Work and include freedom of association, the right to collective bargaining, the abolition of forced labor, the elimination of child labor, the elimination of discrimination in respect of employment and occupation and the right to a safe and healthy working environment.⁸

Policies and programs that address discrimination, bias, and inequality at work can lead to positive outcomes for individuals, organizations, and society as a whole.⁹ Furthermore, the regulatory framework plays a role in public health and safety by protecting children from hazardous work more likely to harm their health, safety, or morals.¹⁰ They can also 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 5.4 months, on average.¹¹

Safety and Health regulations are an important component to ensuring the well-being and protection of workers.¹² When enforced and implemented, they help prevent accidents and injuries, promote worker health, and reduce worker absenteeism and turnover.¹³ 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.¹⁴ Therefore, Subcategory 1.1.1–Labor Rights comprises twelve indicators (table 3).

Table 3. Subcategory 1.1.1–Labor Rights

	Indicators	Components
1	Equal Remuneration for Work of Equal Value	Legal requirement to ensure fairness and non-discrimination in remuneration practices by providing equal compensation for work of equal value
2	Prohibition of Discrimination in Employment	Law expressly prohibits discrimination in employment in regard to: i) Race and ethnicity ii) Gender iii) Religion or belief iv) Political opinion v) Sexual orientation vi) Disability vii) National extraction (place of birth, ancestry, or foreign origin) or social origin viii) Trade union membership
3	Freedom of Association and Assembly	Law mandates freedom of association and assembly
4	Right to Collective Bargaining	Law mandates the right to collective bargaining
5	Prohibition of Forced Labor	Legal regulations that explicitly forbid the practice of forcing people to work against their will
6	Minimum Legal Age for Employment	The minimum age for admission to employment is equal or higher to the ILO provisions on minimum age for the following types of employment: i) General employment ii) Light work iii) Hazardous work
7	Prohibition of Child Labor	Prohibition for children to perform work likely to harm health, safety, or morals.
8	Existence of Occupational Safety and Health Legislation	Legal requirement to establish national or federal Occupational Safety and Health legislation on the following industries: i) General

		ii) Agriculture iii) Construction
9	Periodic Review of Occupational Safety and Health Legislation	Law that establishes the periodic revision and update of occupational safety and health legislation
10	Protection Against Workplace Discrimination, Violence and Harassment, Through Grievance Mechanisms, Information, and Training	Law that requires firms to provide information and formal training on how to identify hazards and risks, as well as establishing internal complaints or grievance mechanisms for: i) Workplace discrimination ii) Workplace violence iii) Workplace harassment
11	Legally Mandated Paid Annual Leave	Legally mandated paid annual leave for at least three working weeks after one year of service for workers in the private sector
12	Legally Mandated Paid Sick Leave	Legally mandated paid sick leave by law for workers in the private sector

1.1.2 Minimum Wage Attributes

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.¹⁵ Key elements of a minimum wage system include scope of coverage, setting and adjustment of the minimum wage, criteria to determine the minimum wage, enforcement and compliance and monitoring and evaluation.¹⁶ Therefore, Subcategory 1.1.2–Minimum Wage Attributes comprises four indicators (table 4).

Table 4. Subcategory 1.1.2–Minimum Wage Attributes

	Indicators	Components
1	Existence of Minimum Wage in the Private Sector	Legally mandated minimum wage in the manufacturing and services sectors, set by the law or through a collective bargaining agreement
2	Criteria for Determining Minimum Wage Level	Formally established and legally binding criteria within the relevant legislation that are used for setting the minimum wage
3	Minimum Wage Update Process	Mandatory mechanism for periodically evaluating and potentially adjusting the minimum wage to ensure/maintain its fairness and equity over time
4	Social Consultation for Minimum Wage Setting and Updates	Legally mandated social consultation during the process of setting and updating the minimum wage

1.1.3 Termination of Employment

To mitigate the detrimental consequences of immediate termination of employment, it is recommended that workers receive a reasonable period of notice.¹⁷ The purpose of such notice is to prepare the worker for unemployment, giving them the necessary time to adapt and/or seek alternative employment. Concurrently, the provision of severance pay helps to cushion the financial impact experienced by workers in the event of job loss due to redundancy. While various jurisdictions may have regulations aimed at safeguarding the rights of employees during collective redundancies, these regulations often necessitate the participation of labor representatives and/or authoritative bodies to guarantee that the process is fair, transparent, and in accordance with applicable legal standards. Therefore, Subcategory 1.1.3–Termination of Employment comprises three indicators (table 5).

Table 5. Subcategory 1.1.3–Termination of Employment

	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)

3	Notification Requirement for Collective Dismissal	Requirement for third-party notification (public administration and/or workers' representatives) in the case of a collective dismissal mandated by law or collective bargaining agreement (CBA)
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Note: CBA = Collective Bargaining Agreement.

1.2 Employment Restrictions and Costs

Category 1.2 is divided into three subcategories consisting of several indicators, some of which may, in turn, have several components.

1.2.1 Terms of Employment

Flexible work hours and contracts enable firms to adapt to market demand and can help workers balance their work with personal 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.¹⁸ They can also help the core workforce be less exposed to employment adjustment.¹⁹ Firms should be able to choose among the types of contracts to meet their specific production demands and to control staffing costs.²⁰

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 hours and ensuring a 24-hour weekly rest period.²¹

Unemployment protection, health care, and retirement pensions are important forms of social insurance. They address market imperfections and have important implications for the functioning of the labor market. When the firms are directly mandated to cover these expenses, it can burden them. In some cases, firms must make extra payments for workers' social security, in addition to mandatory general taxes. A lack of government-provided social security coverage for workers reduces opportunities for firms, especially SMEs, to transition to higher productivity and profitability. Informal workers not only lack health and social protection benefits; they are also less likely to move out of poverty.

Digital labor platforms are becoming an inherent component of labor markets and are impacting the world of work. Businesses may benefit from these platforms by accessing both global and local workforces, improving efficiency and productivity, and reaching wider markets.²² The trend is on the rise; there has been a fivefold increase in the number of digital labor platforms over the past decade.²³ From the perspective of workers, platform-based work offers advantages, by providing workers with flexibility and autonomy, an important source of income, and access to more productive or formal jobs.²⁴ This is especially beneficial for vulnerable groups such as women, youth, and migrants.²⁵ Despite the opportunities it has provided to many workers, the digital economy also poses many challenges including low and unreliable wages, long and unpredictable working hours, job insecurity, and discriminatory practices.²⁶ Regulating platform workers poses many challenges, primarily due to unclear nature of the relationship between workers and platforms, often (mis)classification of their employment status.²⁷ In response to recent developments, countries have adopted different approaches to regulating platform-based work, ranging from presumption of employment to treating workers as purely self-employed/independent contractors or creating a new hybrid/intermediate category that falls between employee and self-employed.²⁸ Therefore, Subcategory 1.2.1–Terms of Employment comprises nine indicators (table 6).

Table 6. Subcategory 1.2.1–Terms of Employment

	Indicators	Components
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1	No Restrictions on the Use of Fixed-Term Contracts for Any Task	No limitations on the types of tasks for which employers can use fixed-term contracts
2	No Restrictions on the Use of Fixed-Term Contracts for Permanent Tasks	No limitations on using fixed-term contracts for tasks that are considered permanent/ongoing within the organization
3	No Legal Mandate for Firms to Pay Wage Premium for Night Work	No legal requirement for companies to provide a wage premium for employees working night shifts
4	No Restrictions on Overtime Work within a Limit of 56 Hours Weekly Maximum	No legal prohibition on overtime mandated by law within a limit of maximum 56 total working hours per week
5	No Legal Mandate for Firms to Pay for Unemployment Protection Directly	No legal requirement for firms to directly pay/fund unemployment protection schemes through mandatory taxes (including mandatory labor taxes or social security contributions)
6	No Legal Mandate for Firms to Pay for Health Care Directly	No legal requirement for firms to directly pay/fund workers' health care through mandatory taxes (including mandatory labor taxes or social security contributions)
7	No Legal Mandate for Firms to Pay for Pensions Directly	No legal requirement for firms to directly pay/fund workers' retirement pension through mandatory taxes (including mandatory labor taxes or social security contributions)
8	Lawful Grounds, Including Business Needs, for Individual Dismissal	Dismissal based on business needs or redundancy is allowed by law or collective bargaining agreement (CBA)
9	Regulation of Platform Workers' Labor Rights and Benefits	Legal classification of platform worker; existence of laws covering labor rights (protection and benefits) for platform workers

1.2.2 Minimum Wage Rate

The minimum wage is a form of protection meant to ensure a minimum living wage for all employed. Well-designed and effective minimum wages can contribute to reduced inequality within and among economies.²⁹ 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 comprises one indicator related to the Minimum Wage Rate (table 7).

Table 7. 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 in manufacturing and services sectors

* The score for the minimum wage rate is calculated in the following way: The higher of the two minimum wages (manufacturing and services) in local currency units (LCU) is selected for each economy. This maximum minimum wage is then divided by the monthly GDP per capita (GDP per capita / 12) in LCU to obtain a standardized ratio. A Normal Cumulative Distribution Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively, is then applied. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data. This approach provides a standardized and normalized method to evaluate and compare minimum wage levels in relation to economic output per capita across different economies.

1.2.3 Termination of Employment

To lessen the adverse effects of sudden job termination, it is advisable for workers to be given a reasonable notice period.³⁰ The aim of providing such notice is to prepare the worker for unemployment, affording them the necessary time to adjust and seek alternative employment. Likewise, the presence of severance payment helps mitigate the income loss experienced by workers in cases of redundancy. When the duration

of the notice period is too long and the amount of severance mandate by law is excessive, they no longer serve the purpose they were intended for—to protect regular workers—and instead protect a selected few. Large dismissal costs appear to be a contributing factor to the development of dual labor markets, reduce employment among youths and prime-age women and may have adverse effects on the poor in developing countries.³¹ 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 the economy's human capital.

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 the ability to quickly adjust workforce in response to changes in demand, market conditions, or other factors.³² Therefore, Subcategory 1.2.3–Termination of Employment comprises four indicators (table 8).

Table 8. Subcategory 1.2.3–Termination of Employment

	Indicators	Components
1	Length of Notice Period (in weeks of salary)*	Length of notice period mandated by law for a worker with more than 1 year of employment but less than 5 years (in number of weeks)
2	Amount of Severance Pay (in weeks of salary)*	Amount of severance pay mandated by law for a worker with more than 1 year of employment but less than five years (in number of weeks)
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 for third party approval in the case of collective dismissal by law or collective bargaining agreement (CBA)

*The scores for length of notice period and amount of severance pay indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

2. PILLAR II. ADEQUACY OF PUBLIC SERVICES FOR LABOR

Table 9 shows the structure for Pillar II, 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 9. Pillar II–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	Employment Services
2.2.1	Employment Centers and Training
2.2.2	Labor Dispute Resolution Mechanisms
2.2.3	Labor Inspectorates
2.2.4	Sex-disaggregated Data

2.1 Social Protection

Category 2.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 Unemployment Insurance

Government-provided 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 some contribution from general revenues, rather than solely labor taxes, unemployment protection makes labor less costly, more flexible, and more attractive to firms. Therefore, Subcategory 2.1.1–Unemployment Insurance comprises three indicators (table 10).

Table 10. Subcategory 2.1.1–Unemployment Insurance

	Indicators	Components
1	Availability of Government-Provided Unemployment Insurance	Existence of unemployment insurance scheme provided by the government for workers in the private sector
2	Coverage of Unemployment Protection	Scope of coverage of government-provided unemployment insurance, including: i) Type of worker ii) Industries
3	Funding for Unemployment Insurance	Unemployment insurance scheme funded through contributions of (only or mixed): i) Employee ii) Employer iii) Government (through general tax revenue)

2.1.2 Health Care Coverage

If an economy offers universal basic health care, funded by some contribution from general revenues, it can have a direct positive impact on productivity, job quality, and wages by allowing firms to redirect resources into business development and employee wages.³⁴ Therefore, Subcategory 2.1.2–Health Care Coverage comprises three indicators (table 11).

Table 11. 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 all workers, regardless of their employment contract, if any, including the poorest, i.e., those that cannot afford it on their own
2	Coverage of Health Care	Scope of coverage of government-provided health care; availability of health care coverage through employment, voluntary option, and last-resort health care assistance
3	Funding for Health Care	Universal health care scheme funded through contributions of (only or mixed): i) Employee ii) Employer iii) Government (through general tax revenue)

2.1.3 Retirement Pension

Public pension systems are a foundation on which income security for older persons is built.³⁵ Income security in old age contributes significantly to reducing inequality within and among economies and supports gender equality.³⁶ If funded by some contribution from general revenue, non-contributory retirement pension can also alleviate some of the cost burden on firms, allowing them to use this capital for employee wages and the growth of the company.³⁷ Therefore, Subcategory 2.1.3–Retirement Pension comprises three indicators (table 12).

Table 12. Subcategory 2.1.3–Retirement Pension

	Indicators	Components
1	Availability of Government Provided Retirement Pension Scheme	Existence of a retirement pension scheme provided by the government for workers in the private sector

2	Coverage of Retirement Pension Scheme	Scope of coverage of government-provided retirement pension, including: i) Type of worker ii) Industries
3	Funding for Retirement Pension Scheme	Retirement pension scheme funded through contributions of (only or mixed): i) Employee ii) Employer iii) Government (through general tax revenue)

2.2 Employment Services

Category 2.2 is divided into four subcategories consisting of several indicators, each of which may, in turn have several components.

2.2.1 Employment Centers and Training

Employment centers and training provide 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.³⁸ 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–Centers and Training comprises four indicators (table 13).

Table 13. Subcategory 2.2.1–Employment Centers and Training

	Indicators	Components
1	Existence of a National Employment Service Center	Existence of national employment service center in the largest B-READY city
2	No Legal Mandate for Firms to Pay for Employment Service Center Services	No legal requirement for firms to pay for the services provided by an employment service center (e.g., job placement assistance, career counseling, or training programs)
3	Legal Mandate for Vocational Guidance and Training for Unemployed and Job Seekers	Existence of a law or regulation establishing vocational guidance and training for the unemployed and job seekers
4	Existence of Public Training Programs for Unemployed and Job Seekers	Availability of the government/publicly funded training programs (including, but not limited to skills development, vocational training, or educational opportunities aimed to enhance the employability) to people who are unemployed and/or actively seeking employment

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 a labor dispute, as well as conciliation and mediation offer 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.³⁹ Therefore, Subcategory 2.2.2–Labor Dispute Resolution Mechanisms comprises two indicators (table 14).

Table 14. 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
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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, and issues related to employment and social security.⁴⁰ Special attention should be given to provisions of enforcement of child, forced labor, and occupational safety and health at work with the aim to help curtail violations.

Most labor inspection systems include provisions for protecting women in relation to pregnancy and maternity. Additionally, there is growing evidence of labor inspectors taking on a role in monitoring workplace equality and diversity. However, the primary focus of most reports remains on issues of hygiene, welfare, and occupational safety and health.⁴¹ Therefore, Subcategory 2.2.3–Labor Inspectorates comprises five indicators (table 15).

Table 15. Subcategory 2.2.3–Labor Inspectorates

	Indicators	Components
1	Existence of a Central Labor Inspectorate	Availability of a designated governmental authority or agency responsible for overseeing and enforcing labor laws and regulations
2	Best Practice Initiation of Labor Inspections	Labor inspectors may enter workplaces freely and without prior notice (unannounced) to the employer to ensure compliance with labor laws and regulations
3	Legislation Enforcement on Forced Labor, Child Labor, and Occupational Safety and Health	Legal requirement for labor inspectorates to enforce the current legislation on forced labor, child labor, and Occupational Safety and Health
4	Existence of Data on Reported Number of Cases/Complaints for Labor Violations	Existence of data on reported number of cases/complaints for different types of violations
5	Protection and Oversight of Women’s Rights in the Workplace	Legal requirement on safeguarding and monitoring of women’s workplace rights through: i) availability of public data on workplace violations against women ii) periodic inspections focused on the abuse women’s rights in the workplace

2.2.4 Sex-Disaggregated Data

Informed and effective policy decisions require comprehensive data. Sex-disaggregated data is especially crucial for designing policies that promote gender equality and address the specific needs and challenges faced by different genders. Reducing gender gaps in labor force participation could significantly boost global GDP by fully harnessing potential of the female workforce.⁴² Moreover, addressing unemployment, which tends to be higher among women is essential not only for enhancing economic stability but also for mitigating social issues and supporting sustainable economic growth.⁴³

To prevent the perpetuation of employment inequality, it is important to recognize and accommodate the different patterns of workplace dispute resolution between women and men, as women are often discouraged by gatekeepers within unions and firms from accessing dispute resolution forums.⁴⁴ Additionally, gender inequality in infant caregiving reinforces disparities in paid work. Equal access to

paid leave for infant care is vital, as it shapes caregiving patterns with long-lasting economic consequences.⁴⁵

Labor inspectors play a critical role in ensuring the integrity and effectiveness of labor inspectorates. The ILO advocates for the full inclusion of women in labor inspectorates.⁴⁶ To effectively enforce gender equality, labor administrations should be gender-balanced and adequately equipped to address these issues.⁴⁷ Therefore, Subcategory 2.2.4–Sex-Disaggregated Data comprises one indicator (table 16).

Table 16. Subcategory 2.2.4–Sex-Disaggregated Data

	Indicators	Components
1	Sex-Disaggregated Data on Labor Inspectors, Labor Disputes, Workforce, Unemployment, and Beneficiaries of Maternity and Paternity Leave	Existence of publicly available sex-disaggregated data on: i) Labor Inspectors ii) Labor Disputes iii) Workforce iv) Unemployment v) Beneficiaries of Maternity and Paternity Leave

3. PILLAR III. OPERATIONAL EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE

Table 16 shows the structure for Pillar III, Operational 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 17. Pillar III–Operational Efficiency of Labor Regulations and Public Services in Practice

3.1	Employment Restrictions and Cost
3.1.1	Social Contribution
3.1.2	Obstacles to Hiring and Dismissing Workers
3.1.3	Dismissal Time and Cost
3.2	Employment Services
3.2.1	On-the-Job Training
3.2.2	Prevalence and Operational Efficiency of Labor Disputes
3.2.3	Safety and Health Inspection

3.1 Employment Restrictions and Costs

Category 3.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

3.1.1 Social Contribution

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.⁴⁸ Therefore, Subcategory 3.1.1–Social Contribution comprises one indicator (table 18).

Table 18. Subcategory 3.1.1–Social Contribution

	Indicators	Components
1	Ratio of Social Contribution	Total annual costs of social security payments and employment-based taxes (excluding employee taxes that were withheld), divided by the total annual cost of labor including wages, salaries, bonuses, social security payments, during the last fiscal year

3.1.2 Obstacles to Hiring and Dismissing Workers

Regulations on hiring can have a considerable effect on firms and their employees, as well as on workers in the informal sector or those currently unemployed. 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.⁴⁹ Therefore, Subcategory 3.1.2–Obstacles to Hiring and Dismissing Workers comprises two indicators (table 19).

Table 19. Subcategory 3.1.2–Obstacles to Hiring and Dismissing Workers

	Indicators	Components
1	Perceptions Index of Cost of Hiring New Workers as a Constraint	Perceptions index of cost of hiring new workers as a constraint
2	Perceptions Index of Dismissing Workers as a Constraint	Perceptions index of dismissing workers as a constraint

3.1.3 Dismissal Time and Cost

Firms tend to be less efficient, productive, and innovative if they must comply with cumbersome dismissal procedures. Moreover, complex dismissal processes might skew the firm’s 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.⁵⁰ In addition, costly dismissal procedures pose challenges to firms. Namely, rigid, and costly regulations can lead to misallocation of company resources, providing older workers with job stability while leaving younger, less experienced workers vulnerable.⁵¹ Therefore, Subcategory 3.1.3–Dismissal Time and Cost comprises two indicators (table 20).

Table 20. Subcategory 3.1.3–Dismissal Time and Cost

	Indicators	Components
1	Weeks to Dismiss Full-Time Permanent Worker	Number of weeks that took in practice 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 in the past three years
2	Weeks Paid in Severance	Amount paid for severance, in weeks of paid salary, to dismiss permanent, full-time worker in practice in the past three years

3.2 Employment Services

Category 3.2 is divided into three subcategories consisting of several indicators, each of which may, in turn have several components.

3.2.1 On-the-Job Training

On-the-job training can contribute to both organizational success and employee professional development. It can help employees improve their knowledge, skills, behaviors, and ultimately performance.⁵² Studies showed that training may empower workers and have a positive impact on job satisfaction.⁵³ On-the-job training tailored to suit the conditions of developing countries presents a cost-effective approach to substantially enhance workers' performance. This low-cost, high-yield strategy provides developing nations with an effective tool to compete in the global marketplace.⁵⁴

Workers who have better skills foster more innovation, reduce risks and errors, and ultimately drive firm growth and competitiveness. Expansion of firms, the adoption of new technologies and adequate employee training can be an effective strategy to increase formality among firms.⁵⁵ Therefore, Subcategory 3.2.1–On-the-Job Training comprises one indicator (table 21).

Table 21. Subcategory 3.2.1–On-the-Job Training

	Indicators	Components
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1	Percent of Firms with Formal Training Programs for its Permanent, Full-Time Workers	Share of firms offering formal training programs to their permanent, full-time employees
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3.2.2 Prevalence and Operational Efficiency of Labor Disputes

Cumbersome processes to resolve labor disputes deter firms from focusing on more productive activities. More and more economies have implemented specialized courts or agencies to address labor disputes, as well as alternative dispute resolution mechanisms, which can contribute to more timely resolution and lower costs.⁵⁶ Therefore, Subcategory 3.2.2–Prevalence and Operational Efficiency of Labor Disputes comprises two indicators (table 22).

Table 22. Subcategory 3.2.2–Prevalence and Operational Efficiency of Labor Disputes

	Indicators	Components
1	Percent of Firms Involved in Labor Dispute Over Last 3 Years	Share of firms engaged in labor disputes over the past three years
2	Months to Resolve Labor Dispute	Time it took for a dispute to be resolved from the moment it was filed until it was resolved, over the past three years

3.2.3 Safety and Health Inspection

When inspections are too frequent and/or are used as a rent-seeking mechanism, this reduces firm productivity, creating a faulty business climate.⁵⁷ The sharing of reports with employers after an inspection helps increase transparency and accountability by providing documentation of factual information.⁵⁸ Therefore, Subcategory 3.2.3–Safety and Health Inspection comprises two indicators (table 23).

Table 23. Subcategory 3.2.3–Safety and Health Inspection

	Indicators	Components
1	Percent of Firms Visited or Inspected for Workplace Safety and Health	Percentage of companies that have been visited or inspected for workplace safety and health
2	Percent of Firms with a Report Issued by Inspectorate for Workplace Safety and Health	Percentage of companies with a workplace safety and health report issued 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, employ, or 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 operational efficiency of public services as experienced by businesses in practice. A representative sample of companies captures the 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

The Labor topic has one questionnaire. A screener questionnaire is used to assist the selection of experts receiving the Labor topic questionnaire based on a set of criteria (table 24).

Table 24. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions
Lawyers
Relevant Areas of Specialization
Labor law. Dismissal procedures, discrimination in the workplace, labor dispute resolution (litigation/conciliation/mediation/arbitration and enforcement) labor inspections 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 law. Specific areas (among others); dismissal procedures, discrimination in the workplace, labor dispute resolution (litigation/conciliation/mediation/arbitration and enforcement) labor inspections Social security law. Specific areas (among others): health insurance and health care coverage, pensions

Thus, the information provided in the screener questionnaire allows the team to better understand the experts' professions, areas of specialization, and experts' knowledge or experience related to labor regulations and public services for labor.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Labor topic uses specific 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

The Labor topic does not have general parameters that are applicable to all pillars.

5.2 Specific Parameters

Labor employs three specific parameters. Many economies have subnational jurisdictions, which require a business location to be specified in order for experts to identify the relevant regulatory framework to be assessed. Similarly, defining the type of worker and the firm's characteristics allows respondents to determine which labor law is applicable for a certain contractual agreement or business sector respectively.

5.2.1 Business Location

Justification:

The business location determines the applicable law pertaining to 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.

5.2.2 Type of Worker

Justification:

Given the large variety of possible contractual arrangements between firms and workers, and the different sectors to which local labor law is applicable, the type of worker is defined as a permanent employee of working age (over 25 years old), engaged in a formal employment 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. The worker may be male, female, or non-binary and is hence, referred to by the pronouns he/she/they. This worker is chosen based on the standard application of the labor code.

Application:

The 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 type of worker. The parameter does not apply to the subcategory of Minimum Working Age, where law provisions targeting child labor are measured.

5.2.3 Firm Characteristics

Justification:

Firms can be classified by size or sector in which they operate. The classification of a firm determines its interaction with applicable laws, as many economies have different regulations depending on the firm's characteristics. The incumbent firm is defined as a registered private sector firm with fewer than 250 employees in the services industry, unless otherwise indicated in the questionnaire for certain specific indicators, such as the 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 Pillars 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–Operational 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 subsequently aggregated into the total topic score. Each pillar contributes one-third to the total topic score. Table 25 shows the scoring for the Labor 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 25. 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 Labor Regulations	33	13	22	35	100	0.33
II	Adequacy of Public Services for Labor	21	11	17	28	100	0.33

III	Operational Efficiency of Labor Regulations and Public Services in Practice	10	100	n/a	100	100	0.33
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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).

6.1 Pillar I—Quality of Labor Regulations

Pillar I covers 33 indicators with a total score of 35 points (13 points on firm flexibility and 22 points on social benefits) (table 26). The scores are equally assigned to both categories *Workers' Conditions* and *Employment Restrictions and Cost*. The scoring for each category under this pillar is as follows:

6.1.1 *Worker's Conditions* has 19 indicators with a total maximum score of 19 points (0 points on firm flexibility and 19 on social benefits). Specifically, the *Labor Rights* Subcategory has 12 indicators; the *Minimum Wage Attributes* Subcategory has 4 indicators; and the *Termination of Employment* Subcategory has another 3 indicators. A regulatory framework that follows good practices around worker's conditions benefits workers and society (social benefits). Firm flexibility points are not applicable in this category.

6.1.2 *Employment Restrictions and Costs* has 14 indicators with a total maximum score of 16 points (13 points on firm flexibility and 3 on social benefits). Specifically, the *Terms of Employment* Subcategory has 9 indicators; the *Minimum Wage Rate* Subcategory has 1 indicator; and the *Termination of Employment* Subcategory has 4 indicators. A regulatory framework that follows good practices for employment restrictions and costs benefits firms (firm flexibility) and marginally society (social benefits). Hence, points are not equally assigned to both categories.

Table 26. Aggregate Scoring Pillar I

Pillar I—Quality of Labor Regulations		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Workers' Conditions	19	n/a	19	19	50.00
1.1.1	Labor Rights	12	n/a	12	12	16.67
1.1.2	Minimum Wage Attributes	4	n/a	4	4	16.67
1.1.3	Termination of Employment	3	n/a	3	3	16.67
1.2	Employment Restrictions and Cost	14	13	3	16	50.00
1.2.1	Terms of Employment	9	8	3	11	16.67
1.2.2	Minimum Wage Rate	1	1	n/a	1	16.67
1.2.3	Termination of Employment	4	4	n/a	4	16.67
	Total	33	13	22	35	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 21 indicators with a total score of 28 points (11 points on Firm Flexibility and 17 points on Social Benefits) (table 27). The scoring for each category under this pillar is as follows:

6.2.1 *Social Protection* has 9 indicators with a total maximum score of 9 points (3 points for Firm Flexibility and 6 points on Social Benefits). Specifically, the *Unemployment Insurance* Subcategory has 3 indicators, the *Health Care Coverage* Subcategory has 3 indicators, and the *Retirement Pension* Subcategory has 3 indicators. Because these measures directly affect firms and society, points are equally assigned for firm flexibility and social benefits.

- 6.2.2** *Employment Services* has 12 indicators with a total maximum score of 19 points (8 points on firm flexibility and 11 points on social benefits). Specifically, the *Employment Centers and Training* Subcategory has 4 indicators; the *Labor Dispute Resolution Mechanisms* Subcategory has 2 indicators; the *Labor Inspectorate* Subcategory has 5 indicators and *Sex-Disaggregated Data* has 1 indicator. Under this category, only *Labor Dispute Resolution Mechanisms* and *Sex-Disaggregated Data* indicators have points equally assigned for firm flexibility and social benefits (4 and 2 respectively). This is because effective labor dispute resolution and data for an inform and effective decision-making process benefit both workers and firms. Employment centers and training programs benefit firms and society almost equally, so the scores are assigned accordingly. Labor inspectorates, however, benefit workers more significantly, so under this subcategory, more points are assigned to social benefits.

Table 27. Aggregate Scoring Pillar II

Pillar II—Adequacy of Public Services for Labor		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Social Protection	9	3	6	9	50.00
2.1.1	Unemployment Insurance	3	1	2	3	16.67
2.1.2	Health Care Coverage	3	1	2	3	16.67
2.1.3	Retirement Pension	3	1	2	3	16.67
2.2	Employment Services	12	8	11	19	50.00
2.2.1	Employment Centers and Training	4	4	3	7	12.50
2.2.2	Labor Dispute Resolution Mechanisms	2	2	2	4	12.50
2.2.3	Labor Inspectorates	5	1	5	6	12.50
2.2.4	Sex-Disaggregated Data	1	1	1	2	12.50
Total		21	11	17	28	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.3 Pillar III—Operational Efficiency of Labor Regulations and Public Services in Practice

Pillar III covers 10 indicators with scores ranging from 0 to 100 (table 28). The scores on indicators under this pillar are assigned on 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 employment services provided 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. The scoring for each category under this pillar is as follows:

- 6.3.1** *Employment Restrictions and Costs* has 5 indicators with a total maximum score of 50 points. Specifically, the *Social Contributions* subcategory has 1 indicator, the *Obstacles to Hiring and Dismissing Workers* subcategory has 2 indicators, and the *Dismissal Time and Cost* subcategory has 2 indicators.
- 6.3.2** *Employment Services* has 5 indicators with a total maximum score of 50 points. Specifically, the *On-the-job Training* subcategory has 1 indicator, the *Prevalence and Operational Efficiency of Labor Dispute* subcategory has 2 indicators, and the *Safety and Health Inspection* subcategory has 2 indicators.

Table 28. Aggregate Scoring Pillar III

Pillar III—Operational Efficiency of Labor Regulations and Public Services in Practice		No. of Indicators	Rescaled Points
3.1	Employment Restrictions and Costs	5	50.00
3.1.1	Social Contribution	1	16.67

3.1.2	Obstacles to Hiring and Dismissing Workers	2	16.67
3.1.3	Dismissal Time and Cost	2	16.67
3.2	Employment Services	5	50.00
3.2.1	On-the-job Training	1	16.67
3.2.2	Prevalence and Operational Efficiency of Labor Disputes	2	16.67
3.2.3	Safety and Health Inspections	2	16.67
	Total	10	100.00

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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–QUALITY OF LABOR REGULATIONS					
1.1 WORKERS’ CONDITIONS					
1.1.1 Labor Rights					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Equal Remuneration for Work of Equal Value	n/a	1	1	1.39	Buckman et al. (2021); ILO C100; Klasen and Lamanna (2009); UN (1965, 1969, 1979)
Prohibition of Discrimination in Employment	n/a	1	1	1.39	Asali and Gurashvili (2019); ILO C111; ILO C122; ILO C158; Klasen and Lamanna (2009); UN (1963, 1966, 1979)
Freedom of Association and Assembly	n/a	1	1	1.39	ILO C87
Right to Collective Bargaining	n/a	1	1	1.39	ILO C98
Prohibition of Forced Labor	n/a	1	1	1.39	ILO C29; ILO C125; ILO R35
Minimum Legal Age for Employment	n/a	1	1	1.39	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 Child Labor	n/a	1	1	1.39	ILO C182; ILO R190; ILO C138; UN 1989
Existence of Occupational Safety and Health Legislation	n/a	1	1	1.39	ILO C155; ILO C161; ILO C187
Periodic Review of Occupational Safety and Health Legislation	n/a	1	1	1.39	ILO C155; ILO C161; ILO C187
Protection Against Workplace Discrimination, Violence and Harassment, Through Grievance Mechanisms, Information, and Training	n/a	1	1	1.39	Amin and Islam (2015); ILO C190; ILO R206; McLaughlin, Uggen, and Blamackstone (2017); UN (1948, 1965, 1966); World Bank (2019)
Legally Mandated Paid Annual Leave	n/a	1	1	1.39	ILO C132; ILO C102; ILO R202; ILO R204; Panasci (2019); Wooden and Warren (2008)
Legally Mandated Paid Sick Leave	n/a	1	1	1.39	ILO C130; Scheil-Adlung and Sandner (2010)
Total Points for Subcategory 1.1.1	n/a	12	12	16.67	
1.1.2 Minimum Wage Attributes					
Existence of Minimum Wage in the Private Sector	n/a	1	1	4.17	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)

Criteria for Determining Minimum Wage Level	n/a	1	1	4.17	Ahlfeldt, Roth and Seidel (2022); Ku (2022); Neumark and Shirley (2021)
Minimum Wage Update Process	n/a	1	1	4.17	ILO C131; ILO R135
Social Consultation for Minimum Wage Setting and Updates	n/a	1	1	4.17	ILO C131; ILO R135
Total Points for Subcategory 1.1.2	n/a	4	4	16.67	
1.1.3 Termination of Employment					
Legally Mandated Notice Period	n/a	1	1	5.56	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
Legally Mandated Severance Pay	n/a	1	1	5.56	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
Notification Requirement for Collective Dismissal	n/a	1	1	5.56	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern, (2012)
Total Points for Subcategory 1.1.3	n/a	3	3	16.67	
Total Points for Category 1.1	n/a	19	19	50.00	
1.2 EMPLOYMENT RESTRICTIONS AND COSTS					
1.2.1 Terms of Employment					
No Restrictions on the Use of Fixed-Term Contracts for any Task	1	n/a	1	1.52	Aimo (2016); ILO C158; ILO R166; Kuddo, Robalino, and Weber (2015); Pfeifer (2009)
No Restrictions on the Use of Fixed-Term Contracts for Permanent Tasks	1	n/a	1	1.52	Aleksynska and Muller (2015); ILO C158; ILO R166; Kuddo, Robalino, and Weber (2015); Pfeifer (2009)
No Legal Mandate for Firms to Pay Wage Premium for Night Work	1	n/a	1	1.52	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)
No Restrictions on Overtime Work Within a Limit of 56 Hours Weekly Maximum	1	1	2	3.03	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)
No Legal Mandate for Firms to Pay for Unemployment Protection Directly	1	n/a	1	1.52	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 Health Care Directly	1	n/a	1	1.52	Bierbaum and Schmitt (2022); ILO C102; Sommers and Oellerich (2013)
No Legal Mandate for Firms to Pay for Pensions Directly	1	n/a	1	1.52	Bierbaum and Schmitt (2022); ILO C102; ILO C128
Lawful Grounds, including Business Needs, for Individual Dismissal	1	1	2	3.03	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern, (2012)

Regulation of Platform Workers' Labor Rights and Benefits	n/a	1	1	1.52	Cherry and Aloisi (2018); Cusolito et al. (2022); Datta and Chen (2023); De Stefano et al. (2021); Hall and Krueger (2015); Hatayama and Maj-Swistak (2024); ILO (2021b); ILO (2021c); Yassin and Rani (2022)
Total Points for Subcategory 1.2.1	8	3	11	16.67	
1.2.2 Minimum Wage Rate					
Minimum Wage Rate (ratio of minimum wage to GDP per capita)	1	n/a	1	16.67	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	16.67	
1.2.3 Termination of Employment					
Length of Notice Period (in weeks of salary)	1	n/a	1	4.17	ILO C158; ILO R166; Collins (1992); Stern (2012)
Amount of Severance Pay (in weeks of salary)	1	n/a	1	4.17	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
No Third-Party Approval Requirement for Individual Dismissal	1	n/a	1	4.17	ILO C158; ILO R166; ILO C98
No Third-Party Approval Requirement for Collective Dismissal	1	n/a	1	4.17	ILO C158; ILO R166; ILO C98
Total Points for Subcategory 1.2.3	4	n/a	4	16.67	
Total Points for Category 1.2	13	3	16	50.00	
Total Points for Pillar I	13	22	35	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—ADEQUACY OF PUBLIC SERVICES FOR LABOR					
2.1 SOCIAL PROTECTION					
2.1.1 Unemployment Insurance					
Indicators	FFP	SBP	Total Points	Rescaled Points	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)
Coverage of Unemployment Protection	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	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	2	3	16.67	
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)
Coverage of 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 Health Care	1	n/a	1	5.56	Antón-Sarabia, Hernandez, and Levy (2012); Bierbaum and Schmitt (2022); Bobba, Flabbi, and Levy (2018); ILO C102; Sommers and Oellerich (2013)
Total Points for Subcategory 2.1.2	1	2	3	16.67	
2.1.3 Retirement Pension					
Availability of Government-Provided Retirement Pension Scheme	n/a	1	1	5.56	Bierbaum and Schmitt (2022); ILO C102; ILO C128; ILO (2018)
Coverage of Retirement Pension Scheme	n/a	1	1	5.56	Bierbaum and Schmitt (2022); ILO C102; ILO C128; ILO (2018)
Funding for Retirement Pension Scheme	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	2	3	16.67	
Total Points for Category 2.1	3	6	9	50.00	

2.2 EMPLOYMENT SERVICES					
2.2.1 Employment Centers and Training					
Existence of a National Employment Service Center	1	1	2	3.57	Avila (2021); Boone and van Ours (2004); ILO C122; ILO, 2021; Kuddo (2012); (2020); Ulku and Georgieva (2022)
No Legal Mandate for Firms to Pay for Employment Service Center Services	1	n/a	1	1.79	Donna C. Koeltz and Carmela I. Torres (2016); IDB, WAPES, OECD (2015)
Legal Mandate for Vocational Guidance and Training for Unemployed and Job Seekers	1	1	2	3.57	Avila (2021); Chiplunkar and Goldberg (2021); ILO C156; ILO R165; ILO R191; World Bank (2019)
Existence of Public Training Programs for Unemployed and Job Seekers	1	1	2	3.57	Osikominu (2021); Spinnewijn, (2013); Card, D., Kluve, J. and Weber, A. (2015)
Total Points for Subcategory 2.2.1	4	3	7	12.50	
2.2.2 Labor Dispute Resolution Mechanisms					
Existence of a Functioning, Specialized, and Independent Mechanism for Resolution of a Labor Dispute	1	1	2	6.25	ILO (2013); Maffie (2019)
Existence of Alternative Dispute Resolution Process for a Labor Dispute	1	1	2	6.25	ILO (2013)
Total Points for Subcategory 2.2.2	2	2	4	12.50	
2.2.3 Labor Inspectorates					
Existence of a Central Labor Inspectorate	n/a	1	1	1.79	Almeida and Ronconi (2016); ILO C81; ILO R20; Viollaz (2018); World Bank (2019)
Best Practice Initiation of Labor Inspections	n/a	1	1	1.79	ILO C81; ILO R20
Legislation Enforcement on Forced Labor, Child Labor, and Occupational Safety and Health	n/a	1	1	1.79	ILO C29; ILO C125; ILO R35; ILO C182; ILO R190; ILO C138; UN 1989; ILO C155; ILO C161; ILO C187
Existence of Data on Reported Number of Cases/Complaints for Labor Violations	1	1	2	3.57	ILO R20
Protection and Oversight of Women's Rights in the Workplace	1	1	2	3.57	ITC-ILO (2011)
Total Points for Subcategory 2.2.3	1	5	7	12.50	
2.2.4 Sex-Disaggregated Data					
Sex-Disaggregated Data on Labor Inspectors, Labor Disputes, Workforce, Unemployment and Beneficiaries of Maternity and Paternity Leave	1	1	2	12.50	Earl et al. (2023); Gwartney-Gibbs and Lach (1992); ILO C81; ILO (2017); ITC-ILO (2011); WEF (2023)
Total Points for Subcategory 2.2.4	1	1	2	12.50	
Total Points for Category 2.2	8	11	20	50.00	
Total Points for Pillar II	11	17	29	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 III—OPERATIONAL EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE					
3.1 EMPLOYMENT RESTRICTIONS AND COSTS					
3.1.1 Social Contribution					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Ratio of Social Contribution	100	n/a	100	16.67	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 Subcategory 3.1.1	100	n/a	100	16.67	
3.1.2 Obstacles to Hiring and Dismissing Workers					
Perceptions Index of Cost of Hiring New Workers as a Constraint	50	n/a	50	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)
Perceptions Index of Dismissing Workers as a Constraint	50	n/a	50	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)
Total Points for Subcategory 3.1.2	100	n/a	100	16.67	
3.1.3 Dismissal Time and Cost					
Weeks to Dismiss Full-Time Permanent Worker	50	n/a	50	8.33	Barlow et al. (2019); Hansen (2009); Sudiarawan, Tanaya and Hapsari (2021); Ulku and Georgieva (2022); Van der Wiel (2010)
Weeks Paid in Severance	50	n/a	50	8.33	Barlow et al. (2019); Hansen (2009); Sudiarawan, Tanaya, and Hapsari (2021); Ulku and Georgieva (2022); Van der Wiel (2010)
Total Points for Subcategory 3.1.3	100	n/a	100	16.67	
Total Points for Category 3.1	100	n/a	100	50.00	
3.2 EMPLOYMENT SERVICES					
3.2.1 On-the-Job Training					
Percent of Firms with Formal Training Programs for its Permanent, Full-Time Workers	100	n/a	100	16.67	Sultana A., Irum S., Ahmed K. and Mehmood M. (2012); Stolovitch and Ngoa-Nguele (2001); Raza H., Mahmood J., Owais M. and Raza A. (2015); Hanaysha and Tahir (2016)
Total Points for Subcategory 3.2.1	100	n/a	100	16.67	
3.2.2 Prevalence and Operational Efficiency of Labor Disputes					
Percent of Firms Involved in Labor Dispute over Last 3 Years	50	n/a	50	8.33	Ebisui, Cooney, and Fenwick (2016); ILO (2013); Maffie (2019)

Months to Resolve Labor Dispute	50	n/a	50	8.33	Ebisui, Cooney, and Fenwick (2016); ILO (2013); Maffie (2019)
Total Points for Subcategory 3.2.2	100	n/a	100	16.67	
3.2.3 Safety and Health Inspections					
Percent of Firms Visited or Inspected for Workplace Safety and Health	50	n/a	50	8.33	Almeida and Ronconi (2016); ILO C81; ILO (2022); Viollaz (2018)
Percent of Firms with a Report Issued by Inspectorate for Workplace Safety and Health	50	n/a	50	8.33	Almeida and Ronconi (2016); ILO C81; ILO (2022); Viollaz (2018)
Total Points for Subcategory 3.2.3	100	n/a	100	16.67	
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. LABOR–ANNOTATED QUESTIONNAIRE

Annex B consists of a Glossary and Annotated Questionnaire for Labor. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

Alternative voluntary retirement pension scheme: A retirement savings scheme established and managed by the government that individuals can choose to participate in through voluntary contributions. Typically designed to complement the main mandatory retirement scheme, particularly in cases where not all types of workers are covered by the mandatory system.

Alternative voluntary unemployment insurance schemes: A program established and managed by the government that individuals can choose to participate in through voluntary contributions. Typically designed to complement the main mandatory unemployment insurance scheme, particularly in cases where not all types of workers are covered by the mandatory system.

Alternative Dispute Resolution (ADR) mechanisms: Procedures or methods used to resolve conflicts or disputes outside of traditional litigation in courts with the help of an impartial third party. These mechanisms are usually less formal, faster, more adaptable, and less costly. ADR procedures empower parties to actively participate in developing solutions, promoting a sense of autonomy and control. The most popular ADR mechanisms include mediation, arbitration, negotiation, and conciliation.

Annual leave: A period during which a worker takes time off from work while continuing to receive income and social protection. Annual leave is designed to allow workers to rest, recuperate, and attend to personal matters.

Arbitration: An alternative dispute resolution process where the parties submit their legal dispute to one or more independent third parties (arbitrators) who issue a binding decision (award).

Central (national) labor inspectorate: A governmental agency/body that directly oversees the entire labor inspection system within a country. It is responsible for enforcing labor laws and regulations within a country.

Child (or children): A person below the age of 18 years unless under the national 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.

Conciliation: Form of alternative dispute resolution (ADR) that involves a neutral third party. The conciliator's role is to help facilitate communication between parties, without making any specific proposals for resolving disputes. Unlike arbitration or litigation, conciliation is a voluntary and non-binding process, and parties are not obligated to reach a resolution or follow the conciliator's recommendations unless they choose to.

Discrimination: 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.

Domestic worker: An individual employed in or for a private household or households to perform a variety of tasks, including but not limited to cooking, cleaning, caring for children, the elderly, or people with disabilities, gardening, guarding, and driving.

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, with the exception of compulsory military service.

Formal training (at the workplace): An organized and structured method of educating an employee to acquire or expand certain knowledge and skills.

Freedom of association and assembly: Fundamental labor rights aim to ensure that workers and employers have the right to establish and join organizations of their choice at all levels and to enables them to express themselves collectively.

General tax revenue: Revenues collected by the government from various sources, including income tax, sales tax, property tax, corporate tax, and others. This revenue is used to fund public services and government operations. General tax revenue is not earmarked and can be used at the government's discretion to meet a wide range of needs.

Hazardous work: Work that poses a significant risk to the physical, mental health, or personal safety of the worker, examples include construction work, mining, oil and gas extraction, among others.

Health care: The maintenance and restoration of an individual's health by the prevention, diagnosis, treatment of disease especially by trained and licensed professionals.

Health care scheme: A program designed to provide medical and health services to individuals. Health care schemes can be funded through various sources, including government budgets, employer contributions, private insurance premiums, or a combination of these.

Judicial conciliation/mediation (court-annexed): Form of mediation conducted under the court's supervision before a trial, providing parties with a chance to settle the dispute amicably before litigation begins.

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 (collective network of labor inspectors, often organized at different administrative levels) whose role is to ensure that both employers and employees comply with the rights and

obligations imposed by labor law and social security regulations (e.g., social security, remuneration, safety and health standards, etc.).

Labor taxes: Taxes imposed on employment income and payrolls.

Last-resort health care assistance: Refers to medical services that are available to individuals who have no other options for obtaining health care. This may include, but is not limited to, government-funded programs, charity care provided by health care providers, clinics and hospitals offering free or reduced-cost services to patients who meet specific financial criteria and cannot afford to pay.

Legal presumption: A rule of law that allows assuming a fact is true until it is proven otherwise. In the case of platform workers, they are presumed to be employees unless evidence is presented to the contrary.

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.

Mediation: An alternative dispute resolution process, irrespective of the expression used or the basis upon which the process is carried out, whereby parties request an independent third person or persons (such as the mediator) to assist them in their attempt to reach an amicable settlement of a legal dispute. In contrast to court litigation or arbitration, the mediator does not have the authority to impose a solution on the parties to the dispute.

Minimum legal age for admission to employment: Lowest age at which a person is legally permitted to work, as defined by labor laws in a given country or jurisdiction. This age limit is set to protect children and adolescents from exploitation and to ensure that their employment does not interfere with their education, health, or development.

Minimum wage: Lowest legally mandated amount that an employer can pay their employees for work performed during a given period. It is a form of wage regulation intended to ensure that workers receive a basic standard of living from their employment.

National employment public service center: Government run facility or organization with the primary goal of assisting job seekers in enhancing their employability and securing job opportunities through facilitating job matches, offering career counseling, providing training programs, and disseminating labor market information.

National extraction: 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.

Non-judicial conciliation/mediation (private person to mediate): A process where parties involved in a dispute voluntarily seek the assistance of a neutral third party, who is not a judge or court-appointed mediator. This neutral third party, often referred to as a private mediator who assists in communication and negotiation toward achieving a mutually agreeable resolution.

Notice period: An advance notification an employer must give an employee before terminating their employment contract. It is intended to allow the employee time to prepare for the end of their employment and seek new job opportunities.

Night work: Work performed during a period of not less than seven consecutive hours, including the interval from midnight to 5 a.m.

Occupational Safety and Health (OSH): Measures aimed to ensure the safety, health, and welfare of people engaged in work or employment. The primary objective of OSH is to prevent work-related injuries, illnesses, and deaths by implementing safe and healthy working conditions.

Overtime work (overtime): Overtime work refers to the legal number of additional hours of work that can be performed in addition to the normal weekly working hours.

On-the-job training: Practical training provided to employees while they are performing their regular job duties. It is designed to teach the skills, knowledge, and competencies required to effectively perform specific tasks or roles within an organization.

Permanent contract (or open-ended contract): An employment contract without a specified end date.

Permanent (open-ended) full-time worker on firm's payroll: A worker that works for a term of one or more years and/or has a guaranteed renewal of their employment and that works a full shift.

Platform worker: An individual engaged on a temporary basis by a company that uses an online platform, through a mobile device or computer, to connect users with 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 and/or tasks/jobs completed.

Public administration: The authority or administrative body responsible for and/or engaged in labor administration, whether it is at the ministerial departments level or decentralized regional or local agencies - e.g., ministry of labor or other relevant ministry; works council; labor inspectorate.

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 (regular payment) given to a person who has retired from regular employment.

Retirement pension scheme: A system designed to provide individuals with a steady income after they retire from active employment. Retirement pension schemes are generally funded through regular contributions from employees, employers, or both. In certain cases, they may also receive funding from government subsidies or tax incentives.

Severance pay: Form of compensation provided to employees when they are involuntarily terminated from their employment. It is intended to offer financial support during the transition period as they search for new 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: A period of time during which an employee takes time off due to illness or injury. Paid sick leave is intended to protect the worker's status and income during the period of illness or injury through health and financial protection.

Social consultation (in the context of minimum wage setting): Process that refers to engaging with various stakeholders, such as representatives from labor unions, employer associations, and other relevant social groups, to discuss, negotiate, and reach a consensus on minimum wage levels. This process aims to ensure that the interests and perspectives of all parties affected by minimum wage policies are considered, resulting in fair, balanced, and sustainable wage standards. This 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.

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.

Social security contributions: Mandatory payments made by employees and employers to fund social security programs. These programs provide various forms of social insurance, such as unemployment insurance, healthcare, and retirement pensions.

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 scheme: A program that provides income support - e.g., cash benefits - during a spell of unemployment, contingent upon meeting job-search requirements or participating in active labor market policies. This policy aims to promptly address the risk of out-of-work poverty while simultaneously encouraging individuals to seek employment and improve their employability.

Wage premium: A form of extra payment for employees who work outside their usual shifts/working hours or under unusual conditions.

Workers' representative: Persons who are recognized by national law or practice, whether they are: trade union representatives - representatives designated or elected by trade unions or by members of such unions - or elected representatives - representatives who are freely elected by the workers of the firm in accordance with provisions of national laws or regulations or of collective agreements. They aim to ensure that employees' rights are protected during the termination process, acting as intermediaries between the employer and the employees.

Workplace discrimination: Any distinction, exclusion, or preference made in the workplace based on 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.

Workplace harassment: A range of unacceptable behaviors and practices of different natures (e.g., physical, verbal, or visual) that may affect a person's psychological, physical, and sexual health, dignity, as well as their family and social environment (ILO). It usually refers to behaviors that include, but are not limited to, actions that demean, humiliate, embarrass, annoy, or verbally abuse the recipient, inducing stress and anxiety. These behaviors are unwelcome, unacceptable, inappropriate, and offensive, creating an intimidating, hostile, unstable, or offensive work environment. Sexual harassment is one of the exemplifications of harassment.

Workplace violence: Act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the workplace.

Vocational guidance: A career counseling provided through information, advice, and support aimed at assisting workers in making informed decisions about their education, training, and career choices.

Vocational training: Practical training, hands-on instruction, and education in technical or specialized fields aimed at providing practical skills and knowledge necessary for performing specific jobs, tasks or roles.

ANNEX B. LABOR 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 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 affect the score in any way. The purpose of these questions is to further inform and refine the question design for subsequent years of the rollout phases, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF LABOR REGULATIONS	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter applies to all questions under Pillar I.
Type of Workers	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. The worker may be male, female or identify as non-binary and is hence, referred to by the pronouns he/she/they. This parameter applies to all questions under Pillar I.
Firm Characteristics	The most common type of employer in the private sector working 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 Labor Rights

- 1. Does the law mandate equal remuneration for work of equal value? (Y/N)**
- 2. Does the law explicitly prohibit workplace discrimination on the basis of race and ethnicity? (Y/N)**
- 3. Does the law explicitly prohibit workplace discrimination on the basis of gender? (Y/N)**
- 4. Does the law explicitly prohibit workplace discrimination on the basis of religion or belief? (Y/N)**
- 5. Does the law explicitly prohibit workplace discrimination on the basis of political opinion? (Y/N)**
- 6. Does the law explicitly prohibit workplace discrimination on the basis of sexual orientation? (Y/N)**

7. Does the law explicitly prohibit workplace discrimination on the basis of disability? (Y/N)
8. Does the law explicitly prohibit workplace discrimination on the basis of national extraction or social origin? (Y/N)
9. Does the law explicitly prohibit workplace discrimination on the basis of trade union membership? (Y/N)
10. Does the law require employers to establish internal complaint or grievance mechanisms for reporting workplace discrimination? (Y/N)
11. Does the law require employers to provide workers with information on how to identify workplace discrimination? (Y/N)
12. Does the law require employers to provide workers with formal training on how to identify workplace discrimination, including prevention and protection measures? (Y/N)
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)
15. Does the law explicitly prohibit forced labor? (Y/N)
16. What is the minimum legal age for admission to employment? (Age)
17. What is the minimum legal age for admission to light work as specified in the law? (Age)
18. What is the minimum legal age for admission to hazardous work as specified by the law? (Age)
19. Does the law prohibit children from performing work that is likely to harm their health, safety, or morals? (Y/N)
20. Is there national or federal Occupational Safety and Health (OSH) legislation? (Y/N)
21. Does the law mandate a periodic review of the Occupational Safety and Health (OSH) regulations? (Y/N)
22. Is the agriculture sector covered by Occupational Safety and Health (OSH) regulations? (Y/N)
23. Is the construction sector covered by Occupational Safety and Health (OSH) regulations? (Y/N)
24. Does the law require employers to establish internal complaints or grievance mechanisms for reporting workplace violence? (Y/N)
25. Does the law require employers to provide workers with information on how to identify workplace violence? (Y/N)
26. Does the law require employers to provide workers with formal training on how to identify workplace violence, including prevention and protection measures? (Y/N)

27. Does the law require employers to establish internal complaints or grievance mechanisms for reporting workplace harassment? (Y/N)
28. Does the law require employers to provide workers with information on how to identify workplace harassment? (Y/N)
29. Does the law require employers to provide workers with formal training on how to identify workplace harassment, including prevention and protection measures? (Y/N)
30. Per calendar year, how many fully paid working days of annual leave is a worker on a permanent contract with 1 year of service entitled to? (number)
31. Per calendar year, how many fully paid working days of annual leave is a worker on a permanent contract with 5 years of service entitled to? (number) *(not scored)*
32. Per calendar year, how many fully paid working days of annual leave is a worker on a permanent contract with 10 years of service entitled to? (number) *(not scored)*
33. Per calendar year, how many fully paid working days of annual leave is a worker on a permanent contract with 20 years of service entitled to? (number) *(not scored)*
34. Per calendar year, how many paid working days of sick leave is a worker on a permanent contract with 1 year of service entitled to by law? (number)
35. Per calendar year, how many paid working days of sick leave is a worker on a permanent contract with 5 years of service entitled to by law? (number) *(not scored)*
36. Per calendar year, how many paid working days of sick leave is a worker on a permanent contract with 10 years of service entitled to by law? (number) *(not scored)*
37. Per calendar year, how many paid working days of sick leave is a worker on a permanent contract with 20 years of service entitled to by law? (number) *(not scored)*

1.1.2 Minimum Wage Attributes

38. Please provide the minimum wage or floor in local currency for a permanent worker over 25 years old performing least complex task, in the largest business city in the economy, for the following two sectors, based on the law or applicable law or collective bargaining agreement:
38a. Manufacturing (car parts industry): [numerical value of wage in local currency]
38b. Services (food retail): [numerical value of wage in local currency]
39. Does the law or applicable CBA(s) mandate criteria for setting the minimum wage (i.e., economic growth, cost of living, etc.)? (Y/N)
40. Does the law or applicable CBA(s) mandate a periodic process of minimum wage update? (Y/N)
41. Does the law mandate social consultation before setting the minimum wage for the first time, or updating if it is already established? (Y/N)

1.1.3 Termination of Employment

42. Does the law require employers to notify the public administration (i.e., Ministry of Labor, work council, relevant labor inspectorate) before terminating the employment of a group of employees, which would be considered a collective redundancy, in the private sector? (Y/N)

43. Does the law require employers to notify workers' representatives before terminating a group of employees' equivalent to a collective redundancy in the private sector? (Y/N)

1.1 WORKERS' CONDITIONS			
1.1.1 Labor Rights			
Indicators	FFP	SBP	Total Points
Equal Remuneration for Work of Equal Value (1)	n/a	1	1
Prohibition of Discrimination in Employment <i>To score a full point on SB, an economy must have law or regulation which explicitly prohibit discrimination in employment based on all the criteria:</i> <ul style="list-style-type: none"> - Race and ethnicity (2) - Gender (3) - Religion or belief (4) - Political opinion (5) - Sexual orientation (6) - Disability (7) - National extraction (place of birth, ancestry, or foreign origin) or social origin (8) - Trade-union membership (9) 	n/a	1	1
	n/a	0.125	0.125
	n/a	0.125	0.125
	n/a	0.125	0.125
	n/a	0.125	0.125
	n/a	0.125	0.125
	n/a	0.125	0.125
	n/a	0.125	0.125
	n/a	0.125	0.125
Freedom of Association and Assembly (13)	n/a	1	1
Right to Collective Bargaining (14)	n/a	1	1
Prohibition of Forced Labor (15) <i>To score a full point on SB, an economy must have law or regulation which explicitly prohibit force labor</i>	n/a	1	1
Minimum Legal Age for Employment <i>To score a full point on SB, the economy must mandate a minimum age of admission based on the following:</i> <ul style="list-style-type: none"> - General employment (16) <i>To score 0.5 points on SB, the minimum age for general employment should be equal or higher to 15. If the minimum age is equal to 14, the economy obtains 0.25 points on SB</i> <ul style="list-style-type: none"> - Light work (17) <i>To score 0.25 points on SB, 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</i> <ul style="list-style-type: none"> - Hazardous work (18) <i>To score 0.25 points on SB, 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</i>	n/a	1	1
	n/a	0.50	0.50
	n/a	0.25	0.25
	n/a	0.25	0.25
Prohibition of Child Labor (19) <i>To score a full point on SB, an economy must have law or regulation which explicitly prohibit children to perform work likely to harm health, safety or morals</i>	n/a	1	1

Existence of Occupational Safety and Health Legislation <i>To score a full point on SB, the economy must establish a national or federal Occupational Safety and Health legislation for the following industries:</i> - General (20) <i>To score 0.5 points on SB, the economy must have a general national or federal Occupational Safety and Health legislation in place covering all industries</i> - Agriculture (22) <i>To score 0.25 points on SB, the economy must have a national or federal Occupational Safety and Health legislation in place aimed specifically at the agriculture sector, in addition to, or apart from a general legislation</i> - Construction (23) <i>To score 0.25 points on SB, the economy must have a national or federal Occupational Safety and Health legislation in place aimed specifically at the construction sector, in addition to, or apart from a general legislation</i>	n/a	1	1
	n/a	0.50	0.50
	n/a	0.25	0.25
	n/a	0.25	0.25
Periodic Review of Occupational Safety and Health Legislation (21) <i>To score a full point on SB, the economy must mandate a periodic review of the Occupational Safety and Health legislation</i>	n/a	1	1
Protection Against Workplace Discrimination, Violence and Harassment, Through Grievance Mechanisms, Information, and Training <i>To score a full point on SB, an economy must have a law or regulation that requires companies to establish internal complaints or grievance mechanisms AND to provide workplace information on how to identify hazards and risks AND provide training on the following issues:</i> - Discrimination (10, 11, 12) - Workplace violence (24, 25, 26) - Harassment (27, 28, 29) <i>If an economy does not cover all 3 criteria, but it covers at least 1 it will obtain half a score of the respective category: 0.167 (0.33/2 = 0.167)</i>	n/a	1	1
	n/a	0.33	0.33
	n/a	0.33	0.33
	n/a	0.33	0.33
Legally Mandated Paid Annual Leave (30) <i>To score a full point on SB, an economy must legally mandate paid annual leave of 15 or more working days</i>	n/a	1	1
Legally Mandated Paid Sick Leave (34) <i>To score a full point on SB, an economy must legally mandate paid sick leave of at least 1 day</i>	n/a	1	1
Total Points	n/a	12	12
1.1.2 Minimum Wage Attributes			
Indicators	FFP	SBP	Total Points
Existence of Minimum Wage in the Private Sector (38) <i>To score a full point on SB, an economy must have minimum wage for the private sector (set by law or collective bargaining agreement(s)) in the manufacturing AND/OR service sectors</i>	n/a	1	1
Criteria for Determining Minimum Wage Level (39) <i>To score a full point on SB, an economy must mandate some criteria for setting the Minimum Wage. These criteria can include, but is not limited to: needs of workers and their families; the general level of wages in the country; the cost of living, etc.</i>	n/a	1	1
Minimum Wage Update Process (40) <i>To score a full point on SB, an economy must mandate a periodic process of Minimum Wage update. This may require the government (or another relevant body) to periodically review the minimum wage (yearly, biannually, every 5 years, as needed). This review can be based on various factors (e.g., level of inflation, purchasing power) and may or may not result in a change to the minimum wage</i>	n/a	1	1
Social Consultation for Minimum Wage Setting and Updates (41) <i>To score a full point on SB, an economy must mandate a social consultation process for setting and updating the minimum wage. This social consultation process can</i>	n/a	1	1

<i>involve stakeholders other than a governmental body. 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 to assist the competent authority in making a decision</i>			
Total Points	n/a	4	4
1.1.3 Termination of Employment			
Indicators	FFP	SBP	Total Points
Legally Mandated Notice Period (60)	n/a	1	1
Legally Mandated Severance Pay (64)	n/a	1	1
Notification Requirement for Collective Dismissal (42 AND 43) <i>To score a full point on SB, an economy must have a legally mandated requirement to notify a third-party public administration (42) AND/OR workers' representatives (43) in case of a collective dismissal</i>	n/a	1	1
Total Points	n/a	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; SBP = Social Benefits Point.

1.2 Employment Restrictions and Costs

1.2.1 Terms of Employment

44. Does the law allow the use of fixed-term contracts for any type of task/job? (Y/N)
45. 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)
46. Does the law allow night work, defined as work performed for not less than seven consecutive hours, including interval from midnight to 5 am? (Y/N)
47. Does the law mandate that Night Work be remunerated at a higher rate than normal working hours? (Y/N)
48. Please, provide night work wage premium: [numerical value] (*not scored*)
49. What is the maximum number of working days allowed per week? (number)
50. What is the standard number of working hours mandated by law (excluding overtime)? (number)
51. Does the law mandate that Overtime work be remunerated at a higher rate than normal working hours? (Y/N)
52. Does the law mandate that Overtime Work be remunerated at a rate not less than one and one-quarter (1.25) times the regular rate? (Y/N)
53. Please provide the overtime wage premium: [numerical value] (*not scored*)
54. What is the maximum number of overtime working hours per week mandated by law? (number)
55. What is the maximum number of working hours per week, including overtime, mandated by law? [number]

56. Does the law require firms to pay for unemployment protection for a permanent (open-ended) full-time worker on firm's payroll? (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, N – good practice)
57. Does the law require firms to pay for health care for a permanent (open-ended) full-time worker on firm's payroll? (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, N – good practice)
58. Does the law require firms to pay retirement pension for a permanent (open-ended) full-time worker on firm's payroll? (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, N – good practice)
59. Does the law allow individual dismissal based on business needs or due to redundancy reasons? (Y/N)

1.2.2 Minimum Wage Rate

Please see question 38.

1.2.3 Termination of Employment

60. What is the legally mandated notice period for a worker on a permanent contract with 1 year of employment? [numerical value]
61. What is the legally mandated notice period for a worker on a permanent contract with 5 years of employment? [numerical value] (*not scored*)
62. What is the legally mandated notice period for a worker on a permanent contract with 10 years of employment? [numerical value] (*not scored*)
63. What is the legally mandated notice period for a worker on a permanent contract with 20 years of employment? [numerical value] (*not scored*)
64. What is the legally mandated severance payment for a worker on a permanent contract with 1 year of employment? [numerical value]
65. What is the legally mandated severance pay for a worker on a permanent contract with 5 years of employment? [numerical value] (*not scored*)
66. What is the legally mandated severance pay for a worker on a permanent contract with 10 years of employment? [numerical value] (*not scored*)
67. What is the legally mandated severance pay for a worker on a permanent contract with 20 years of employment? [numerical value] (*not scored*)

68. Does the law require an employer to obtain approval from a third party (such as public administration or workers' representative) before terminating the contract of one employee in case of redundancy in the private sector? (Y/N)
69. Does the law require an employer to obtain approval from a third party (such as public administration or workers' representative) before terminating the contracts a group of employees' equivalent to a collective redundancy in the private sector? (Y/N)
70. Does the law regulate labor rights and benefits of platform workers? (single-select)
- 70a. Yes, the existing labor law covers labor rights/protection for platform workers, as they are considered employees (through Legal Presumption)
- 70b. Yes, there is stand-alone legislation or provision(s) specific to platform workers (as they constitute intermediate category – between employee and self-employed), and they have certain rights and/or benefits
- 70c. No, as they are self-employed/independent contractors/own account workers, and their arrangements are based on contractual agreements with the platform
- 70d. No, they operate informally

1.2 EMPLOYMENT RESTRICTIONS AND COSTS			
1.2.1 Terms of Employment			
Indicators	FFP	SBP	Total Points
No Restrictions on the Use of Fixed-Term Contracts for any Task (44)	1	n/a	1
No Restrictions on the Use of Fixed-Term Contracts for Permanent Tasks (45)	1	n/a	1
No Legal Mandate for Firms to Pay Wage Premium for Night Work (47)	1	n/a	1
No Restrictions on Overtime Work Within a Limit of 56 Hours Weekly Maximum (50, 54) <i>To score full points on FF and SB, the maximum working hours (the sum of standard working hours (50) and overtime hours (54)) for an economy must be greater than 48 hours/week (the maximum standard working hours) but less than 56 hours/ week (ILO limit)</i>	1	1	2
No Legal Mandate for Firms to Pay for Unemployment Protection Directly (56)	1	n/a	1
No Legal Mandate for Firms to Pay for Health Care Directly (57)	1	n/a	1
No Legal Mandate for Firms to Pay for Pensions Directly (58)	1	n/a	1
Lawful Grounds, Including Business Needs, for Individual Dismissal (59)	1	1	2
Regulation of Platform Workers' Labor Rights and Benefits (70) <i>To score a full point on SB, the existing law should cover labor rights (protection and/or benefits) for platform workers, whereby they are considered employees, OR there is a stand-alone legislation or provision(s) specific to platform workers (who are considered an intermediate category between employee and self-employed) granting them certain rights (protection and/or benefits)</i>	n/a	1	1
Total Points	8	3	11
1.2.2 Minimum Wage Rate			
Indicators	FFP	SBP	Total Points
Minimum Wage Rate (38)*	1	n/a	1
Total Points	1	n/a	1
1.2.3 Termination of Employment			

Indicators	FFP	SBP	Total Points
Length of Notice Period (in weeks of salary) (60)*	1	n/a	1
Amount of Severance Pay (in weeks of salary) (64)*	1	n/a	1
No Third-Party Approval Requirement for Individual Dismissal (68)	1	n/a	1
No Third-Party Approval Requirement for Collective Dismissal (69)	1	n/a	1
Total Points	4	n/a	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; SBP = Social Benefits Point.

* The score of minimum wage rate is calculated the following way: The higher of the two minimum wages (manufacturing and services) in local currency units (LCU) is selected for each economy. This maximum minimum wage is then divided by the monthly GDP per capita (GDP per capita / 12) in LCU to obtain a standardized ratio. A Normal Cumulative Distribution Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively, is then applied. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data. This approach provides a standardized and normalized method to evaluate and compare minimum wage levels in relation to economic output per capita across different economies.

For length of notice period and amount of severance pay the score is calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

PILLAR II—ADEQUACY OF PUBLIC SERVICES FOR LABOR	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter applies to all questions under Pillar II.
Type of Worker	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.
Firm Characteristics	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

71. Is there government-provided unemployment insurance scheme for workers in the private sector in the economy? (Y/N)

Type of coverage: workers

72. What categories of workers are covered? (single-select)

72a. All categories, including nontraditional workers such as self-employed, domestic workers, temporary agency workers, or platform workers

72b. Only some categories, but there is an alternative voluntary unemployment insurance scheme in place for some of those who are not initially covered

- 72c. Only some categories, and there is NO alternative voluntary unemployment insurance Scheme for those who are not initially covered

Type of coverage: industries

73. What industries are covered? (single-select)

- 73a. All industries
73b. Only some, but there is an alternative voluntary unemployment insurance schemes in place for some remaining industries
73c. Only some industries, and there is NO alternative voluntary unemployment insurance schemes for remaining industries

74. Does the employee contribute to the funding of the unemployment insurance scheme? (single-select)

- 74a. Yes – entirely (the total cost is born by the employee)
74b. Yes – partially (the employee only partially contributes to the Scheme)
74c. No

75. Does the employer contribute to the funding of the unemployment insurance scheme? (single-select)

- 75a. Yes – entirely (the total cost is born by the employer)
75b. Yes – partially (the employer only partially contributes to the Scheme)
75c. No

76. Does the government contribute (through general taxes) to the funding of the unemployment insurance scheme? (single-select)

- 76a. Yes – entirely (the total cost is born by the government)
76b. Yes – partially (the government only partially contributes to the Scheme)
76c. No

2.1.2 Health Care Coverage

77. Is there a government-funded basic health care available universally (i.e., to all citizens whether or not employed)? (Y/N)

78. Is there a contributory health care available through employment (i.e., the worker's health care benefits are lost as he/she/they leave one employer and are reinstated as the worker start a new employment relationship)? (Y/N)

79. Is there a contributory health care available through employment or self on a voluntary basis (i.e., a worker, including self-employed, can voluntarily contribute to the existing health care scheme)? (Y/N)

80. Is there a last-resort health care assistance or an alternative non-contributory healthcare coverage available for those who are unable to access universal health coverage (if it exists) due to gaps or for the poorest individuals? (Y/N)

81. Does the employee contribute to the funding of the health care scheme?

- 81a. Yes – entirely (the total cost is born by the employee)
81b. Yes – partially (the employee only partially contributes to the Scheme)
81c. No

82. Does the employer contribute to the funding of the health care scheme?

- 82a. Yes – entirely (the total cost is born by the employer)
 82b. Yes – partially (the employer only partially contributes to the Scheme)
 82c. No

83. Does the government contribute to the funding of the health care scheme?

- 83a. Yes – entirely (the total cost is born by the government)
 83b. Yes – partially (the government only partially contributes to the Scheme)
 83c. No

2.1.3 Retirement Pension

84. Is there a government-provided retirement pension scheme for workers in the private sector? (Y/N)

Type of coverage: workers

85. What categories of workers are covered?

- 85a. All categories, including nontraditional ones such as self-employed, domestic workers, temporary agency workers, or platform workers)
 85b. Only some categories, but there is an alternative voluntary retirement pension scheme in place for some of those who are not initially covered
 85c. Only some categories, and there is NO alternative voluntary retirement pension scheme for those who are not initially covered

Type of coverage: industries

86. What industries are covered?

- 86a. All industries are covered
 86b. Only some, but there is an alternative voluntary retirement pension scheme in place for some of the remaining industries
 86c. Only some, and there is no alternative voluntary retirement pension scheme for the remaining industries

87. Does the employee contribute to the funding of the retirement pension scheme?

- 87a. Yes – entirely (the total cost is born by the employee)
 87b. Yes – partially (the employee only partially contributes to the Scheme)
 87c. No

88. Does the employer contribute to the funding of the retirement pension scheme?

- 88a. Yes – entirely (the total cost is born by the employer)
 88b. Yes – partially (the employer only partially contributes to the Scheme)
 88c. No

89. Does the government contribute to the funding of the retirement pension scheme?

- 89a. Yes – entirely (the total cost is born by the government)
 89b. Yes – partially (the government only partially contributes to the Scheme)
 89c. No

2.1 SOCIAL PROTECTION			
2.1.1 Unemployment Insurance			
Indicators	FFP	SBP	Total Points

Availability of Government-Provided Unemployment Insurance (71) <i>To score a full point on SB, the economy must have a government-provided unemployment insurance scheme for workers in the private sector. This scheme can be organized and administered by a government agency or body; it does not necessarily imply that the scheme is government-funded</i>	n/a	1	1
Coverage of Unemployment Protection <i>To score a full point on SB, the economy must have coverage for all categories of:</i> <ul style="list-style-type: none"> - Types of workers (72) <i>Including nontraditional workers such as Self-Employed, Domestic Workers, Temporary Agency Workers, or Platform Workers</i> - Industries (73) <i>All industries</i> 	n/a	1	1
	n/a	0.5	0.5
	n/a	0.5	0.5
Funding for Unemployment Insurance (75) <i>To score a full point on FF, the employer must not participate in the funding of the scheme (75c)</i> <i>To score half a point on FF, the employer may partially participate in the funding of the scheme (75b)</i> <i>To score 0 points on FF, employer must fully participate in the funding of the scheme(75a)</i>	1	n/a	1
Total Points	1	2	3
2.1.2 Health Care Coverage			
Indicators	FFP	SBP	Total Points
Availability of Universal Health Care (77) <i>To score a full point on SB, the economy must have a government-funded basic universal health care system. The financial resources for providing this type of health care coverage should come from public funds, typically from taxes (e.g., income tax, property tax, sales tax, or other) or other government revenue sources (natural resource revenues, non-tax revenues, grants, borrowing, etc.)</i>	n/a	1	1
Coverage of Health Care <i>To score a full point on SB, the economy must have the following complementary options available for health care:</i> <ul style="list-style-type: none"> - Contributory Health Care available through employment (78) <i>Contributory Health Care available through employment where the worker's health care benefits are lost as he/she leave one employer and are reinstated as the worker start a new employment relationship</i> - Contributory Health Care available for self-employed (79) <i>Contributory Health Care available through self-employment on a voluntary basis (i.e., a worker, including Self-Employed, can voluntarily contribute to the existing health care scheme</i> - Last-Resort Health Care Assistance (80) <i>Last-Resort Health Care Assistance or an alternative non-contributory healthcare coverage available for those who are unable to access Universal Health Coverage (if it exists) due to gaps or for the poorest individuals</i> 	n/a	1	1
	n/a	0.33	0.33
	n/a	0.33	0.33
	n/a	0.33	0.33
Funding for Health Care (82) <i>To score a full point on FF, the employer must not participate in the funding of the scheme (82c)</i> <i>To score half a point on FF, the employer may partially participate in the funding of the scheme (82b)</i> <i>To score 0 points on FF, employer must fully participate in the funding of the scheme(82a)</i>	1	n/a	1
Total Points	1	2	3
2.1.3 Retirement Pension			

Indicators	FFP	SBP	Total Points
Availability of Government-Provided Retirement Pension Schemes (84) <i>To score a full point on SB, the economy must have a government-provided retirement pension scheme for workers in the private sector. This scheme can be organized and administered by a government agency or body; it does not necessarily imply that the scheme is government-funded</i>	n/a	1	1
Coverage of Retirement Pension Scheme <i>To score 1 point on SB, the economy must have coverage for all categories of:</i>	n/a	1	1
- Types of workers (85) <i>Including nontraditional workers such as Self-Employed, Domestic Workers, Temporary Agency Workers, or Platform Workers</i>	n/a	0.5	0.5
- Types of industries (86) <i>All industries</i>	n/a	0.5	0.5
Funding for Retirement Pension Scheme (88) <i>To score a full point on FF, the employer must not participate in the funding of the scheme (88c)</i> <i>To score half a point on FF, the employer may partially participate in the funding of the scheme (88b)</i> <i>To score 0 points on FF, employer must fully participate in the funding of the scheme (88a)</i>	1	n/a	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 Point; SBP = Social Benefits Point.

2.2 EMPLOYMENT SERVICES

2.2.1 Employment Centers and Training

90. Is there a national employment service center in the largest city in this economy? (Y/N)

91. Does the law require firms to pay for national employment public service center services? (Y/N, N – good practice)

92. Is there a law or regulation [name of the economy] on vocational guidance and vocational training for the unemployed and job seekers? (Y/N)

93. Are public training programs for the unemployed and job seekers available? (Y/N)

2.2.2 Labor Dispute Resolution Mechanisms

94. Does [Name of the largest business city] have a functioning, specialized, and independent mechanism for resolution of a labor dispute (of any kind)? (Y/N)

95. Does the law in [Name of the largest business city] allow a judicial conciliation/mediation (court-annexed) as an alternative dispute resolution (ADR) mechanism to resolve labor disputes? (Y/N)

96. Does the law in [Name of the largest business city] allow for a non-Judicial conciliation and/or mediation (private person to mediate) as an alternative dispute resolution (ADR) mechanism to resolve labor disputes? (Y/N)

97. Does the law in [Name of the largest business city] allow arbitration as an alternative dispute resolution (ADR) mechanism to resolve labor disputes? (Y/N)

2.2.3 Labor Inspectorates

- 98. Is there a central labor inspectorate in this economy? (Y/N)
- 99. Can labor inspectors enter a workplace freely and without notice? (Y/N)
- 100. Does the law mandate labor inspectorates to enforce the current legislation on forced labor? (Y/N)
- 101. Does the law require labor inspectorates to enforce the current legislation on child labor? (Y/N)
- 102. Does the law require labor inspectorates to enforce the current Occupational Safety and Health regulations? (Y/N)
- 103. Are there publicly available data on reported number of cases/complaints available for labor violations? (Y/N)
- 104. Are there publicly available data on reported number of violations committed in the workplace against women? (Y/N)
- 105. Does the law require labor inspectors to conduct periodic mandatory inspections specifically focused on the abuse of women's rights in the workplace? (Y/N)

2.2.4 Sex-Disaggregated Data

- 106. Are sex-disaggregated data on the number of labor inspectors publicly available online? (Y/N)
- 107. Are sex-disaggregated data on the number of labor inspectors publicly available online available for the most recent fiscal year? (Y/N)
- 108. Are sex-disaggregated data on labor disputes publicly available online? (Y/N)
- 109. Are sex-disaggregated data on labor disputes available online for the most recent fiscal year? (Y/N)
- 110. Are sex-disaggregated data on the number of employees in the workforce publicly available online? (Y/N)
- 111. Are sex-disaggregated data on the number of employees in the workforce available online for the most recent fiscal year? (Y/N)
- 112. Are sex-disaggregated data on the number of unemployed people publicly available online? (Y/N)
- 113. Are data on the number of unemployed people publicly available online available for the most recent fiscal year? (Y/N)
- 114. Are sex-disaggregated data on the number of beneficiaries of maternity and paternity leave made publicly available online by a public authority? (Y/N)
- 115. Are sex-disaggregated data on the number of beneficiaries of maternity and paternity leave publicly available for the most recent fiscal year? (Y/N)

2.2 EMPLOYMENT SERVICES			
2.2.1 Employment Centers and Training			
Indicators	FFP	SBP	Total Points
Existence of a National Employment Service Center (90)	1	1	2
No Legal Mandate for Firms to Pay for Employment Service Center Services (91)	1	n/a	1
Legal Mandate for Vocational Guidance and Vocational Training for Unemployed and Job Seekers (92)	1	1	2
Existence of Public Training Programs for Unemployed and Job Seekers (93)	1	1	2
Total Points	4	3	7
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 (94)	1	1	2
Existence of Alternative Dispute Resolution Process for a Labor Dispute (95, 96, 97) <i>To score on this indicator, an economy must have one of the alternative dispute resolution mechanisms: conciliation/mediation (court-annexed) OR non-judicial conciliation and/or mediation (private person to mediate) OR arbitration</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 (98)	n/a	1	1
Best Practice Initiation of Labor Inspections (99) <i>To score on this indicator, an economy must allow labor inspectors to enter a workplace freely without notice</i>	n/a	1	1
Legislation Enforcement on Forced Labor, Child Labor, Occupational Safety and Health <i>To score SB on this indicator, the law must have a requirement for labor inspectorates to enforce legislation on:</i> - Forced labor (100) - Child labor (101) - Occupational Safety and Health (102)	n/a n/a n/a n/a	1 0.33 0.33 0.33	1 0.33 0.33 0.33
Existence of Data on Reported Number of Cases/Complaints for Labor Violations (103)	1	1	2
Protection and Oversight of Women's Rights in the Workplace <i>To score full point on this indicator SB, the economy must have:</i> - Availability of public data on workplace violations against women (104) - Periodic inspections focused on women's rights in the workplace (105)	1 0.5 0.5	1 0.5 0.5	2 1 1
Total Points	2	5	7
2.2.4 Sex-Disaggregated Data			
Indicators	FFP	SBP	Total Points
Sex-Disaggregated Data on Labor Inspectors, Labor Disputes, Workforce, Unemployment and Beneficiaries of Maternity and Paternity Leave <i>Availability of sex-disaggregated data on:</i>	1	1	2

- Labor Inspectors (106, 107)	0.2	0.2	0.4
- Labor Disputes (108, 109)	0.2	0.2	0.4
- Workforce (110, 111)	0.2	0.2	0.4
- Unemployment (112, 113)	0.2	0.2	0.4
- Beneficiaries of Maternity and Paternity Leave (114, 115)	0.2	0.2	0.4
<i>To score full point on this indicator, the economy must have disaggregated data for the most recent year. If the economy does not collect yearly data but gathers it periodically, it will score 0.1 per particular component</i>			
Total Points	1	1	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 III—OPERATIONAL EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE

The data for Pillar III are collected through Enterprise Surveys. The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data. In the case of the indicators pertaining to job training and the issuance of safety and health report, the best and worst performers are identified based on the 95th and 5th percentiles of the collected data.

3.1 EMPLOYMENT RESTRICTIONS AND COSTS

3.1.1 Social Contribution

116. 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]

117. Please provide the total annual cost of labor including wages, salaries, bonuses, social security payments. [numerical value]

3.1.2 Obstacles to Hiring and Dismissing Workers

118. To what degree is the cost of hiring new workers an obstacle to the current operations of this establishment?

- 118a. No obstacle
- 118b. Minor obstacle
- 118c. Moderate obstacle
- 118d. Major obstacle
- 118e. Very severe obstacle

119. To what degree is dismissing workers an obstacle to the current operations of this establishment?

- 119a. No obstacle
- 119b. Minor obstacle
- 119c. Moderate obstacle
- 119d. Major obstacle
- 119e. Very severe obstacle

3.1.3 Dismissal Time and Cost

120. In the last three years, has this establishment dismissed any permanent, full-time worker? (Y/N) (*not scored*)
121. 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]
122. 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]

3.1 EMPLOYMENT RESTRICTIONS AND COSTS			
3.1.1 Social Contribution			
Indicators	FFP	SBP	Total Points
Ratio of Social Contributions (116, 117) <i>The ratio of social contributions is equal to the total annual costs of social security payments and employment-based taxes divided by the total annual cost of labor including wages, salaries, bonuses, social security payments)</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Obstacles to Hiring and Dismissing Workers			
Indicators	FFP	SBP	Total Points
Perceptions Index of Cost of Hiring New Workers as a Constraint (118) <i>The percentage of firms identifying the cost of hiring new workers as a constraint is equal to the number of firms that selected "major obstacle" or "very severe obstacle", divided by the total number of firms</i>	100 (50%)	n/a	100 (50%)
Perceptions Index of Dismissing Workers as a Constraint (119) <i>The percentage of firms identifying dismissing workers as a constraint is equal to the number of firms that selected "major obstacle" or "very severe obstacle", divided by the total number of firms</i>	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.1.2	100	n/a	100
3.1.3 Dismissal Time and Cost			
Indicators	FFP	SBP	Total Points
Weeks to Dismiss Full-Time Permanent Worker (121) <i>The time in weeks typically required to dismiss a permanent, full-time worker, from the moment the notice of dismissal is given until the worker is removed from the payroll</i>	100 (50%)	n/a	100 (50%)
Weeks Paid in Severance (122) <i>The amount of a typical severance payment, expressed as weeks of paid salary, for a dismissed permanent, full-time worker</i>	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.1.3	100	n/a	100
Total Points for Category 3.1	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.

3.2 EMPLOYMENT SERVICES

3.2.1 On-the-Job Training

123. Over the last fiscal year, did this establishment have formal training programs for its permanent, full-time workers? (Y/N)

3.2.2 Prevalence and Operational Efficiency of Labor Disputes

124. Over the last three years, has this establishment been involved in any labor disputes? (Y/N)

125. 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]

3.2.3 Safety and Health Inspection

126. Over the fiscal year in reference to workplace safety and health, was this establishment visited or inspected by a government labor inspector or has it been required to meet with one? (Y/N)

127. 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)

3.2 EMPLOYMENT SERVICES			
3.2.1 On-the-job Training			
Indicators	FFP	SBP	Total Points
Percent of Firms with Formal Training Programs for its Permanent, Full-Time Workers (123) <i>The percentage of firms with formal training programs for its permanent full-time workers is equal to the number of firms that answered "yes", divided by the total number of firms</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Prevalence and Operational Efficiency of Labor Disputes			
Indicators	FFP	SBP	Total Points
Percent of Firms Involved in Labor Dispute Over Last 3 Years (124) <i>The percentage of firms involved in a labor dispute over the last 3 years is equal to the number of firms that answered "yes", divided by the total number of firms</i>	100 (50%)	n/a	100 (50%)
Months to Resolve Labor Dispute (125) <i>The time in months needed to resolve a labor-related dispute (over issues such as compensation, working hours, dismissal, or working conditions etc.), starting from the moment a dispute arose until it was resolved. This may encompass formal court proceedings or alternative dispute resolution mechanisms (e.g., mediation)</i>	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.2.2	100	n/a	100
3.2.3 Safety and Health Inspection			
Indicators	FFP	SBP	Total Points
Percent of Firms Visited or Inspected for Workplace Safety and Health (126)	100 (50%)	n/a	100 (50%)

<i>The percentage of firms visited or inspected for workplace safety and health is equal to the number of firms who answered “yes”, divided by the total number of firms</i>			
Percent of Firms with a Report Issued by Inspectorate for Workplace Safety and Health (127) <i>The percentage of firms with a report issued by inspectorate from workplace safety and health is equal to the number of firms that answered “yes”, divided by the total number of firms</i>	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.2.3	100	n/a	100
Total Points for Category 3.2	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.

CHAPTER 6. FINANCIAL SERVICES—METHODOLOGY NOTE

I. MOTIVATION

Access to finance remains a major constraint for firms worldwide, despite being essential for their operations and expansion and positively associated with firm innovation.¹ 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.² 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.³

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.⁴ Furthermore, a modern secured transactions system, where movable assets are commonly used as collateral, offers borrowers access to credit at affordable rates.⁵ 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.⁶

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.⁷ 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 evasion and lower informality in the private sector.⁸

In this context, the Financial Services topic measures the quality and effectiveness of regulatory frameworks for commercial lending, secured transactions, and e-payments. It also measures the operational efficiency of accessibility of information in credit infrastructure. Lastly, the topic will also look at the operational efficiency of receiving financial services from a firm's perspective.

II. INDICATORS

The Financial Services topic measures four areas—Commercial Lending; Secured Transactions; e-Payments; and Credit Information—across the three different dimensions, here referred to as pillars. The first pillar assesses the effectiveness of regulation pertaining to commercial lending, secured transactions, and e-payments, 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 and the operation of collateral registries. Thus, the second pillar assesses the de facto and some de jure provision of financial services. The third pillar measures the operational efficiency of obtaining a loan, registering a security interest as well as the timeliness of credit information sharing, and operational efficiency of e-payments along with their usage. 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 summarizes all three pillars and their respective categories for the four areas measured: Commercial Lending, Secured Transactions, e-Payments, and Credit Information.

Table 1. Summary Table of all Three Pillars for the Financial Services Topic

Pillar I—Quality of Regulations for Financial Services (23 indicators)	
1.1	Commercial Lending (4 indicators)
1.1.1	Customer Due Diligence (CDD) and Risk Factors (1 indicator)
1.1.2	Availability of Enhanced and Simplified CDD Measures (2 indicators)
1.1.3	Record Keeping of Customer Information (1 indicator)
1.2	Secured Transactions (7 indicators)
1.2.1	Integrated Legal Framework for Secured Transactions (1 indicator)
1.2.2	Types of Movable Assets, Debts, and Obligations that Can Be Secured (4 indicators)
1.2.3	Priority/Enforcement of Security Interests (2 indicators)
1.3	e-Payments (12 indicators)
1.3.1	Risk Management (3 indicators)
1.3.2	Consumer Protection (6 indicators)
1.3.3	Interoperability of Payment Systems and Promotion of Competition (3 indicators)
Pillar II—Accessibility of Information in Credit Infrastructure (6 indicators)	
2.1	Operation of Credit Bureaus and Registries (3 indicators)
2.1.1	Data Coverage (1 indicator)
2.1.2	Types of Data Shared (1 indicator)
2.1.3	Additional Services and Borrower’s Access to Information (1 indicator)
2.2	Operation of Collateral Registries (3 indicators)
2.2.1	Existence of a Centralized and Publicly Available Registry (1 indicator)
2.2.2	Notice-Based Registry Updates (1 indicator)
2.2.3	Autonomy of Secured Creditors to Access and Update the Registry (1 indicator)
Pillar III—Operational Efficiency of Receiving Financial Services (8 indicators)	
3.1	Loans (3 indicators)
3.1.1	Obtaining a Loan (2 indicators)
3.1.2	Operational Efficiency of Security Interest and Credit Data Update (1 indicator)
3.2	e-Payments (5 indicators)
3.2.1	Cost of e-Payments (2 indicators)
3.2.2	Time to Receive e-Payments (1 indicator)
3.2.3	Usage Level of e-Payments (2 indicators)

1. PILLAR I. QUALITY OF REGULATIONS FOR FINANCIAL SERVICES

Table 2 shows the structure for Pillar I, Quality of Regulations for Financial Services. 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 Financial Services

1.1	Commercial Lending
1.1.1	Customer Due Diligence (CDD) and Risk Factors
1.1.2	Availability of Enhanced and Simplified CDD Measures
1.1.3	Record Keeping of Customer Information
1.2	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 of Security Interests
1.3	e-Payments
1.3.1	Risk Management
1.3.2	Consumer Protection
1.3.3	Interoperability of Payment Systems and Promotion of Competition

1.1. 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 Customer Due Diligence (CDD) and Risk Factors

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.⁹ To strengthen global safeguards and further protect the integrity of the financial systems, the Financial Action Task Force (FATF) emphasizes a risk-based approach to AML/CFT.¹⁰ According to this approach, economies, relevant authorities, and financial institutions should identify and assess the risks they are exposed to and take appropriate measures to mitigate them effectively.¹¹ Therefore, Subcategory 1.1.1–Customer Due Diligence (CDD) and Risk Factors comprises one indicator (table 3).¹²

Table 3. Subcategory 1.1.1–Customer Due Diligence (CDD) and Risk Factors

	Indicators	Components
1	Requirement to Conduct CDD and Risk Factors	<p>Legal requirement to conduct CDD</p> <ul style="list-style-type: none"> i) Verification of customer's identity ii) Verification of direct ownership and control structure of the customer iii) Verification of beneficial owners of the customer iv) Verification of the purpose/intended use of the loan v) Verification of the geographical location of the customer <p>Risk factors (customer identity)</p> <ul style="list-style-type: none"> i) Customer risk factors (beneficial owner) ii) Customer risk factors (ownership structure) iii) Customer risk factors (involvement in international structure) iv) Customer risk factors (personal asset-holding vehicles) v) Customer risk factors (nominee shareholders or shares in bearer forms) vi) Customer risk factors (business relationship conducted in unusual circumstances) vii) Customer risk factors (cash-intensive) viii) Customer risk factors (located in high-risk geographical location) <p>Risk factors (product, service, geography, delivery channel)</p> <ul style="list-style-type: none"> i) Product risk factors (private banking) ii) Product risk factors (anonymous transactions) iii) Product risk factors (payments received from unknown sources) iv) Product risk factors (non-face-to-face relation and transactions) v) Product risk factors (operations in high-risk geographical location)

Note: CDD = Customer Due Diligence.

1.1.2 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.¹³ 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.¹⁴ Therefore, Subcategory 1.1.2–Availability of Enhanced and Simplified CDD Measures comprises two indicators (table 4).

Table 4. Subcategory 1.1.2–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.

1.1.3 Record Keeping of Customer Information

The evolution of AML/CFT measures and those related to the compliance/Know Your Customer (KYC) regulations highlights reliance on several measures.¹⁵ These include customer due diligence (CDD) for existing customers and steps undertaken by other relevant institutions, maintaining the information collected about customers and their businesses for a certain period, and updating such information regularly, especially when the customer is considered high risk.¹⁶ Therefore, Subcategory 1.1.3–Record Keeping of Customer Information comprises one indicator (table 5).

Table 5. Subcategory 1.1.3–Record Keeping of Customer Information

	Indicators	Components
1	CDD for Existing Customers and Record Keeping	<ul style="list-style-type: none"> i) Reliance on CDD for existing customers ii) Reliance on CDD undertaken by other institutions iii) Regulation for reliance on an eKYC system when performing CDD iv) Reliance on eKYC in practice v) Maintain CDD information for a period of 5 years vi) Ongoing CDD for high-risk clients

1.2 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 transactions creating security rights in movable assets and are subjected to the same an identical legal framework for creation, enforcement and publicity of security rights. 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.¹⁷ 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 class of debtor or creditor.¹⁸ This approach helps avoid multiplicity of legal frameworks 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 comprises 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.¹⁹ Therefore Subcategory 1.2.2–Type of Movable Assets, Debts, and Obligations that Can Be Secured comprises 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	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	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	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	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 of Security Interests

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.²⁰ Therefore Subcategory 1.2.3–Priority/Enforcement of Security Interests comprises two indicators (table 8).

Table 8. Subcategory 1.2.3–Priority/Enforcement of Security Interests

	Indicators	Components
1	Priority of Claims outside of Insolvency or Bankruptcy	Priority of claims outside of insolvency or bankruptcy
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 e-Payments

Category 1.3 is divided into three subcategories consisting of several indicators, each of which may, in turn, have 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.²¹ In particular, having adequate risk management practices is important to ensure the security, efficiency, and stability of the electronic transfers.²² Measures that prevent fraud, promote information and cybersecurity, ensure protection, integrity, authenticity, and confidentiality of data and operating processes boost the confidence of users in these services and make the overall e-payment system more secure.²³ Therefore Subcategory 1.3.1–Risk Management comprises 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) Scope of review iii) 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 Consumer Protection

The consumer protection subcategory covers the protection of funds of customers using e-payments, disclosure by payment service providers (PSPs) of complete and accurate information about all fees, terms, and conditions for using e-payments, and availability of recourse and dispute resolution mechanisms. Protection of customer funds is vital to ensure the safety and reliability of payments systems and preserve user's confidence.²⁴ It is a fundamental part of an overall financial consumer protection framework and includes arrangements covering, among others, the obligations of users and PSPs, fraudulent or unauthorized payments, cancellation or modification of transactions, and insurance requirements for protection of funds.²⁵ Disclosure of relevant information by the PSPs is essential for promoting transparency and enabling users to have a clear understanding of the costs associated with these services.²⁶ Timely notifications of any subsequent changes, including in policies and procedures for handling customer complaints and their data, are also important because they often involve handling sensitive personal and financial information.²⁷ These measures are essential for promoting consumers' trust and confidence in using e-payments.²⁸ 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.²⁹ These mechanisms play an important role in preventing customer abuse and motivating PSPs to address operational weaknesses that may result in low-quality service.³⁰ They also boost consumer confidence and trust, and enable new and existing customers alike to exercise their rights effectively.³¹ Therefore, Subcategory 1.3.2–Consumer Protection comprises six indicators (table 10).

Table 10. Subcategory 1.3.2–Consumer Protection

	Indicators	Components
1	Obligations of User and Payment Service Provider (PSP)	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) Payment service user's identity verification (authentication)
2	Cancellations, Protection of Funds, and Liabilities	i) Cancellation or modification of payment transaction by payer ii) Protection of customer funds held with non-bank PSPs iii) Insurance requirements of customer funds held by non-bank PSPs iv) Notification of suspicious activity and rectification of transactions v) General provisions on liability for fraud vi) PSP's liability for unauthorized payments vii) Payer's liability for unauthorized payment
3	Fee Disclosures and Change Notifications	i) Disclosure of all fees for use of e-payment ii) Notify user about changes in fees
	Disclosures of Liability,	i) Disclosure of liability

4	Data Use, and Dispute Mechanisms	ii) Disclosure of use of customer data iii) General terms of services iv) Written policies for complaints handling procedures
5	Disputing a Transaction	i) Time limit in which payment can be disputed ii) PSP to acknowledge receipt of dispute notice iii) Collection of undisputed charges
6	Availability of Dispute Mechanisms	i) Independent unit of PSP in charge of dispute resolution ii) Requirement of dispute resolution mechanism iii) Availability of independent governmental authority for not resolved disputes

Note: PSP = Payment Service Provider.

1.3.3 Interoperability of Payment Systems and Promotion of Competition

Payment system interoperability allows participants to conduct, clear, and settle payments across systems without participating in multiple systems.³² The interoperability of payment systems can promote competition, reduce costs, enable economies of scale for PSPs, and enhance convenience for users of payment services.³³ 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.³⁴ Interoperability and promotion of competition can play a critical role in meeting the needs of unserved and underserved firms/users. Therefore, Subcategory 1.3.3–Interoperability of Payment Systems and Promotion of Competition comprises three indicators (table 11).

Table 11. Subcategory 1.3.3–Interoperability of Payment Systems and Promotion of Competition

	Indicators	Components
1	Interoperability of Payment Systems	Level and extent of interoperability characterized in the jurisdiction
2	Fair Competition	Fair competition provisions
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.

2. PILLAR II. ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE

Table 12 shows the structure for Pillar II, Accessibility of Information in Credit Infrastructure. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 12. Pillar II–Accessibility of Information in Credit Infrastructure

2.1	Operation of Credit Bureaus and Registries
2.1.1	Data Coverage
2.1.2	Types of Data Shared
2.1.3	Additional Services and Borrower's Access to Information
2.2	Operation of Collateral Registries
2.2.1	Existence of a Centralized and Publicly Available Registry
2.2.2	Notice-Based Registry Updates
2.2.3	Autonomy of Secured Creditors to Access and Update the Registry

2.1 Operation of Credit Bureaus and Registries

Category 2.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.1.1 Data Coverage

In today's interconnected world, access to comprehensive and accurate data is crucial for informed decision-making, risk assessment, and crisis management. Credit Bureaus and Registries report the number of borrowers (individuals and firms) listed in a credit agency's database, with information on their

borrowing history. Accurate, transparent, and shared data enables better understanding of consumer behavior and market trends. With the increasing complexity of global financial systems, the need for reliable data sharing and collaboration is more pressing than ever. Therefore, Subcategory 2.1.1–Data Coverage comprises one indicator (table 13).

Table 13. Subcategory 2.1.1–Data Coverage

	Indicators	Components
1	Data Coverage	i) Data on firms and individuals are shared ii) Data from alternative sources are shared in addition to data from financial institutions iii) Cross-border information sharing iv) Crisis reporting

2.1.2 Types of Data Shared

The scope of data shared is crucial in determining the effectiveness of credit reporting systems to maintain a comprehensive and accurate picture of creditworthiness. Credit Reporting Agencies collect information on the creditworthiness of borrowers in the financial system and facilitate the exchange of credit information among creditors.³⁵ This improves the efficiency of the lending process by reducing information asymmetries.³⁶ Therefore, Subcategory 2.1.2–Types of Data Shared comprises one indicator (table 14).

Table 14. Subcategory 2.1.2–Types of Data Shared

	Indicators	Components
1	Types of Data Shared	i) Both positive credit information and negative credit 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

2.1.3 Additional Services and Borrower’s Access to Information

Access to information empowers borrowers to take control of their finance through credit scores and credit reports. It also enables lenders to better understand lending risks associated with each potential borrower.³⁷ This can promote access to finance for borrowers and contribute to the stability of the financial sector. Therefore, Subcategory 2.1.3–Additional Services and Borrower’s Access to Information comprises one indicator (table 15).

Table 15. Subcategory 2.1.3–Additional Services and Borrower’s Access to Information

	Indicators	Components
1	Additional Services and Borrower’s Access to Information	i) By law, borrowers have the right to access online their data in the largest credit reporting agency in the economy ii) Banks and other financial institutions have online access to credit information iii) Credit reporting agency offers credit scores as a value-added service iv) Borrower’s credit information is verified in practice

2.2 Operation of Collateral Registries

Category 2.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Existence of a Centralized and Publicly Available Registry

Collateral registries are publicly available databases of security 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 among creditors based on the time of registration.³⁸ A centralized collateral registry allows for the consolidation of all security interests registrations within the economy in a single location or single database. By centralizing the collateral registry and allowing registry access to the wide public, records become available to all parties, enabling

them to determine whether a security interest already exists over a firm's or individual's movable assets. With this information, creditors can take measures to protect themselves against any potential priority risks that may affect their prospective or existing rights.³⁹ Therefore, Subcategory 2.2.1–Existence of a Centralized and Publicly Available Registry comprises one indicator (table 16).

Table 16. Subcategory 2.2.1–Existence of a Centralized and Publicly Available Registry

	Indicators	Components
1	Existence of a Centralized and Publicly Available Registry	<ul style="list-style-type: none"> 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

2.2.2 Notice-Based Registry Updates

As opposed to a document-based registry, a notice-based registration system for security interests provides notice that the secured creditor may have a security right in the registered assets. This notice includes only certain information about the security right. Thus, the security agreement creating the security right is not registered and its validity and content are not verified by the system or by a clerk at the registry. A notice-based system significantly reduces the registration burden on secured creditors and provides a highly efficient and cost-effective registration and searching process. It also contributes to keeping low the administrative costs of the registry.⁴⁰ Therefore, Subcategory 2.2.2–Notice-Based Registry Updates comprises one indicator (table 17).

Table 17. Subcategory 2.2.2–Notice-Based Registry Updates

	Indicators	Components
1	Notice-Based Registry Updates	<ul style="list-style-type: none"> 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

2.2.3 Autonomy of Secured Creditors to Access and Update the Registry

Allowing all types of secured creditors direct access to the computerized collateral registry system without registry personnel intervention ensures a more efficient, cost-effective, and user-friendly system for all parties involved.⁴¹ To maintain efficiency and reduce costs, scrutiny by registry personnel should not be required for registration or searches. Thus, the registry should be available online to allow direct electronic access to its users. This direct client access greatly reduces operational and maintenance costs while enhancing the efficiency of the registration process by giving users direct control over the timing of their registrations. Therefore, subcategory 2.2.3–Autonomy of Secured Creditors to Access and Update the Registry comprises one indicator (table 18).

Table 18. Subcategory 2.2.3–Autonomy of Secured Creditors to Access and Update the Registry

	Indicators	Components
1	Autonomy of Secured Creditors to Access and Update the Registry	<ul style="list-style-type: none"> 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 v) Banks verify collateral registry records
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3. PILLAR III. OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

Table 19 shows the structure for Pillar III, Operational Efficiency of Receiving Financial Services. 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—Operational Efficiency of Receiving Financial Services

3.1	Loans
3.1.1	Obtaining a Loan
3.1.2	Operational Efficiency of Security Interest and Credit Data Update
3.2	e-Payments
3.2.1	Cost of e-Payments
3.2.2	Time to Receive e-Payments
3.2.3	Usage Level of e-Payments

3.1 Loans

Category 3.1 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

3.1.1 Obtaining a Loan

It is important for businesses to obtain financing in a timely manner to continue their operations, manage volatile cash flow, and expand. Costly and cumbersome processes to obtain financing can discourage firms from applying for and obtaining loans.⁴² Therefore, Subcategory 3.1.1—Obtaining a Loan comprises two indicators (table 20).

Table 20. Subcategory 3.1.1—Obtaining a Loan

	Indicators	Components
1	Time to Obtain a Loan	i) Time for the decision on the loan to be communicated, from the moment the application was submitted
2	Obstacles to Obtaining a Loan	i) Percent of firms reporting complex procedures, unfavorable interest rates, or high collateral requirement as main reason for not applying for loans ii) Perceptions index of access to finance as a constraint

3.1.2 Operational Efficiency of Security Interest and Credit Data Update

Having efficient and low-cost processes for registering security interests in collateral registries and for information to be reflected in Credit Reporting Agencies used for credit reports are beneficial for firms as they make the process of obtaining loans less costly, less burdensome, and more efficient.⁴³ Therefore, Subcategory 3.1.2—Operational Efficiency of Security Interest and Credit Data Update comprises one indicator (table 21).

Table 21. Subcategory 3.1.2—Operational Efficiency of Security Interest and Credit Data Update

	Indicators	Components
1	Operational Efficiency of Security Interest and Credit Data Update	i) Time for the registration of a security interest to be reflected in the database ii) Cost to register a security interest iii) Time for credit information to be reflected in credit report from the moment credit reporting agency received such information

3.2 e-Payments

Category 3.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

3.2.1 Cost of e-Payments

Having access to electronic payments is 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 inexpensive.⁴⁴ Subcategory 3.2.1–Cost of e-Payments comprises two indicators (table 22).

Table 22. Subcategory 3.2.1–Cost of e-Payments

	Indicators	Components
1	Cost of Receiving e-Payments	Cost to accept e-payment, as a percentage of transaction value
2	Cost of Making e-Payments	Cost to make e-payment, as a percentage of transaction value

3.2.2 Time to Receive e-Payments

For firms to reap the benefits detailed under 3.2.1 above, it is essential that e-payments are also fast.⁴⁵ Subcategory 3.2.2–Time to Receive e-Payments comprises one indicator (table 23).

Table 23. Subcategory 3.2.2–Time to receive e-Payments

	Indicators	Components
1	Time to Receive e-Payments	Time to receive money through e-payment from when an order is placed

3.2.3 Usage Level of e-Payments

Efficient e-payment processing combined with safety and flexibility is also reflected in a higher level of usage in both making and receiving payments. Subcategory 3.2.3–Usage Level of e-Payments comprises two indicators (table 24).

Table 24. Subcategory 3.2.3–Usage level of e-Payments

	Indicators	Components
1	Usage Level of Receiving e-Payments	Percentage of monthly sales received electronically
2	Usage Level of Making e-Payments	Percentage of monthly payments done electronically

III. DATA SOURCES

4.1 Data Collection Sources

The data for Pillar I and part of Pillar II (Operation of Credit Bureaus and Collateral Registries) are collected through consultations with private sector experts. Information related to credit registries (in Pillar II) is collected through public sector experts in economies where credit registries exist, in addition to the information collected through credit bureaus if they exist in the economy. In Pillar III, the data related to the operational efficiency of security interest and credit data update are also collected through consultations from private sector experts. Experts for the Financial Services topic vary depending on the area measured, and include financial lawyers and practitioners in commercial banking, payment services providers, financial services providers, credit bureaus, credit registries, and notaries.

Most of the data for Pillar III are collected through Enterprise Surveys. Enterprise Surveys provide representative data on operational 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 the Overview chapter of this Methodology Handbook.

4.2 Screening and Selection of Experts

The Financial Services topic has four questionnaires, one for each area: Commercial Lending; Secured Transactions and Operation of Collateral Registries; e-Payments; Operation of Credit Bureaus and Registries. Each questionnaire targets experts in their respective areas of expertise. A screener questionnaire is used to assist the selection of experts receiving the Financial Services topic questionnaires based on a set of criteria (table 25).

Table 25. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions	
Commercial Lending	Lawyers, financial professionals, researchers in financial services, commercial banks, financial institutions
Secured Transactions	Financial and banking lawyers
e-Payments	Financial lawyers, commercial banks, payment service providers, researchers in financial services
Credit Bureaus and Registries	Operational private credit bureaus and public registries
Relevant Areas of Specialization	
Commercial Lending	Legal experts in Know Your Customer (KYC) process and regulatory requirements for AML/CFT, 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	Legal experts in electronic payments, fintech, financial regulations pertaining to payment service providers
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, 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). Experience in the banking and financial sector laws and regulations pertaining to customer due diligence
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.
Credit Bureaus and Registries	Experience in gathering and reporting credit information data of customers (firms and individuals), business administration, and information management

Note: AML/CFT = Anti-Money Laundering/Combating the Financing of Terrorism; KYC = Know Your Customer.

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 lending, secured transactions, e-payments, and credit bureaus and registries.

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

Financial Services employs two general parameters. Many economies have subnational jurisdictions, which require a business location to be specified 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

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 transactions 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/transaction.

V. TOPIC SCORING

The Financial Services topic has three pillars: Pillar I—Quality of Regulations for Financial Services; Pillar II—Accessibility of Information in Credit Infrastructure; and Pillar III—Operational Efficiency of Receiving Financial Services. 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 26 shows the scoring for the Financial 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 26. Aggregate Scoring Overview

Pillar Number	Pillar	Number of Indicators	Score			Rescaled Points (0-100)	Weight
			Firm Flexibility Points	Social Benefits Points	Total Points		
I	Quality of Regulations for Financial Services	23	21	23	44	100	0.33
II	Accessibility of Information in Credit Infrastructure	6	6	6	12	100	0.33
III	Operational Efficiency of Receiving Financial Services	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—Quality of Regulations for Financial Services

Pillar I covers 23 indicators with a total score of 44 points (21 points on firm flexibility and 23 points on social benefits) (table 27). The scoring for each category under this pillar is as follows:

- 6.1.1** *Commercial Lending* has 4 indicators with a total maximum score of 6 points (2 points on firm flexibility and 4 points on social benefits). Specifically, the *Customer Due Diligence (CDD) and Risk Factors* Subcategory has 1 indicator; the *Availability of Enhanced and Simplified CDD Measures* Subcategory has 2 indicators; and the *Record Keeping of Customer Information* Subcategory has 1 indicator. 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** *Secured Transactions* 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 of Security Interests* 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** *e-Payments* 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 *Consumer Protection* Subcategory has 6 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.

Table 27. Aggregate Scoring Pillar I

Pillar I—Quality of Regulations for Financial Services		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Commercial Lending	4	2	4	6	20.00
1.1.1	Customer Due Diligence (CDD) and Risk Factors	1	n/a	1	1	10.00
1.1.2	Availability of Enhanced and Simplified CDD Measures	2	1	2	3	5.00
1.1.3	Record Keeping of Customer Information	1	1	1	2	5.00
1.2	Secured Transactions	7	7	7	14	40.00

1.2.1	Integrated Legal Framework for Secured Transactions	1	1	1	2	10.00
1.2.2	Types of Movable Assets, Debts, and Obligations that Can Be Secured	4	4	4	8	20.00
1.2.3	Priority/Enforcement of Security Interests	2	2	2	4	10.00
1.3	e-Payments	12	12	12	24	40.00
1.3.1	Risk Management	3	3	3	6	10.00
1.3.2	Consumer Protection	6	6	6	12	20.00
1.3.3	Interoperability of Payment Systems and Promotion of Competition	3	3	3	6	10.00
	Total	23	21	23	44	100.00

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 Benefits Point.

6.2 Pillar II—Accessibility of Information in Credit Infrastructure

Pillar II covers 6 indicators with a total score of 12 points (6 points on firm flexibility and 6 points on social benefits) (table 28). The scoring for each category under this pillar is as follows:

- 6.2.1** *Operation of Credit Bureaus and Registries* has 3 indicators with a total maximum score of 6 points (3 points on firm flexibility and 3 points on social benefits). The *Data Coverage*, *Types of Data Shared*, and *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 benefits.
- 6.2.2** *Operation of Collateral Registries* has 3 indicators with a total maximum score of 6 points (3 points on firm flexibility and 3 points on social benefits). Specifically, the *Existence of a Centralized and Publicly Available Registry*, *Notice-Based Registry Updates*, and *Autonomy of Secured Creditors to Access and Update the Registry* features make registries more transparent, cheaper, and have more expedited procedures. Thus, these indicators are equally scored as a benefit for both firms as well as society.

Table 28. Aggregate Scoring Pillar II

Pillar II—Accessibility of Information in Credit Infrastructure		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Operation of Credit Bureaus and Registries	3	3	3	6	50.00
2.1.1	Data Coverage	1	1	1	2	16.67
2.1.2	Types of Data Shared	1	1	1	2	16.67
2.1.3	Additional Services and Borrower's Access to Information	1	1	1	2	16.67
2.2	Operation of Collateral Registries	3	3	3	6	50.00
2.2.1	Existence of a Centralized and Publicly Available Registry	1	1	1	2	16.67
2.2.2	Notice-Based Registry Updates	1	1	1	2	16.67
2.2.3	Autonomy of Secured Creditors to Access and Update the Registry	1	1	1	2	16.67
	Total	6	6	6	12	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.3 Pillar III—Operational Efficiency of Receiving Financial Services

Pillar III covers 8 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, complex processes, 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** *Loans* has 3 indicators with a total maximum score of 50 points. Specifically, the *Obtaining a Loan* Subcategory has 2 indicators, and the *Operational Efficiency of Security Interest and Credit Data Update* Subcategory has 1 indicator.
- 6.3.2** *e-Payments* has 5 indicators with a total maximum score of 50 points. Specifically, the *Cost of e-Payments* Subcategory has 2 indicators, the *Time to Receive e-Payments* Subcategory has 1 indicator, and the *Usage Level of e-Payments* Subcategory has 2 indicators.

Table 29. Aggregate Scoring Pillar III

Pillar III—Operational Efficiency of Receiving Financial Services		No. of Indicators	Rescaled Points
3.1	Loans	3	50.00
3.1.1	Obtaining a Loan	2	40.00
3.1.2	Operational Efficiency of Security Interest and Credit Data Update	1	10.00
3.2	e-Payments	5	50.00
3.2.1	Cost of e-Payments	2	20.00
3.2.2	Time to Receive e-Payments	1	10.00
3.2.3	Usage Level of e-Payments	2	20.00
Total		8	100.00

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- ¹¹ FATF (2014).
- ¹² Joint Committee of the European Supervisory Authorities (2017).
- ¹³ BCBS (2014).
- ¹⁴ Joint Committee of the European Supervisory Authorities (2017).
- ¹⁵ FATF (2013–2017).
- ¹⁶ BCBS (2014); FATF (2012–2023); Joint Committee of the European Supervisory Authorities (2017).
- ¹⁷ UNCITRAL (2010, 2019). Terminology and Interpretation: “Intangible assets” means all types of movable assets other than tangible assets and includes incorporeal rights, receivables and rights to the performance of obligations other than receivables. “Movable asset” means a tangible or intangible asset, other than immovable property.
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- ¹⁹ UNCITRAL (2010, 2019).
- ²⁰ UNCITRAL (2010, 2019).
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- ²³ OCC (2021); World Bank (2016).
- ²⁴ World Bank Group (2017).
- ²⁵ European Parliament (2015); World Bank (2019b).
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- ³² Boar et al (2021).
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- ³⁵ Credit bureaus and registries differ in terms of their ownership, with the former generally being privately owned companies and the latter established by the government in the majority of cases, usually under the management of the central bank or the banking supervision authority. Regardless of the ownership structure, as credit reporting service providers, both types of organizations can serve the same role by providing information on borrower’s histories that assist creditors in their lending decisions.
- ³⁶ World Bank Group (2011, 2019a).
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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 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 FOR FINANCIAL SERVICES					
1.1 COMMERCIAL LENDING					
1.1.1 Customer Due Diligence (CDD) and Risk Factors					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Requirement to Conduct CDD and Risk Factors	n/a	1	1	10.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Total Points for Subcategory 1.1.1	0	1	1	10.00	
1.1.2 Availability of Enhanced and Simplified CDD Measures					
Simplified CDD	1	1	2	3.33	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Enhanced CDD	n/a	1	1	1.67	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Total Points for Subcategory 1.1.2	1	2	3	5.00	
1.1.3 Record Keeping of Customer Information					
CDD for Existing Customers and Record Keeping	1	1	2	5.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2014, 2020)
Total Points for Subcategory 1.1.3	1	1	2	5.00	
Total Points for Category 1.1	2	4	6	20.00	

1.2 SECURED TRANSACTIONS					
1.2.1 Integrated Legal Framework for Secured Transactions					
Integrated Legal Framework for Secured Transactions	1	1	2	10.00	UNCITRAL (2010, 2019)
Total Points for Subcategory 1.2.1	1	1	2	10.00	
1.2.2 Types of Movable Assets, Debts, and Obligations that Can Be Secured					
Security Interest in One Category of Movable Assets	1	1	2	5.00	UNCITRAL (2010, 2019)
Security Interest in Combined Category of Movable Assets	1	1	2	5.00	UNCITRAL (2010, 2019)
Security Interest over Future Assets	1	1	2	5.00	UNCITRAL (2010, 2019)
Debts and Obligations	1	1	2	5.00	UNCITRAL (2010, 2019)
Total Points for Subcategory 1.2.2	4	4	8	20.00	
1.2.3 Priority/Enforcement of Security Interests					
Priority of Claims Outside of Insolvency or Bankruptcy	1	1	2	5.00	UNCITRAL (2010, 2019)
Enforcement of Security Interests	1	1	2	5.00	UNCITRAL (2010, 2019)
Total Points for Subcategory 1.2.3	2	2	4	10.00	
Total Points for Category 1.2	7	7	14	40.00	
1.3 E-PAYMENTS					
1.3.1 Risk Management					
External Review and Internal Control	1	1	2	3.33	OCC (2021); World Bank (2016, 2020)
Cybersecurity and Operational Risk	1	1	2	3.33	OCC (2021); World Bank (2016, 2020)
Liquidity Risk	1	1	2	3.33	OCC (2021); World Bank (2016, 2020)
Total Points for Subcategory 1.3.1	3	3	6	10.00	
1.3.2 Consumer Protection					
Obligations of User and Payment Service Provider (PSP)	1	1	2	3.33	EU Second Payment Services Directive 2015/2366 (2015); World Bank (2016, 2020); World Bank Group (2017)
Cancellations, Protection of Funds, and Liabilities	1	1	2	3.33	EU Second Payment Services Directive 2015/2366 (2015); World Bank (2020); World Bank Group (2017, 2019b)
Fee Disclosures and Change Notifications	1	1	2	3.33	World Bank (2016, 2020); World Bank Group (2017)

Disclosures of Liability, Data Use, and Dispute Mechanisms	1	1	2	3.33	World Bank (2016, 2020); World Bank Group (2017)
Disputing a Transaction	1	1	2	3.33	World Bank (2016, 2020); World Bank Group (2017)
Availability of Dispute Mechanisms	1	1	2	3.33	World Bank (2016, 2020); World Bank Group (2017)
Total Points for Subcategory 1.3.2	6	6	12	20.00	
1.3.3 Interoperability of Payment Systems and Promotion of Competition					
Interoperability of Payment Systems	1	1	2	3.33	Boar et al. (2021); Resendiz (2018); World Bank (2020)
Fair Competition	1	1	2	3.33	World Bank (2016, 2020)
Equal Access and Treatment of Different PSPs	1	1	2	3.33	World Bank (2016, 2020)
Total Points for Subcategory 1.3.3	3	3	6	10.00	
Total Points for Category 1.3	12	12	24	40.00	
Total Points for Pillar I	21	23	44	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 Point; SBP = Social Benefits Point.

PILLAR II–ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE					
2.1 OPERATION OF CREDIT BUREAUS AND REGISTRIES**					
** If the credit reporting agency (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					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Data Coverage	1	1	2	16.67	Giannetti and Jentzsch (2013); Martinez Peria and Singh (2014); World Bank (2019a); World Bank Group (2011)
Total Points for Subcategory 2.1.1	1	1	2	16.67	
2.1.2 Types of Data Shared					
Types of Data Shared	1	1	2	16.67	World Bank (2019a); World Bank Group (2011)
Total Points for Subcategory 2.1.2	1	1	2	16.67	
2.1.2 Additional Services and Borrower's Access to Information					
Additional Services and Borrower's Access to Information	1	1	2	16.67	World Bank (2019a); World Bank Group (2011)
Total Points for Subcategory 2.1.3	1	1	2	16.67	
Total Points for Category 2.1	3	3	6	50.00	
2.2 OPERATION OF COLLATERAL REGISTRIES					
2.2.1 Existence of a Centralized and Publicly Available Registry					
Existence of a Centralized and Publicly Available Registry	1	1	2	16.67	UNCITRAL (2010, 2014, 2019)
Total Points for Subcategory 2.2.1	1	1	2	16.67	
2.2.2 Noticed-Based Registry Updates					
Notice-Based Registry Updates	1	1	2	16.67	UNCITRAL (2010, 2014, 2019)
Total Points for Subcategory 2.2.2	1	1	2	16.67	
2.2.3 Autonomy of Secured Creditors to Access and Update the Registry					
Autonomy of Secured Creditors to Access and Update the Registry	1	1	2	16.67	UNCITRAL (2010, 2014, 2019)
Total Points for Subcategory 2.2.3	1	1	2	16.67	
Total Points for Category 2.2	3	3	6	50.00	

Total Points for Pillar II	6	6	12	100.00	
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Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III-OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES					
3.1 LOANS					
3.1.1 Obtaining a Loan					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Time to Obtain a Loan	50	n/a	50	20.00	Beck, Demirgüç-Kunt, and Maksimovic (2005)
Obstacles to Obtaining a Loan	50	n/a	50	20.00	Beck, Demirgüç-Kunt, and Maksimovic (2005)
Total Points for Subcategory 3.1.1	100	n/a	100	40.00	
3.1.2 Operational Efficiency of Security Interest and Credit Data Update					
Operational Efficiency of Security Interest and Credit Data Update	100	n/a	100	10.00	UNCITRAL (2010, 2014, 2019); World Bank Group (2011, 2019a)
Total Points for Subcategory 3.1.2	100	n/a	100	10.00	
Total Points for Category 3.1	100	n/a	100	50.00	
3.2 E-PAYMENTS					
3.2.1 Cost of e-Payments					
Cost of Receiving e-Payments	50	n/a	50	10.00	World Bank (2021)
Cost of Making e-Payments	50	n/a	50	10.00	World Bank (2021)
Total Points for Subcategory 3.2.1	100	n/a	100	20.00	
3.2.2 Time to Receive e-Payments					
Time to Receive e-Payments	100	n/a	100	10.00	World Bank (2021)
Total Points for Subcategory 3.2.2	100	n/a	100	10.00	
3.2.3 Usage Level of e-Payments					
Usage Level of Receiving e-Payments	50	n/a	50	10.00	World Bank (2021)
Usage Level of Making e-Payments	50	n/a	50	10.00	World Bank (2021)
Total Points for Subcategory 3.2.3	100	n/a	100	20.00	
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. FINANCIAL SERVICES–ANNOTATED QUESTIONNAIRE

Annex B consists of a Glossary and Annotated Questionnaires for Commercial Lending, Secured Transactions and Collateral Registries, Electronic Payments (e-payments), and Operation of Credit Bureaus and Registries. The Annotated Questionnaires provide the mapping between each indicator and the corresponding question(s).

Glossary

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.

Collateral registry: Also called Security Rights Registry under the United Nations Commission on International Trade Law (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.

Commercial lender: A regulated lending entity that grants loans to businesses.

Credit bureau: 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: 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 reporting agency: Credit reporting system provider. It includes Credit Bureaus and Credit Registries.

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: 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: A movement or transfer of information between credit bureaus/registries and financial institutions across country borders.

Customer: The customer is defined as any type of business engaging in commercial transactions, regardless of their legal structure.

Customer usage limits: Refer to types of measures put in place to mitigate the risks. For example, 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.

e-KYC: Electronic Know Your Customer allows the bank to obtain and verify information about the identity of their customer digitally, without the need for paper documents.

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: 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.

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: Separate legal entities incorporated through a registration process established by legislation.

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 which enables customers of a financial institution to execute financial transactions electronically via the internet using a computer or another electronic device.

KYC: Know Your Customer is the process through which banks obtain and verify information about the identity of their customer.

Mobile banking: A facility which 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.

Negative data: Information that indicates a poor credit history or financial behavior, such as defaults or restructured debts, arrears or late payments, accounts sent to collections and bankruptcies. It suggests a higher risk for lenders and creditors, making it more challenging for borrowers to qualify for loans or credit at favorable interest rates.

Non-regulated entities: 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.

Positive data: Information that indicates a positive credit history or financial behavior such as account paid in full, on-time loan repayments and no late payments or collection. It is used to demonstrate an individual's or business's creditworthiness and ability to manage debt responsibly.

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.

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.

Regulated entities: Banks or similar financial institutions that are regulated, supervised, and subject to periodic examination by a government agency.

Rental properties or rental data: Rental payment history, rental agreements, property management and information related to commercial properties and loans (commercial property owners, small business owners, real estate investors). These include property management companies, rental listing platforms, government housing authorities, property records offices.

Repayment history: Unpaid debts or outstanding credit (even if they currently have no outstanding loans, defaults, etc.), as well as positive data on timely repayments.

Restructured debts: Refinanced debt held by an individual or firm.

Retailers and merchants: 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 transactions: 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 in a combined category of assets: 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 du fonds de commerce” or “fondo de comercio/hipoteca mercantil”.

Tax companies: Companies that provide tax-related data and information to credit reporting agencies. It helps assessing the creditworthiness of borrowers. These include government tax authorities, tax collection agencies, and tax information providers.

Unincorporated entities: Entities that are considered non-registered partnerships, sole proprietorships, and individuals.

Utility companies: Companies providing telecommunications, electricity, water, gas, or similar services.

Value-added service: Practice of providing credit scores to borrowers as an additional benefit (features, recommendation, support, and analyses related to the credit score), beyond the traditional credit reporting services.

COMMERCIAL LENDING 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 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 rollout phase as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS FOR COMMERCIAL LENDING	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions.
Type of Transactions	The parameter is used in cases where regulations are different across different types of transactions. Under Pillar 1, domestic commercial loans are considered.

1.1 COMMERCIAL LENDING

1.1.1 *Customer Due Diligence (CDD) and Risk Factors*

1. Are there any legal or regulatory requirements in your country for a commercial lender to conduct a customer due diligence (*that is, screening of customers, anti-money laundering/combating the financing of terrorism [AML/CFT] measures*)? (Y/N) (*not scored*)

Does the regulatory framework related to customer due diligence require that upon reviewing a commercial loan application for a new customer, the commercial lender verifies: (questions 2 through 6)

2. The customer’s identity. (Y/N)
3. The direct ownership and control structure of the customer. (Y/N)
4. The beneficial owners of the customer. (Y/N)
5. The purpose/intended use of the loan. (Y/N)

6. The geographical location of the customer. (Y/N)
7. When performing a customer due diligence, does the regulatory framework require the commercial lender to consider anti-money laundering/combating the financing of terrorism (AML/CFT) risk factors related to the identity of the customer *(risk-based approach pertaining to customer's identity)*? (Y/N) *(not scored)*

Does the regulatory framework require the commercial lender to identify whether: (questions 8 through 15)

8. The ultimate or beneficial owner of the customer would present any Money Laundering/Terrorist Financing (ML/TF) risk *(for example, blacklisted individuals involved in money laundering; financing of terrorism; politically exposed individuals; etc.)* that may prevent the commercial lender from doing business with the customer. (Y/N)
9. The ownership structure of the customer appears unusual or excessively complex given the nature of the customer's business. (Y/N)
10. The customer is involved in or part of an international structure *(for example, owned by a foreign holding, has foreign affiliates)* and if such involvement has any impact on its activities from a ML/TF risk perspective. (Y/N)
11. The customer is a Personal Asset Holding Vehicle *(that is, legal person or arrangement especially created to hold personal assets for investment presenting a ML/TF risk)*. (Y/N)
12. The customer has nominee shareholders or shares in bearer form. (Y/N)
13. The business relationship is conducted in unusual circumstances *(for example, significant unexplained geographic distance between the financial institution and the customer)*. (Y/N)
14. The customer's business is cash-intensive/reliant. (Y/N)
15. The customer is located in a high-risk geographical location. (Y/N)
16. When performing a customer due diligence, does the regulatory framework require the commercial lender to consider AML/CFT risk factors related to the business activity of the customer *(risk-based approach pertaining to customer's products, services, transactions, geography, or delivery channels (that is, a review that goes beyond the requested loan and involves a general review of the business activities of the applicant))*? (Y/N) *(not scored)*

Does the regulatory framework require the commercial lender to verify whether: (questions 17 through 21)

17. The customer is involved in private banking. (Y/N)
18. The customer had anonymous transactions *(for example, transactions which may include cash)*. (Y/N)
19. The customer's activities include the undertaking of non-face-to-face business relationships or transactions. (Y/N)
20. The customer receives payments from unknown or unassociated third parties. (Y/N)

21. The customer operates or undertakes activities in a high-risk geographical location. (Y/N)

1.1.2 Availability of Enhanced and Simplified CDD Measures

22. Are simplified customer due diligence measures available for low-risk clients applying for commercial loans, under the country's regulatory framework? (Y/N)

23. Does the regulatory framework provide criteria to guide commercial lenders in determining a low-risk client? (Y/N)

24. Are enhanced customer due diligence measures available for high-risk clients applying for commercial loans, under the country's regulatory framework? (Y/N)

25. Does the regulatory framework provide criteria to guide commercial lenders in determining a high-risk client? (Y/N)

1.1.3 Record Keeping of Customer Information

26. Does the regulatory framework prohibit the reliance on customer due diligence previously conducted by the commercial lender itself for existing customers (*unless there are doubts about the accuracy of that information*)? (Y/N, N – good practice)

27. Does the regulatory framework prohibit commercial lenders from relying – partially or completely – on a KYC (*Know Your Customer is the process through which commercial lenders obtain and verify information about the identity of their customer*) conducted by a third party? (Y/N, N – good practice)

28. Does the regulatory framework prohibit commercial lenders in the country from relying on an e-KYC (*Electronic Know Your Customer allows commercial lenders to obtain and verify information about the identity of their customers digitally, without the need for paper documents*) system when performing customer due diligence? (Y/N, N – good practice)

N → provide response to question 29.

29. Are commercial lenders relying on e-KYC systems when performing customer due diligence in practice? (Y/N)

30. Does the regulatory framework require maintaining, for at least five years, all necessary records of customer information, both domestic and international, to enable them to comply swiftly with information requests from the competent authorities? (Y/N)

31. 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 periodical reviews of existing records? (Y/N)

1.1 COMMERCIAL LENDING			
1.1.1 Customer Due Diligence (CDD) and Risk Factors			
Indicators	FFP	SBP	Total Points

Requirement to Conduct CDD and Risk Factors - Legal requirement to conduct CDD - Verification of customer's identity (2) - Verification of direct ownership and control structure of the customer (3) - Verification of beneficial owners of the customer (4) - Verification of the purpose/intended use of the loan (5) - Verification of the geographical location of the customer (6) - Risk factors (customer identity) - Customer risk factors (beneficial owner) (8) - Customer risk factors (ownership structure) (9) - Customer risk factors (involvement in international structure) (10) - Customer risk factors (personal asset-holding vehicles) (11) - Customer risk factors (nominee shareholders or shares in bearer forms) (12) - Customer risk factors (business relationship conducted in unusual circumstances) (13) - Customer risk factors (cash-intensive) (14) - Customer risk factors (located in high-risk geographical location) (15) - Risk factors (product, service, geography, delivery channel) - Product risk factors (private banking) (17) - Product risk factors (anonymous transactions) (18) - Product risk factors (payments received from unknown sources) (19) - Product risk factors (non-face-to-face relation and transactions) (20) - Product risk factors (operations in high-risk geographical location) (21)			
		1	1
		0.05	0.05
		0.05	0.05
		0.05	0.05
		0.05	0.05
		0.05	0.05
		0.06	0.06
		0.06	0.06
		0.05	0.05
		0.05	0.05
		0.05	0.05
	n/a	0.06	0.06
		0.06	0.06
		0.06	0.06
		0.06	0.06
		0.06	0.06
		0.06	0.06
		0.06	0.06
		0.06	0.06
		0.06	0.06
Total Points	0	1	1
1.1.2 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 clients (22)	0.5	0.5	1
- Regulatory guidance to determine low-risk clients (23)	0.5	0.5	1
Enhanced CDD	n/a	1	1
- Enhanced AML/CFT CDD review for high-risk clients (24)	n/a	0.5	0.5
- Regulatory guidance to determine high-risk clients (25)	n/a	0.5	0.5
Total Points	1	2	3
1.1.3 Record Keeping of Customer Information			
Indicators	FFP	SBP	Total Points
CDD for Existing Customers and Record Keeping	1	1	2
- Reliance on CDD for existing customers (26)	0.2	0.2	0.4
- Reliance on CDD undertaken by other institutions (27)	0.2	0.2	0.4
- Regulation for reliance on an eKYC system when performing CDD (28)	0.1	0.1	0.2
- Reliance on eKYC in practice (29)	0.1	0.1	0.2
- Maintain CDD information for period of 5 years (30)	0.2	0.2	0.4
- Ongoing CDD for high-risk clients (31)	0.2	0.2	0.4
Total Points	1	1	2

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 Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Operational Efficiency of Receiving Financial Services are collected through firm-level surveys, using the following parameter:

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES	
Parameters	
Type of Transactions	Transactions under Pillar III are limited to commercial loans.

3.1. LOANS

3.1.1 Obtaining a Loan

- 1. Time to Obtain a Loan:** How many days did it take from the moment the application was submitted until the decision was communicated?
- 2. Obstacles to Obtaining a Loan:** Percent of firms reporting complex procedures, unfavorable interest rates, or collateral too high as main reason for not applying for loans; and percent of firms perceiving access to finance as a constraint.

3.1 LOANS			
3.1.1 Obtaining a Loan			
Indicators	FFP	SBP	Total Points
Time to Obtain a Loan (1)	100 (50%)	n/a	100 (50%)
Obstacles to Obtaining a Loan (2)	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.1.1	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.

SECURED TRANSACTIONS AND COLLATERAL REGISTRIES 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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—QUALITY OF REGULATIONS FOR SECURED TRANSACTIONS	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions.
Type of Transactions	The parameter is used in cases where regulations are different across different types of transactions. Under Pillar I, domestic commercial transactions are considered.

1.2 SECURED TRANSACTIONS

1.2.1 Integrated Legal Framework for Secured Transactions

- 1. 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)**
- 2. Is there a law/regulation that covers the creation, priority, and enforcement of fiduciary transfer of title? (Y/N)**
- 3. Do fiduciary transfers of title have to be registered to be effective against third parties? (Y/N)**
- 4. Is there a law/regulation that covers the creation, priority, and enforcement of financial leases? (Y/N)**
- 5. Do financial lease rights have to be registered to be effective against third parties? (Y/N)**
- 6. Is there a law/regulation that covers the creation, priority, and enforcement of assignment of receivables and outright transfer of receivables? (Y/N)**

7. Do assignments of receivables and outright transfers of receivables have to be registered to be effective against third parties? (Y/N)
8. Is there a law/regulation that covers the creation, priority, and enforcement of retention of title sales? (Y/N)
9. Does retention of title sales have to be registered to be effective against third parties? (Y/N)
10. Are there different rules regarding the creation, priority, and/or enforcement of functional equivalents depending on whether the debtor or the creditor is an incorporated or an unincorporated entity? (Y/N; N – good practice)

1.2.2 Types of Movable Assets, Debts, and Obligations that Can Be Secured

11. 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 (*e.g., the amounts that the debtor is entitled to receive from a buyer of its goods or services*)? (Y/N)
12. 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 (*e.g., “all accounts receivable”*)? (Y/N)
13. Can a debtor grant a secured creditor a non-possessory security interest over only its inventory? (Y/N)
14. Are there any major restrictions or requirements prescribed by law when using inventory as security (*e.g., preserving the stipulated value of inventory, specifically describing the storage location, updating lists*)? (Y/N; N – good practice)
15. According to the law, can the inventory be described in general terms both in the security agreement and when the security interest is registered (*e.g., “all laptop inventories” rather than “PXS laptop, serial number 3278632, metal-colored, 14-inch screen.”*)? (Y/N)
16. Can a debtor grant a secured creditor a non-possessory security interest over only its tangible movable property other than inventory (*e.g., machinery, furniture, livestock, crops, etc.*)? (Y/N)
17. 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 (*e.g., “10 printers” rather than “Canon 11-Color plus Chroma Optimizer 24-inch Printer, serial # 12345”*)? (Y/N)
18. According to the law, can a debtor grant a secured creditor a security interest in a combined category of assets (*e.g., a floating charge or an enterprise charge*)? (Y/N)
19. According to the law, is there a limitation on the assets that can be included in this security interest (*e.g., collateral is accessory to a mortgage, specific description of location of movables, updating of lists of collateral upon change, limit in value*)? (Y/N; N – good practice)

20. According to the law, can this collateral be described in general terms both in the security agreement and when the security interest is registered (e.g., “all combined assets of the enterprise”)? (Y/N)
21. Can a debtor use future assets (e.g., 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)
22. Can a debtor use after-acquired property (e.g., 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)
23. By law, does the security interest automatically extend to “products” of the original collateral (e.g., if the original collateral covers raw materials, such as lumber, the products of this asset would include furniture manufactured with the raw materials)? (Y/N)
24. If the security interest automatically extends to “products” of the original collateral, does it apply to security interest in one category of movable assets (e.g., only accounts receivable, or only inventory, or only tangible movable property)? (Y/N)
25. If the security interest automatically extends to “products” of the original collateral, does it apply to security interests in a combined category of movable assets (e.g., a floating charge or an enterprise charge)? (Y/N)
26. By law, does the security interest automatically extend to “proceeds” of the original collateral (e.g., if the original collateral covers raw materials, such as lumber, the proceeds will include money and receivables received from the sale of the furniture)? (Y/N)
27. If the security interest automatically extends to “proceeds” of the original collateral, does it apply to security interest in one category of movable assets (e.g., only accounts receivable, or only inventory, or only tangible movable property)? (Y/N)
28. If the security interest automatically extends to “proceeds” of the original collateral, does it apply to security interests in a combined category of movable assets (e.g., a floating charge or an enterprise charge)? (Y/N)
29. By law, does the security interest automatically extend to “replacements” of the original collateral (e.g., if the original collateral covers raw materials, such as lumber, the replacements would be another new lumber used in a subsequent manufacturing process)? (Y/N)
30. If the security interest automatically extends to “replacements” of the original collateral, does it apply to security interest in one category of movable assets (e.g., only accounts receivable, or only inventory, or only tangible movable property)? (Y/N)
31. If the security interest automatically extends to “replacements” of the original collateral, does it apply to security interests in a combined category of movable assets (e.g., a floating charge or an enterprise charge)? (Y/N)
32. Can present and future debts and obligations be secured with a single category of movable assets (e.g., only accounts receivable, or only inventory, or only tangible movable property)?
- 32a. Yes, present and future debts and obligations can be secured
- 32b. No, only present debts and obligations can be secured

33. Can all types of fixed debts and obligations be secured with a single category of movable assets (*e.g., only accounts receivable or only inventory, or only tangible movable property*)? (Y/N)
34. Can all types of conditional debts and obligations be secured with a single category of movable assets (*e.g., only accounts receivable or only inventory, or only tangible movable property*)? (Y/N)
35. Can all types of fluctuating debts and obligations be secured with a single category of movable assets (*e.g., only accounts receivable, or only inventory, or only tangible movable property*)? (Y/N)
36. Can present and future debts and obligations be secured with a combined category of movable assets (*e.g., a floating charge or an enterprise charge*)? (Y/N)
37. Can all types of fixed debts and obligations be secured with a combined category of movable assets (*e.g., a floating charge or an enterprise charge*)? (Y/N)
38. Can all types of conditional debts and obligations be secured with a combined category of movable assets (*e.g., a floating charge or an enterprise charge*)? (Y/N)
39. Can all types of fluctuating debts and obligations be secured with a combined category of movable assets (*e.g., a floating charge or an enterprise charge*)? (Y/N)
40. By law, can the obligations be described in general terms in the security agreement and when the security interest is registered (*e.g., “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”*)? (Y/N)
N → provide response to question 41.
41. Please indicate what the description requirements are. (*not scored*)

1.2.3 Priority/Enforcement of Security Interests

42. Does a secured creditor have an absolute priority over all other creditor claims (*such as labor wages or state taxes*), whether unregistered or that were registered later, but before commencement of any court proceedings? (Y/N)
43. Please classify the following types of creditors' claims according to their priority ranking: registered security interests, unregistered tax claims, unregistered labor claims, other claims that rank before registered security interests. (*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. (not scored)*)
44. 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 (*i.e., upon default, may the secured party (i) take possession of the collateral or (ii) sell, exchange, convert into money, collect, or otherwise enforce against the collateral privately or by auction*). (Y/N)
45. Can a sale of the movable asset take place through a public auction? (Y/N)
46. Can a sale of the movable asset take place through a private sale? (Y/N)

47. Does the law allow “pactum commissorium” in your economy (may the secured creditor automatically appropriate the encumbered asset upon default of the debtor)? (Y/N)

48. Is the creditor allowed to acquire the asset as a full repayment of the debt by agreement? (Y/N)

1.2 SECURED TRANSACTIONS			
1.2.1 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 (1 AND 10) OR	1 OR	1 OR	2 OR
<i>If 1 is a No and 10 is a No, points can be assigned as follows:</i>			
- Fiduciary transfer of title and same rules apply for incorporated and non-incorporated debtors and creditors (2 AND 3)	0.12	0.12	0.25
- Financial lease agreement and same rules apply for incorporated and non-incorporated debtors and creditors (4 AND 5)	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 (6 AND 7)	0.12	0.12	0.25
- Retention of title sales and same rules for incorporated and non-incorporated debtors and creditors (8 AND 9)	0.12	0.12	0.25
Total Points	1	1	2
1.2.2 Types of Movable Assets, Debts and Obligations that Can Be Secured			
Indicators	FFP	SBP	Total Points
Security Interest in One Category of Movable Assets (11 AND 12 AND 13 AND 14 AND 15 AND 16 AND 17)	1	1	2
Security Interest in Combined Category of Movable Assets (18 AND 19 AND 20)	1	1	2
Security Interest over Future Assets (21 AND 22 AND 23 AND 24 AND 25 AND 26 AND 27 AND 28 AND 29 AND 30 AND 31)	1	1	2
Debts and Obligations (32 AND 33 AND 34 AND 35 AND 36 AND 37 AND 38 AND 39 AND 40)	1	1	2
Total Points	4	4	8
1.2.3 Priority/Enforcement of Security Interests			
Indicators	FFP	SBP	Total Points
Priority of Claims Outside of Insolvency or Bankruptcy (42)	1	1	2
Enforcement of Security Interests	1	1	2
- Enforcement of security interests out of court (44)			
- Availability of public auction (45)			
- Availability of private sale (46)			
- Availability of <i>pactum commissorium</i> (47 AND 48)			
<i>To obtain a score on this question, the response to 44 must be Yes, in addition to at least two out of the three available methods of enforcement (public auction, private sale, and/or pactum commissorium)</i>			
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II–ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE	
Parameters	
Business Location	The parameter is used in cases where there may be several collateral registries in an economy (that is, federal systems). In case of multiple collateral registries, the one in the largest (most populous) city is considered.

2.2 OPERATION OF COLLATERAL REGISTRIES

2.2.1 Existence of a Centralized and Publicly Available Registry

49. Is the collateral registry in operation? (Y/N)

50. Is the collateral registry (or its database) either centralized geographically for the entire economy or linked among different geographic regions within the economy? *(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).* (Y/N)

51. Is the registration of a non-possessory security interest required in order to be enforceable against third parties? (Y/N)

52. Is the collateral registry limited to security interests granted by certain types of borrowers or creditors *(e.g., incorporated entities, only individuals, commercial banks)?* (Y/N)

53. If different registries exist for different types of debtors *(e.g., incorporated and unincorporated debtors), do the same rules for the creation of the non-possessory security interest and for third-party effectiveness apply?* 53a. OR 53c. – good practice

53a. Yes

53b. No

53c. Different registries do not exist for different types of debtors

54. If different registries exist for different types of assets *(e.g., specific categories of movables assets, or combined categories of movable assets), do the same rules for the creation of the non-possessory security interest and for third-party effectiveness apply?* 54a. OR 54c. – good practice

54a. Yes

54b. No

54c. Different registries do not exist for different types of assets

55. Can everyone, including members of the public, access the data in the registry without restriction from any geographic location in the economy *(e.g., without intermediaries such as registrars, clerks, notaries or without being limited to a certain type of users such as state agencies)?* (Y/N)

56. Does the registry have an electronic database searchable by debtor’s name or unique identifier? (Y/N)

57. Is the collateral searchable by a serial number in the registry? (Y/N)

2.2.2 Notice-based Registry Updates

- 58. Is this a notice-based registry?** *(e.g., a simple notice is submitted electronically from place of business, electronic and/or paper documents are not submitted, such as a copy of the loan contract, or the registry does not have the authority nor the responsibility to request that the agreement is properly executed)* (Y/N)
- 59. Does the registry verify the legality of the transaction once the notice of security interest has been submitted?** (Y/N; N – good practice)
- 60. Does the registry staff review the correctness, completion, and accuracy of the information in the filing of the notice** *(e.g., 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)*? (Y/N; N – good practice)
- 61. 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)

2.2.3 Autonomy of Secured Creditors to Access and Update the Registry

- 62. Are all types of secured creditors, whether incorporated or not, and their representatives allowed to register a security interest with the collateral registry?** (Y/N)
- 63. Is the process of creating an account with the registry done online without the participation or approval of any third party?** (Y/N)
- 64. Does the collateral registry have an online system for searches of security interests?** (Y/N)
- 65. Does the collateral registry have an online system for registrations of security interests?** (Y/N)
- 66. Does the collateral registry have an online system for amendments of security interests?** (Y/N)
- 67. Does the collateral registry have an online system for renewals of security interests?** (Y/N)
- 68. Does the collateral registry have an online system for cancellations of security interests?** (Y/N)
- 69. Do banks in your economy review information from collateral registries to verify borrower's collateral registry records when a loan includes a movable asset?**
69a. Yes
69b. No
69c. There are no operational collateral registries
- 70. How often do the banks use this information?** 70a. – good practice
70a. Always
70b. Sometimes
70c. Rarely

2.2 OPERATION OF COLLATERAL REGISTRIES			
2.2.1 Existence of a Centralized and Publicly Available Registry			
Indicators	FFP	SBP	Total Points
Existence of a Centralized and Publicly Available Registry	1	1	2
- Existence of a collateral registry which is operational (49)	0.25	0.25	0.5
- Registry is centralized or linked among different geographic regions (50 OR 53 AND 54)	0.25	0.25	0.5
- Registration of non-possessory security interest is required, and the registry is open to all types of borrowers or creditors (51 AND 52)	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 (55 AND 56 AND 57)	0.25	0.25	0.5
<i>If the answer is No for question 49, the economy is not eligible to score on the remaining questions; 50 to 70</i>			
Total Points	1	1	2
2.2.2 Notice-based Registry Updates			
Notice-based Registry Updates (58 AND 59 AND 60 AND 61)	1	1	2
Total Points	1	1	2
2.2.3 Autonomy of Secured Creditors to Access and Update the Registry			
Autonomy of Secured Creditors to Access and Update the Registry	1	1	2
- (62 AND 63 AND 64 AND 65 AND 66 AND 67 AND 68)	0.9	0.9	1.8
- Bank verification of collateral registry records (69 AND 70)	0.1	0.1	0.2
Total Points	1	1	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data except for the time for new registration to be reflected in database which used established international standards.

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

Parameters	
Business Location	The parameter is used in cases where there may be several collateral registries in an economy (that is, federal systems). In case of multiple collateral registries, the one in the largest (most populous) city is considered.

3.1 LOANS

3.1.2 Operational Efficiency of Security Interest and Credit Data Update

71. Are there fees associated with the registration of security interests in the collateral registry? (Y/N; N – good practice)
72. Are the fees fixed in accordance with a public-available fee schedule? (Y/N)
73. Please specify the fees in local currency.
74. Is a newly registered security interest simultaneously reflected and retrievable in the system upon registration? (Y/N)
75. Is it retrievable within 1 calendar day from the date of registration? (Y/N)
76. Is it retrievable within 3 calendar days from the date of registration? (Y/N)
77. Please provide in calendar days the time it takes for a newly registered security interest to be reflected and retrievable in the system upon registration.

3.1. LOANS			
3.1.2 Operational Efficiency of Security Interest and Credit Data Update			
Indicators	FFP	SBP	Total Points
Operational Efficiency of Security Interest and Credit Data Update* - Time for new registration to be reflected in database (74 OR 75 OR 76 OR 77) - Fees associated with the registration of security interests (71 OR 72 AND 73) <i>*Respective scores for time to register security and cost to register a security interest, and time to include credit information (data obtained from the Credit Bureaus and Registries questionnaire, Pillar 3 - question 73) will be calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. Average of these scores will be taken to obtain the overall score for the indicator</i>	100 (66.66%)	n/a	100 (66.66%)
Total Points for Subcategory 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.

**Subcategory shared with Credit Bureaus and Registries questionnaire.

E-PAYMENTS 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 “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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

For questions that are scored for both bank and non-bank payment service providers (PSPs), the score will be equally divided between answers for the two kinds of PSPs.

PILLAR I–QUALITY OF REGULATIONS FOR ELECTRONIC PAYMENTS	
Parameters	
Business Location	The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. For the economies where regulations differ across states, regulations for the largest (most populous) city are measured.
Type of Transactions	The parameter is used in cases where regulations are different across different types of transactions. Under Pillar I, domestic e-payment transactions are considered.

1.3 E-PAYMENTS

1. Do electronic payment (e-payments) methods exist in your economy? (Y/N) *(not scored)*

Do the following e-payment methods exist in your economy? (questions 2 through 7)

2. Internet and mobile banking, including direct debit transfer (Y/N) *(not scored)*

3. E-money and e-wallet, excluding mobile money (Y/N) *(not scored)*

4. Mobile money (Y/N) *(not scored)*

5. Debit cards (Y/N) *(not scored)*

6. Credit cards (Y/N) *(not scored)*

7. Are there laws/regulations regarding electronic payments in your country? (Y/N) *(not scored)*

1.3.1 Risk Management

8. Are there provisions in the regulatory framework that mandate external review of regulatory compliance by bank payment service providers? (Y/N)

Does the scope of the review of bank payment service providers cover: (questions 9 through 15)

9. Anti-money laundering/combating of financing of terrorism audit (Y/N)

10. IT (information technology) risk management review (Y/N)

11. Data protection and privacy review (Y/N)

12. Operational and security risk management review (Y/N)

13. Financial risk management review (Y/N)

14. Regulatory reporting review (evaluate whether regulatory reporting requirements are met in a timely manner) (Y/N)

15. Are there provisions in the regulatory framework that mandate external review of regulatory compliance by non-bank payment service providers? (Y/N)

Does the scope of the review of non-bank payment service providers cover: (questions 16 through 21)

16. Anti-money laundering/combating of financing of terrorism audit (Y/N)

17. IT (information technology) risk management review (Y/N)

18. Data protection and privacy review (Y/N)

19. Operational and security risk management review (Y/N)

20. Financial risk management review (Y/N)

21. Regulatory reporting review (evaluate whether regulatory reporting requirements are met in a timely manner) (Y/N)

22. Does the regulatory framework require the implementation of internal controls to safeguard the integrity, authenticity, and confidentiality of data and operating processes of bank payment service providers? (Y/N)

23. Does the regulatory framework require the implementation of internal controls to safeguard the integrity, authenticity, and confidentiality of data and operating processes of non-bank payment service providers? (Y/N)

24. Does the regulatory framework set cybersecurity requirements for bank payment service providers? (Y/N)

Instructions: The answer should be yes if the requirements are part of the payment service provider's licensing process.

25. Does the regulatory framework set cybersecurity requirements for non-bank payment service providers? (Y/N)

Instructions: The answer should be yes if the requirements are part of the payment service provider's licensing process.

26. Does the regulatory framework for e-payments require the development of contingency plans and business continuity procedures in the event of systems and technology failures for bank PSPs? (For example, backup site or process, cyber resilience framework) (Y/N)

Instructions: The answer should be yes if the requirements are part of the payment service provider's licensing process.

27. Does the regulatory framework for e-payments require the development of contingency plans and business continuity procedures in the event of systems and technology failures for non-bank PSPs? (For example, backup site or process, cyber resilience framework) (Y/N)

Instructions: The answer should be yes if the requirements are part of the payment service provider's licensing process.

28. Does the legal or regulatory framework require bank PSPs to guarantee customers' access to their funds (refers to funds placed with the PSP) on demand for withdrawal and payments subject to reasonable restrictions? (Y/N)

Instructions: Reasonable restrictions refer to exceptions including large amounts, time of day, holidays, geographic location, etc.

29. Does the legal or regulatory framework require non-bank PSPs to guarantee customers' access to their funds (refers to funds placed with the PSP) on demand for withdrawal and payments subject to reasonable restrictions? (Y/N)

30. Does the regulatory framework provide for customer usage limits (refers to maximum total daily amount of the transactions executed) for users of bank electronic payment services, directly or through a contractual relationship? (Y/N)

31. Does the regulatory framework provide for customer usage limits (refers to maximum total daily amount of the transactions executed) for users of non-bank electronic payment services, directly or through a contractual relationship? (Y/N)

1.3.2 Consumer Protection

32. Does the regulatory framework provide the bank payment service provider, directly or through contractual relationship, the right to 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 in cases related to security or suspected unauthorized or fraudulent use?

32a. Yes, but only the use of the payment instrument

- 32b. Yes, but only the access to payment accounts
- 32c. Yes, for both
- 32d. No

33. Does the regulatory framework provide the non-bank payment service provider, directly or through contractual relationship, the right to 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 in cases related to security or suspected unauthorized or fraudulent use?

- 33a. Yes, but only the use of the payment instrument
- 33b. Yes, but only the access to payment accounts
- 33c. Yes, for both
- 33d. No

34. For bank PSPs, does the regulatory framework establish the obligations of the payment service user in relation to payment instruments and personalized security credentials, directly or through contractual relationship? (Y/N)

For example, using the payment instrument in accordance with the terms of use, notifying the PSP of the loss, theft, misappropriation, or unauthorized use of the payment instrument, keeping personalized security credentials safe.

35. For non-bank PSPs, does the regulatory framework establish the obligations of the payment service user in relation to payment instruments and personalized security credentials, directly or through contractual relationship? (Y/N)

For example, using the payment instrument in accordance with the terms of use, notifying the PSP of the loss, theft, misappropriation or unauthorized use of the payment instrument, keeping personalized security credentials safe.

36. Is the bank payment service provider required to verify the identity of a payment service user (authentication) prior to the execution of payment transactions? (Y/N)

37. Is the non-bank payment service provider required to verify the identity of a payment service user (authentication) prior to the execution of payment transactions? (Y/N)

38. Does the regulatory framework require the bank payment service provider to allow 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? (Y/N)

39. Does the regulatory framework require the non-bank payment service provider to allow 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? (Y/N)

40. Does the regulatory framework include provisions that protect customer funds held with non-bank payment service providers? (Y/N)

41. Does the regulation require separation of funds of the customer from the funds of non-bank PSP? (Y/N)

42. Does the regulation require non-bank PSPs to deposit customer funds with the central bank? (Y/N)
43. Does the regulation prohibit the use of customer funds for purposes other than redeeming e-money and executing fund transfers? (Y/N)
44. Does the regulation require prudential supervision of the non-bank PSPs? (Y/N)
45. Does the regulation explicitly protect customer funds from the potential bankruptcy/insolvency of the non-bank PSP? (Y/N)
46. Does the regulation explicitly protect customer funds from the potential bankruptcy/insolvency of any bank or other institution in which the customers' funds are deposited/placed by the non-bank PSP? (Y/N)
47. Does the regulatory framework require insurance of customer funds held by non-bank payment service providers? (Y/N)

Please specify which of the following provisions are in the regulatory framework requiring insurance of customer funds held by non-bank payment service providers: (questions 48 through 51)

48. A deposit insurance fund that extends to non-bank PSPs (Y/N)
49. A deposit insurance fund that covers customer funds of non-bank PSPs deposited with commercial banks (Y/N)
50. A requirement of commercial insurance for customer funds held with non-bank PSPs (Y/N)
51. A customer guarantee fund available to non-bank PSPs (Y/N)
52. Does the regulatory framework for bank payment service providers require a notification about suspicious activity? (Y/N)
53. Does the regulatory framework for non-bank payment service providers require a notification about suspicious activity? (Y/N)
54. Does the regulatory framework for bank payment service providers require a rectification of unauthorized or incorrectly executed e-payment transactions? (Y/N)
55. Does the regulatory framework for non-bank payment service providers require a rectification of unauthorized or incorrectly executed e-payment transactions? (Y/N)
56. Does the regulatory framework include provisions on liability for fraud related to E-payments? (Y/N)
57. Does the regulatory framework define the bank payment service provider's liability for unauthorized payment transactions? (Y/N)

58. Does the regulatory framework define the non-bank payment service provider's liability for unauthorized payment transactions? (Y/N)

59. Does the regulatory framework set a maximum amount of the consumer's financial liability for unauthorized payment transactions, where the consumer did not act fraudulently? (Y/N)

Does the regulatory framework require the following from bank payment service providers:
(questions 60 through 65)

60. The disclosure of all fees for the use of e-payment (Y/N)

61. Notifying user about changes in fees (Y/N)

62. Disclosure of liability (Y/N)

63. Disclosure of the use of customer data (Y/N)

64. Written policies for complaints handling procedure and system (Y/N)

65. General terms of services (*for example, speed of processing, resolution time for any errors, etc.*) (Y/N)

Does the regulatory framework require the following from non-bank payment service providers:
(questions 66 through 71)

66. The disclosure of all fees for the use of e-payment (Y/N)

67. Notifying user about changes in fees (Y/N)

68. Disclosure of liability (Y/N)

69. Disclosure of the use of customer data (Y/N)

70. Written policies for complaints handling procedure and system (Y/N)

71. General terms of services (*for example, speed of processing, resolution time for any errors, etc.*) (Y/N)

72. Does the regulatory framework require bank payment service providers to make available a dispute resolution mechanism? (Y/N)

73. Does the regulatory framework require non-bank payment service providers to make available a dispute resolution mechanism? (Y/N)

74. Is there a time limit in which the payment/charge can be disputed with bank payment service providers? (Y/N)

75. Is there a time limit in which the payment/charge can be disputed with non-bank payment service providers? (Y/N)

76. Is the bank payment service provider required to acknowledge receipt of dispute notice? (Y/N)

77. Is the non-bank payment service provider required to acknowledge receipt of dispute notice? (Y/N)
78. Are bank payment service providers required to have an independent unit or a representative in charge of dispute resolution? (Y/N)
79. Are non-bank payment service providers required to have an independent unit or a representative in charge of dispute resolution? (Y/N)
80. Does the regulatory framework establish an independent governmental authority that parties can resort to in case the dispute was not resolved internally with the bank payment service provider? (Y/N)
81. Does the regulatory framework establish an independent governmental authority that parties can resort to in case the dispute was not resolved internally with the non-bank payment service provider? (Y/N)
82. In case a dispute is pending resolution with a bank payment service provider, is there a restriction in the law or regulation to continue collecting on undisputed transactions (*when applicable*)? (Y/N, N – good practice)
83. In case a dispute is pending resolution with a non-bank payment service provider, is there a restriction in the law or regulation to continue collecting on undisputed transactions (*when applicable*)? (Y/N, N – good practice)

1.3.3 Interoperability of Payment Systems and Promotion of Competition

84. How is the level and extent of interoperability of bank payment service providers characterized in the jurisdiction?

Note: This question refers to interoperability of PSPs within the economy and does not cover cross-border payments.

- 84a. A payer can make payment from his/her payment service provider to only payees with the same payment service provider
- 84b. A payer can make payment to payees in most payment service providers
- 84c. A payer can make a payment to payees in all payment service providers, including non-bank PSPs

85. How is the level and extent of interoperability of non-bank payment service providers characterized in the jurisdiction?

Note: This question refers to interoperability of PSPs within the economy and does not cover cross-border payments.

- 85a. A payer can make payment from his/her payment service provider to only payees with the same payment service provider
- 85b. A payer can make payment to payees in most payment service providers
- 85c. A payer can make a payment to payees in all payment service providers, including bank PSPs

Does the regulatory framework include fair competition provisions for the following? (questions 86 through 91)

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.

86. Electronic payment service providers (Y/N)

87. Payment systems (Y/N)

88. Instruments (Y/N)

89. Products (Y/N)

90. Business models (Y/N)

91. Channels (Y/N)

92. Does the regulatory framework grant new payment service providers, instruments, products, business models and channels equal access to the market as to the existing participants?

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.

92a. Yes, there are provisions that directly grant equal access

92b. No, equal access is granted indirectly through the lack of restrictions

92c. No, there are restrictions/limitations in the framework denying equal access

93. Do the rules/procedures for registration and licensing apply 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) (not scored)

94. Does the regulatory framework set functional requirements (types of functional requirements can be an external interface, transaction processing, authentication, authorization levels, technical standards, etc.) for payment service providers? (Y/N)

95. Are the functional requirements applied proportionately to all payment service providers? (Y/N) (not scored)

1.3 E-PAYMENTS			
1.3.1 Risk Management			
Indicators	FFP	SBP	Total Points
External Review and Internal Control	1	1	2
For bank PSP			
- External review of regulatory compliance of bank payment service providers (PSP) (8)	0.125	0.125	0.25
Scope of review for bank PSP			
- AML/CFT audit (9)	0.020	0.020	0.04

- IT risk management review (10)	0.020	0.020	0.04
- Data protection and privacy review (11)	0.020	0.020	0.04
- Operational and security risk management review (12)	0.020	0.020	0.04
- Financial risk management review (13)	0.020	0.020	0.04
- Regulatory reporting review (14)	0.020	0.020	0.04
Implementation of internal controls for bank PSP (22)	0.250	0.250	0.50
External Review and Internal Control			
For non-bank PSP			
- External review of regulatory compliance of non-bank payment service providers (PSP) (15)	0.125	0.125	0.25
Scope of review for non-bank PSP			
- AML/CFT audit (16)	0.020	0.020	0.04
- IT risk management review (17)	0.020	0.020	0.04
- Data protection and privacy review (18)	0.020	0.020	0.04
- Operational and security risk management review (19)	0.020	0.020	0.04
- Financial risk management review (20)	0.020	0.020	0.04
- Regulatory reporting review (21)	0.020	0.020	0.04
Implementation of internal controls for non-bank PSP (23)	0.250	0.250	0.50
Cybersecurity and Operational Risk			
- Requirement for cybersecurity for bank PSP (24)	1	1	2
- Requirement for cybersecurity for non-bank PSP (25)	0.25	0.25	0.5
- Requirement for a contingency plan for bank PSP (26)	0.25	0.25	0.5
- Requirement for a contingency plan for non-bank PSP (27)	0.25	0.25	0.5
Liquidity Risk			
- Requirements to ensure customers have access to funds for bank PSP (28)	1	1	2
- Requirements to ensure customers have access to funds for non-bank PSP (29)	0.25	0.25	0.5
- Customer usage limits for bank PSP (30)	0.25	0.25	0.5
- Customer usage limits for non-bank PSP (31)	0.25	0.25	0.5
Total Points	3	3	6
1.3.2 Consumer Protection			
Indicators	FFP	SBP	Total Points
Obligations of User and Payment Service Provider (PSP)			
- Limits on use of payment instrument and access to payment accounts in bank PSP (32)*	1	1	2
- Limits on use of payment instrument and access to payment accounts in non-bank PSP (33)*	0.167	0.167	0.33
- Obligations of user in relation to payment instrument and security credentials for bank PSP (34)	0.167	0.167	0.33
- Obligations of user in relation to payment instrument and security credentials for non-bank PSP (35)	0.167	0.167	0.33
- Bank PSP verifies the identity of a payment service user (authentication) prior to the execution of payment transaction (36)	0.167	0.167	0.33
- Non-bank PSP verifies the identity of a payment service user (authentication) prior to the execution of payment transaction (37)	0.167	0.167	0.33
<i>*A score of 0.167 is allotted if limits are for both payment instruments and payment accounts. A score of 0.08 is granted if limit is only for payment instruments or only for payment accounts</i>			
Cancellation, Protection of Funds and Liabilities			
- Allow for cancellation or modification of payment transaction by payer unilaterally up to processing time for bank PSP (38)	1	1	2
	0.062	0.062	0.125
	0.062	0.062	0.125

- Allow for cancellation or modification of payment transaction by payer unilaterally up to processing time for non-bank PSP (39)	0.062	0.062	0.125
- Protection of customer funds held with non-bank PSP (40)	0.062	0.062	0.125
Customer funds (41-46) *			
- Separation of customer funds in non-bank PSP (41)			
- Non-bank PSP to deposit customer funds with central bank (42)			
- Prohibit use of customer funds for purposes other than redeeming e-money and executing fund transfers for non-bank PSP (43)			
- Prudential supervision of non-bank PSP (44)			
- Protection of customer funds from bankruptcy/insolvency of non-bank PSP (45)			
- Protection of customer funds from bankruptcy/insolvency of any financial institution where said funds are held (46)	0.062	0.062	0.125
- Insurance requirements of customer funds held by non-bank PSP (47)	0.062	0.062	0.125
- Insurance of funds (48-51)*			
- Deposit insurance fund that extends to non-bank PSP (48)			
- Deposit insurance fund that covers customer of non-bank PSP deposited with banks (49)			
- Requirement for commercial insurance for customer funds held with non-bank PSP (50)			
- Customer guarantee funds for non-bank PSP (51)	0.062	0.062	0.125
- Requirement for notification about suspicious activity for bank PSP (52)	0.062	0.062	0.125
- Requirement for notification about suspicious activity for non-bank PSP (53)	0.062	0.062	0.125
- Requirement for notification about suspicious activity and to rectify unauthorized or incorrectly executed transactions for bank PSP (54)	0.062	0.062	0.125
- Requirement for notification about suspicious activity and to rectify unauthorized or incorrectly executed transactions for non-bank PSP (55)	0.125	0.125	0.250
- General provisions on liability for fraud (56)	0.062	0.062	0.125
- Bank PSP liability for unauthorized payments (57)	0.062	0.062	0.125
- Non-bank PSP liability for unauthorized payments (58)	0.125	0.125	0.250
- Payer's maximum amount of financial liability for unauthorized payment (59)			
<i>*The full score will be granted if any of the questions is answered as yes</i>			
Fee Disclosure and Change Notifications	1	1	2
For bank PSP			
- Disclosure of all fees for use of e-payment (60)	0.25	0.25	0.5
- Notify user about changes in fees (61)	0.25	0.25	0.5
For non-bank PSP			
- Disclosure of all fees for use of e-payment (66)	0.25	0.25	0.5
- Notify user about changes in fees (67)	0.25	0.25	0.5
Disclosure of Liability, Data Use, and Dispute Mechanisms	1	1	2
For bank PSP:			
- Disclosure of liability (62)	0.125	0.125	0.25
- Disclosure of use of customer data (63)	0.125	0.125	0.25
- Written policies for complaints handling procedures (64)	0.125	0.125	0.25
- General terms of services (65)	0.125	0.125	0.25

For non-bank PSP:			
- Disclosure of liability (68)	0.125	0.125	0.25
- Disclosure of use of customer data (69)	0.125	0.125	0.25
- Written policies for complaints handling procedures (70)	0.125	0.125	0.25
- General terms of services (71)	0.125	0.125	0.25
Disputing a Transaction	1	1	1
- Time limit in which payment can be disputed in bank PSP (74)	0.167	0.167	0.33
- Time limit in which payment can be disputed in non-bank PSP (75)	0.167	0.167	0.33
- Bank PSP to acknowledge receipt of dispute notice (76)	0.167	0.167	0.33
- Non-bank PSP to acknowledge receipt of dispute notice (77)	0.167	0.167	0.33
- Recipient continue collecting undisputed charges while a dispute is pending resolution in bank PSP (82)	0.167	0.167	0.33
- Recipient continue collecting undisputed charges while a dispute is pending resolution in non-bank PSP (83)	0.167	0.167	0.33
Availability of Dispute Mechanisms	1	1	2
- Bank PSP to have independent unit in charge of dispute resolution (78)	0.167	0.167	0.33
- Non-bank PSP to have independent unit in charge of dispute resolution (79)	0.167	0.167	0.33
- Requirement to make available dispute resolution mechanism in bank PSP (72)	0.167	0.167	0.33
- Requirement to make available dispute resolution mechanism in non-bank PSP (73)	0.167	0.167	0.33
- Availability of independent governmental authority as a resort for disputes that were not resolved internally of bank PSP (80)	0.167	0.167	0.33
- Availability of independent governmental authority as a resort for disputes that were not resolved internally of non-bank PSP (81)	0.167	0.167	0.33
Total Points	6	6	12
1.3.3 Interoperability of Payment Systems 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 for bank PSP (84)	0.5	0.5	1
- Level and extent of interoperability characterized in the jurisdiction for non-bank PSP (85)	0.5	0.5	1
<i>A full score is allotted if interoperability is across all or most payment service providers (including non-bank PSPs). No points are allotted if interoperability is among same payment service providers</i>			
Fair Competition	1	1	2
- Fair competition provisions (86 to 91)*	1	1	2
<i>*Full score of 1 is allotted only if fair competition provisions are considered for all questions</i>			
Equal Access and Treatment of Different PSPs	1	1	2
- Providing new PSPs equal access to market as existing participants (92)*	0.5	0.5	1
- Functional requirements for PSP (94)	0.5	0.5	1
<i>*Score is allotted if equal access is either granted directly through provisions in the regulatory framework or indirectly through lack of restrictions</i>			
Total Points	3	3	6

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Operational Efficiency of Receiving Financial Services are collected through firm-level surveys, using the following parameters:

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES	
Parameters	
Type of Transaction	Under Pillar III, commercial transactions are considered only (e.g., payments to government or payroll are not included).

3.2. E-PAYMENTS

3.2.1 Cost of e-Payments

1. **Cost to receive an e-payment:** As a percentage of a typical transaction, how much does it cost to accept payments?
2. **Cost to make an e-payment:** As a percentage of a typical transaction, how much does it cost to make payments?

3.2.2 Time to Receive e-Payments

3. **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?

3.2.3 Usage Level of e-Payments

4. **Usage level of 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?
5. **Usage level of 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?

3.2 E-PAYMENTS			
3.2.1 Cost of e-Payments			
Indicators	FFP	SBP	Total Points
Cost of Receiving e-Payments (1)	100 (50%)	n/a	100 (50%)

Cost of Making e-Payment (2)	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Time to Receive e-Payments			
Indicators	FFP	SBP	Total Points
Time to Receive e-Payments (3)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.2	100	n/a	100
3.2.3 Usage Level of e-Payments			
Indicators	FFP	SBP	Total Points
Usage level of Receiving e-Payments (4)	100 (50%)	n/a	100 (50%)
Usage Level of Making e-Payments (5)	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.2.3	100	n/a	100
Total Points for Category 3.2	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.

CREDIT BUREAUS AND REGISTRIES 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 “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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR II–ACCESSIBILITY OF INFORMATION IN CREDIT INFRASTRUCTURE

2.1 OPERATION OF CREDIT BUREAUS AND REGISTRIES

- 1. Is there a law or regulation that regulates the establishment and operation of credit reporting agency? (Y/N) *(not scored)***
- 2. Please list all credit bureaus and/or registries operating in your economy. *(not scored)***

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 non-regulated entities. Please provide the number of individuals and firms listed in the database of the credit reporting agency with at least 1 credit reference (positive or negative) from January 2, 2019, to January 1, 2024.

- 3. Number of Individuals - As of January 1, 2024 *(coverage rate)***
(List the number of 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).
- 4. Number of Firms - As of January 1, 2024 *(coverage rate)***
(List the number of firms, NOT the number of credit references – a firm who has 4 loans would be counted as 1 firm even if there are 4 credit references listed for the firm in the database).

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 reporting agency in the period between January 2, 2023, and January 1, 2024.

- 5. Number of Individuals - January 2, 2023 – January 1, 2024 *(coverage rate)***

(List the number of 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).

6. Number of Firms - January 2, 2023 – January 1, 2024 (coverage rate)

(List the number of firms, NOT the number of credit inquiries - A firm about whose credit history 3 lenders have inquired would be counted as 1 firm, even if there are 3 credit inquiries recorded in the database).

7. Please enter the date (month/year) of establishment (when the credit reporting agency was legally authorized to operate as a bureau or a registry) of the credit reporting agency. (use for cut-off date)

8. Please enter the date of the actual start of operations (when the Credit Reporting Agency started issuing credit reports). (use for cut-off date)

9. Are data on loans for individuals being collected from financial institutions? (Y/N) (not scored)
(The question refers to data on individuals and not on group of individuals).

10. Are data on loans for individuals being shared with financial institutions? (Y/N)
(The question refers to data on individuals and not on group of individuals).

11. Once requested, are data on original amount of loan for individuals shared with financial institutions?

- 11a. Always
- 11b. Only after a default
- 11c. Never

12. Once requested, are data on outstanding amount of loan for individuals shared with financial institutions?

- 12a. Always
- 12b. Only after a default
- 12c. Never

Which of the following data on loan payments of individuals are shared with Financial Institutions?
(questions 13 through 17)

13. On-time payments (Y/N)

14. Historical patterns of repayments (Y/N) (not scored)

15. Defaults or restructured debts (for example, number and amount of defaults or restructured debts) (Y/N)

16. Arrears or late payments (for example, number and amount of arrears or late payments) (Y/N)

17. Number of days a loan is overdue (Y/N) (not scored)

18. After how many days does your credit reporting agency define the late payments of individuals as arrears? (not directly scored - DV)

19. After how many days does your credit reporting agency define the late payments of individuals as defaults? (not directly scored - DV)

20. Are data on loans for firms being collected from financial institutions? (Y/N) *(not scored)*
21. Are data on loans for firms being shared with financial institutions? (Y/N)
22. Once requested, are data on original amount of loan for firms shared with financial institutions?
 22a. Always
 22b. Only after a default
 22c. Never
23. Once requested, are data on outstanding amount of loan for firms shared with financial institutions?
 23a. Always
 23b. Only after a default
 23c. Never

Which of the following data on loan payments of firms are shared with Financial Institutions?
 (questions 24 through 30)

24. On-time payments (Y/N)
25. Historical patterns of repayments (Y/N) *(not scored)*
26. Defaults or restructured debts *(for example number and amount of defaults or restructured debts)* (Y/N)
27. Arrears or late payments *(for example number and amount of arrears or late payments)* (Y/N)
28. Number of days a loan is overdue (Y/N) *(not scored)*
29. After how many days does your credit reporting agency define the late payments of individuals as arrears? *(not directly scored - DV)*
30. After how many days does your credit reporting agency define the late payments of individuals as default? *(not directly scored - DV)*

Which of the following institutions in your economy submit information to the credit reporting agency or retrieve information from it (or both)? (questions 31 through 40)

31. Financial Institutions
 31a. Submit information
 31b. Retrieve information
 31c. Both
 31d. No
32. Microfinance Institutions
 32a. Submit information
 32b. Retrieve information
 32c. Both
 32d. No
33. Cooperatives

- 33a. Submit information
- 33b. Retrieve information
- 33c. Both
- 33d. No

34. Retailers and Merchants

- 34a. Submit information
- 34b. Retrieve information
- 34c. Both
- 34d. No

35. Utility Companies

- 35a. Submit information
- 35b. Retrieve information
- 35c. Both
- 35d. No

36. Courts

- 36a. Submit information
- 36b. Retrieve information
- 36c. Both
- 36d. No

37. Tax companies

- 37a. Submit information
- 37b. Retrieve information
- 37c. Both
- 37d. No

38. Rental properties

- 38a. Submit information
- 38b. Retrieve information
- 38c. Both
- 38d. No

39. Internet and Mobile Phones companies

- 39a. Submit information
- 39b. Retrieve information
- 39c. Both
- 39d. No

40. E-commerce platforms

- 40a. Submit information
- 40b. Retrieve information
- 40c. Both
- 40d. No

41. Does the regulatory framework allow cross border credit information sharing? (Y/N) (*not scored*)

42. Does your credit reporting agency share credit information cross-border in practice? (Y/N)

43. Does the credit reporting agency use technical reporting codes or special reporting to identify crises-related data (e.g., financial, health, and climate related arrears)? (Y/N)

44. For how many years is positive data preserved in the database?

If positive data is preserved forever or until the borrowers exit the Credit Reporting Agency, please enter "99."

45. For how many years is positive data shared in credit reports?

If positive data is shared forever or until the borrowers exit the Credit Reporting Agency, please enter "99."

46. For how many years is negative data preserved in the database?

If negative data is preserved forever or until the borrowers exit the Credit Reporting Agency, please enter "99."

47. For how many years is negative data shared in credit reports?

If negative data is shared forever or until the borrowers exit the Credit Reporting Agency, please enter "99."

48. If you collect information on Default or Restructured Debts, after how long is this information erased from the credit report if repaid?

48a. Immediately

48b. Never

48c. After a certain period of time

49. Please specify the duration in years, when applicable.

50. If you collect information on Default or Restructured Debts, after how long is this information erased from the credit report if NOT repaid?

50a. Immediately

50b. Never

50c. After a certain period of time

51. Please specify the duration in years, when applicable.

52. If you collect information on Arrears or Late Payments, after how long is this information erased from the credit report if repaid?

52a. Immediately

52b. Never

52c. After a certain period of time

53. Please specify the duration in years, when applicable.

54. If you collect information on Arrears or Late Payments, after how long is this information erased from the credit report if NOT repaid?

54a. Immediately

54b. Never

54c. After a certain period of time

55. Please specify the duration in years, when applicable.

56. Please provide comments or additional details on whether there are different rules on the deletion of different types of information from the credit report. (not directly scored - DV)

If no comments need to be added, please enter "None".

57. What is the minimum loan size (in local currency) that is included in the database, if any?

If your credit reporting agency has no minimum loan requirement, please enter "0". If different minimum loan amounts apply to individuals and firms, please use the lesser amount.

58. Is a borrower's right to access their own credit data guaranteed by law or regulation? (Y/N)

59. Does the law or regulation establish the right of the borrower to request corrections of any mistakes in the data? (Y/N)

60. What is the cost in local currency for borrowers to access their data? Please enter the cost in local currency.

61. Can the borrower access their credit data online? (Y/N)

62. Does the law or regulation require a notification to the customer/borrower of negative information reported to the credit reporting agency? (Y/N)

63. Do banks and other financial institutions have online access to the data of the credit reporting agency? (Y/N)

Y → provide response to question 64.

64. By which means do banks and other financial institutions access the data of the credit reporting agency? (not scored)

64a. Through a web interface

64b. Through system-to-system connection

65. 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 reporting agency, please confirm so. (not scored)

65a. Date

65b. Available since the start of operations

66. Does your credit reporting agency provide credit scores as a value-added service to banks and other financial institutions? (Y/N)

67. When did your credit reporting agency start providing the credit scoring service? (DATE MM/YYYY) (not scored)

68. If the Credit Reporting Agency 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)

68a. Yes, explanations on how to interpret a credit score only

68b. Yes, explanation on what elements can affect a borrower's score only

68c. Yes, both

68d. No

69. Do banks in your economy review credit information from the Credit Reporting Agency upon deciding on a loan application? (Y/N)

70. If yes, how often do the banks use the credit information obtained from credit bureaus or registries before deciding on a loan application?

70a. Always

70b. Sometimes

70c. Rarely

2.1 OPERATION OF CREDIT BUREAUS AND REGISTRIES			
2.1.1 Data Coverage			
Indicators	FFP	SBP	Total Points
Data Coverage	1	1	2
- Data on firms and individuals are shared (10 AND 21)*	0.40	0.40	0.80
- Data from alternative sources are shared in addition to data from financial institutions (31 to 40)**	0.40	0.40	0.80
- Cross-border information sharing (42)	0.10	0.10	0.20
- Crisis reporting (43)	0.10	0.10	0.20
<i>*A full score is granted if responses are “yes” for both borrowers</i> <i>** In addition to financial institutions (Private commercial banks, Public commercial banks or Public development banks), data from 4 out the 9 alternative sources (Microfinance institutions, Cooperatives, Retailers and merchants, Utility companies, Court, Taxes, Rental data, Internet, mobile phones and E-Commerce platforms) are shared</i>			
Total Points	1	1	2
2.1.2 Types of Data Shared			
Types of Data Shared	1	1	2
- Both positive credit information and negative information are shared (11 to 13 AND 15 AND 16 AND 22 to 24 AND 26 AND 27)*	0.33	0.33	0.66
- At least two years of historical data are shared (44 to 55)**	0.33	0.33	0.66
- Data on loan amounts below 1% of income per capita are shared (57)***	0.33	0.33	0.66
<i>* The coding rule for positive info: must provide on-time payments AND either original or outstanding loan amount</i> <i>The coding rule for negative info: must provide BOTH defaults/cancelled debts AND arrears/late payments</i> <i>If the agency distributes info for both firms and individuals, positive and negative data must be provided for both to get full point</i> <i>** At least two years of historical data are shared. Credit bureaus and registries that erase data on defaults as soon as they are repaid or distribute negative information more than 10 years after defaults are repaid receive a score of 0 for this component</i> <i>*** Minimum loan amount must be lower than 1% of GNI per capita to obtain a score on this question</i>			
Total Points	1	1	2
2.1.3 Additional Services and Borrower’s Access to Information			
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 reporting agency (58 to 61)* OR	0.30 OR	0.30 OR	0.60 OR
- Notification of negative information (62)	0.15	0.15	0.30

* If by law, borrowers have the right to access their data (access is inexpensive, online and borrowers have the right to request fixing the data) in the credit bureau or registry in the economy, half of the point is granted. Another half point is granted if law or regulation requires a notification to the customer/borrower of negative information reported) Cost must be lower than 1% of GNI per capita to obtain a score on this data point			
- Banks and other financial institutions have online access to credit information (63)	0.30	0.30	0.60
- Credit reporting agency offers credit scores as a value-added service (66)	0.30	0.30	0.60
- Borrower's credit information is always verified in practice (69 AND 70a.) OR	0.10 OR	0.10 OR	0.20 OR
- Borrower's credit information is sometimes verified in practice (69 AND 70b.)	0.05	0.05	0.10
Total Points	1	1	2

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—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers for the time it takes for information to be reflected in a credit report database are identified according to the thresholds established by international standards.

3.1 LOANS

3.1.2 Operational Efficiency of Security Interest and Credit Data Update

71. Does the regulatory framework require that the reported credit information be reflected in the database within a certain time? (Y/N) (not scored)

72. What is the timeliness requirement in calendar days? (not scored)

73. How many calendar days does it take in practice from the moment the information is submitted to the Credit Reporting Agency for it to be reflected in the credit report?

3.1. LOANS			
3.1.2 Operational Efficiency of Security Interest and Credit Data Update			
Indicators	FFP	SBP	Total Points
Operational Efficiency of Security Interest and Credit Data Update* - Time for credit information to be reflected in credit report from the moment credit reporting agency received such information (73) <i>*Respective scores for time to register a security interest and cost to register a security interest (data obtained from the Secured Transactions</i>	100 (33.33%)	n/a	100 (33.33%)

<i>and Collateral Registries questionnaire, question 71 to 76), and time to include credit information will be calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. Average of these scores will be taken to obtain the overall score for the indicator</i>			
Total Points for Subcategory 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.

***Subcategory shared with Secured Transactions and Collateral Registries questionnaire.*

CHAPTER 7. INTERNATIONAL TRADE—METHODOLOGY NOTE

I. MOTIVATION

International trade is a key driver of economic growth and private sector development. Through fostering 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, international trade can generate overall benefits for the private sector and society.² 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, as well as facilitating knowledge and technology transfers.⁴ Increased access to foreign inputs may enhance productivity and export performance, and it may provide opportunities to diversify the economy and reduce its dependence on a single product or market. This shows the complementarities between exports and imports and emphasizes the importance of trade openness to reap the full benefits of international trade.⁵

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, as well as on relevant public services. A regulatory framework that establishes a non-discriminatory, 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, which may result in the imposition of restrictive trade measures that can create market distortions that impede trade.⁶ 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 that improve the quality of physical and digital infrastructure, as well as border management, enable the private sector to maximize benefits and minimize the burden imposed 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, and increase participation in international trade for small, medium, and large firms.⁷ By doing so, firms can leverage increased competition, economies of scale, and access to higher-quality inputs, to increase productivity, hence benefiting the private sector as well as the broader economy.

II. INDICATORS

The International Trade topic measures different aspects of international trade—trade in goods, trade in services, and digital trade—across three different dimensions, here referred to as pillars. The first pillar assesses the quality of regulations 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 assesses digital and physical infrastructure concerning international trade and the quality of border management, thus assessing de facto provision of public services for international trade facilitation. The third pillar measures the time and cost to comply with import and export requirements, participation in cross-border digital trade, as well as certain perceived major obstacles for international 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. 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 summarizes all three pillars and 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 (104 indicators)	
1.1	Practices Supporting International Trade (42 indicators)
1.1.1	International Trade in Goods and Services (14 indicators)
1.1.2	Digital and Sustainable Trade (includes gender and environment) (14 indicators)
1.1.3	International Trade Cooperation (14 indicators)
1.2	Regulatory Restrictions on International Trade (62 indicators)
1.2.1	Restrictions on International Trade in Goods (includes gender) (25 indicators)
1.2.2	Restrictions on International Trade in Services (22 indicators)
1.2.3	Restrictions on Digital Trade (15 indicators)
Pillar II—Quality of Public Services for the Facilitation of International Trade (53 indicators)	
2.1	Digital and Physical Infrastructure (32 indicators)
2.1.1	Electronic Systems and Interoperability of Services (10 indicators)
2.1.2	Transparency and Availability of Information (12 indicators)
2.1.3	Trade Infrastructure (10 indicators)
2.2	Border Management (21 indicators)
2.2.1	Risk Management (8 indicators)
2.2.2	Coordinated Border Management (7 indicators)
2.2.3	Trusted Trader Programs (6 indicators)
Pillar III—Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade (7 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	Participation in Cross-Border Digital Trade (1 indicator)
3.3.1	Share of Trading Firms Exporting Digitally Ordered Goods (1 indicator)
3.4	Perceived Major Obstacles: Customs and Trade Regulations, and Transportation (2 indicators)
3.4.1	Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints (1 indicator)
3.4.2	Share of Firms Identifying Transportation as Major or Severe Constraint (1 indicator)

1. PILLAR I. QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE

Table 2 shows the structure for Pillar I, Quality of Regulations for 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 for International Trade

1.1	Practices Supporting International Trade
1.1.1	International Trade in Goods and Services
1.1.2	Digital and Sustainable Trade (includes gender and environment)
1.1.3	International Trade Cooperation
1.2	Regulatory Restrictions on International Trade
1.2.1	Restrictions on International Trade in Goods (includes gender)
1.2.2	Restrictions on International Trade in Services
1.2.3	Restrictions on Digital Trade

1.1 Practices Supporting International Trade

Category 1.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 International Trade in Goods and Services

This set of indicators measures the adequacy of the legal framework on international trade in goods and services. The implementation of international standards, 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.⁸ Similarly, setting a duty de minimis rule reduces the time and cost associated with imports and exports of low-value consignments, promoting firms' access to cross-border trade.⁹ Therefore, Subcategory 1.1.1–International Trade in Goods and Services comprises fourteen indicators (table 3).

Table 3. Subcategory 1.1.1–International Trade in Goods and Services

	Indicators	Components
1	Establishment of Maritime Single Window Environment*	Establishment in the domestic legal framework of an interoperable maritime single window environment
2	Temporary Admission of Goods	Provision in the domestic legal framework for the temporary admission of goods by adopting standardized international Customs documents
3	Rules on Liability of Carriers*	Existence in the domestic legal framework of rules defining the liability of carriers for loss or damage to goods during maritime transport
4	Simplified Visa Regime–Foreign Crew Members and Service Providers**	Existence in the domestic legal framework of a simplified visa regime for foreign crew members and service providers in the following services sub-sectors: i) Maritime Freight ii) Road Freight iii) Air Freight
5	Reasons for License Rejection, Suspension, and Cancellation (Freight Transport)**	Requirement in the domestic legal framework to provide applicants with reasons for rejection, suspension, or cancellation of licenses granted in the following freight transport services: i) Maritime Freight ii) Road Freight iii) Air Freight
6	Reasons for License Rejection, Suspension, and Cancellation (Logistics Services)	Requirement in the domestic legal framework to provide applicants with reasons for rejection, suspension, or cancellation of licenses granted in the following logistic services: i) Cargo Handling, Storage and Warehousing ii) Customs Brokerage
7	Right to Appeal (Goods)–Administrative	Existence of a right of direct exporters and importers or their authorized representatives to administratively appeal all regulatory decisions of the responsible administrative authority in areas affecting international trade in goods
8	Right to Appeal (Goods)–Judicial	Existence of a right of direct exporters and importers or their authorized representatives to judicially appeal regulatory decisions of the responsible administrative authority to the courts in areas affecting international trade in goods
9	Right to Appeal (Services)–Administrative (Freight Transport)**	Existence of a right of service providers or professionals to administratively appeal all regulatory decisions of the responsible administrative authority in the following freight transport services: i) Maritime Freight ii) Road Freight iii) Air Freight
10	Right to Appeal (Services)–Administrative (Logistics Services)	Existence of a right of service providers or professionals to administratively appeal all regulatory decisions of the responsible administrative authority in the following logistics services: i) Cargo Handling, Storage and Warehousing ii) Customs Brokerage

11	Right to Appeal (Services)–Judicial (Freight Transport)**	Existence of a right of service providers or professionals to judicially appeal all regulatory decisions of the responsible administrative authority to the courts in the following freight transport services: i) Maritime Freight ii) Road Freight iii) Air Freight
12	Right to Appeal (services)–Judicial (Logistics Services)	Existence of a right of service providers or professionals to judicially all appeal regulatory decisions of the responsible administrative authority to the courts in the following logistics services: i) Cargo Handling, Storage and Warehousing ii) Customs Brokerage
13	De Minimis Value	The duty de minimis value in force
14	Regulatory Impact Assessment–NTMs	Requirement in the domestic legal framework of a systematic regulatory impact assessment to evaluate the potential impact of proposed technical and non-technical NTMs before their implementation

Note: NTMs = non-tariff measures.

*Landlocked economies will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly. See section 5.2.1.

**Only two components among transport freight services subsectors apply per each economy depending on geographical location. See section 5.2.1.

1.1.2 Digital and Sustainable Trade (includes gender and environment)

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.¹⁰ 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 the flow of information across borders.¹¹ 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, 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.¹² Therefore, Subcategory 1.1.2–Digital and Sustainable Trade (includes gender and environment) comprises fourteen indicators (table 4).

Table 4. Subcategory 1.1.2–Digital and Sustainable Trade (includes gender and environment)

	Indicators	Components
1	Electronic Contracts	Recognition in the domestic legal framework of the legal validity and enforceability of electronic contracts issued in a foreign country
2	Electronic Signatures	Recognition in the domestic legal framework of the legal validity and enforceability of electronic signatures issued in a foreign country
3	Technology Neutrality	Establishment in the domestic legal framework of the principle of technology neutrality in the context of digital trade
4	Cross-Border Data Flows–Data Protection	Existence in the domestic regulatory framework of principles on personal data protection that regulate cross-border data flows
5	Recognition of Digital Currencies for Cross-Border Payments	Recognition in the domestic legal framework of the use of digital currencies for cross-border payments
6	Cross-Border Carbon Pricing Instruments	Implementation of a cross-border carbon pricing instrument
7	Tariffs on Environmental Goods	Highest effectively applied ad valorem tariff rate on the importation of the top three most traded environmental goods (APEC list)

8	Emissions Trading System in Freight Transport*	Implementation of an Emission Trading System at the national level that includes the following service subsectors: i) Road Freight ii) Air Freight iii) Maritime Freight
9	Endangered Species	Requirement in the domestic legal framework of export permits to trade in endangered species
10	Oil, Chemical, Sewage and Air pollution	Regulation in the domestic legal framework of oil, chemical, sewage and air pollution originating from ships
11	Hazardous Waste, Hazardous Chemicals or Pesticides	Requirement in the domestic legal framework that an exporting party provides advance notification and receives explicit consent from the importing party prior to exporting a shipment of hazardous waste, hazardous chemicals or pesticides
12	Freedom of Association and Right to Collective Bargaining	Existence of legally binding commitments with top three trading partners to enforce regulations that guarantee the right to collective bargaining and freedom of association
13	Equal Pay and Employment Opportunities	Existence of legally binding commitments with top three trading partners to enforce regulations that ensure equal pay and non-discriminatory employment opportunities for women
14	Women's Access to Credit	Existence of legally binding commitments with top three trading partners to enforce regulations that ensure equal pay and non-discriminatory employment opportunities for women

Note: APEC = Asia-Pacific Economic Cooperation.

*Only two components among transport freight services subsectors apply per each economy depending on geographical location. See section 5.2.1.

1.1.3 International Trade Cooperation

This set of indicators measures practices on international trade cooperation. Increased international cooperation and regulatory convergence may lead to a more predictable trading environment and reduced compliance costs. Trade agreements increase regulatory convergence and facilitate trade. An increase in their depth contributes to trade growth and positive spillover effects.¹³ Establishing well-coordinated competent authorities to oversee the implementation of trade agreements enables smoother implementation of such commitments, enhancing regulatory convergence.¹⁴ Therefore, Subcategory 1.1.3–International Trade Cooperation comprises fourteen indicators (table 5).

Table 5. Subcategory 1.1.3–International Trade Cooperation

	Indicators	Components
1	Absence of Non-Notified PTAs*	WTO members' participation in PTAs not formally notified to the WTO
2	Duty Free Trade	Existence of FTAs with top three trading partners encompassing all goods
3	Cross-Border Data Flows	i) Existence of legally binding commitments with top three trading partners ensuring cross-border electronic data transfers for the conducting of business ii) Inclusion of safety mechanisms for personal information
4	Investment and Movement of Capital	Existence of legally binding commitments with top three trading partners permitting the free transfer of all covered investments
5	Trade in Services	Existence of legally binding commitments on trade in services in international agreement with top three trading partners

6	Trade in Services–Mutual Recognition of Professional Qualifications and Certifications**	Existence of legally binding commitments on the mutual recognition of professional qualifications and certifications that enable professionals to provide services across borders in international agreement with top three trading partners in the following service subsectors: i) Road Freight ii) Air Freight iii) Maritime Freight iv) Cargo Handling, Storage and Warehousing v) Customs Brokerage
7	Trade in Services–Temporary Movement of Natural Persons for Business Purposes**	Existence of mutual binding commitments with top three trading partners that facilitate the temporary movement of natural persons for business purposes across borders to provide services in the following service subsectors: i) Road Freight ii) Air Freight iii) Maritime Freight iv) Cargo Handling, Storage and Warehousing v) Customs Brokerage
8	Trade in Services–No Local Presence Requirement**	Existence of legally binding commitments with top three trading partners that allow service suppliers to offer services across borders without the necessity of establishing or maintaining a business presence or residency within its territory in the following service subsectors: i) Road Freight ii) Air Freight iii) Maritime Freight iv) Cargo Handling, Storage and Warehousing v) Customs Brokerage
9	Harmonization of Regulation on NTMs	Existence of legally binding commitments with top three trading partners that provide mutual recognition of conformity assessments as applicable to technical NTMs
10	Environment–Carbon Pricing System	Implementation of a cross-border carbon pricing instrument
11	Environment–NTMs–Environmental Goods	Existence of legally binding commitments with top three trading partners that provide that provide mutual recognition of conformity assessments covering any of the of the top three most traded environmental goods (APEC list)
12	Competent Authorities to Oversee Implementation	Establishment of competent authorities to oversee the implementation of all legally binding commitments contracted in trade agreements with top three trading partners

Note: APEC = Asia-Pacific Economic Cooperation; FTAs = Free Trade Agreements; NTMs = Non-Tariff Measures; PTAs = Preferential Trade Agreements; WTO = World Trade Organization.

*Non-WTO members will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly. See section 5.2.9.

**Only two components among transport freight services subsectors apply per each economy depending on geographical location. See section 5.2.1.

1.2 Regulatory Restrictions on International Trade

Category 1.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Restrictions on International Trade in Goods (includes gender)

This set of indicators measures restrictions on international trade in goods. Trade policies can include restrictive trade measures. Whereas tariffs have declined, non-tariff measures (NTMs) have been steadily rising in importance as key barriers to trade.¹⁵ 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.¹⁶ 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.¹⁷ Therefore, Subcategory 1.2.1–Restrictions on International Trade in Goods (includes gender) comprises twenty-five indicators (table 6).

Table 6. Subcategory 1.2.1–Restrictions on International Trade in Goods (includes gender)

	Indicators	Components
1	Sanitary and Phytosanitary Measures	Imposition through the domestic legal framework of any sanitary and phytosanitary measures when importing a selected agricultural product from any trading partner
2	Sanitary and Phytosanitary Measures (National Treatment)	Imposition through the domestic legal framework of any sanitary and phytosanitary measures when importing a selected agricultural product from any trading partner that breach the principle of national treatment
3	Technical Barriers to Trade	Imposition through the domestic legal framework of any technical barriers to trade when importing a selected manufactured product from any trading partner
4	Technical Barriers to Trade (National Treatment)	Imposition through the domestic legal framework of any technical barriers to trade when importing a selected manufactured product from any trading partner that breach the principle of national treatment
5	Absence of Pre-Shipment Inspections	Imposition through the domestic legal framework a pre-shipment inspection for imports of a selected manufactured product from any trading partner in relation to: i) Customs valuation ii) Quality control
6	Absence of Contingent Trade-Protective Measures	Enforcement in practice, during the last three years, of any contingent trade-protective measures when importing selected agricultural and manufactured products from any trading partner regardless of the origin of the goods, including in the form of: i) Anti-dumping duties ii) Countervailing duties iii) Safeguards measures
7	Absence of Quantity Control Measures	Imposition through the domestic legal framework of quantity control measures for economic purposes in relation to imports of selected agricultural and manufactured goods from any trading partner regardless of the origin of the goods, including in the form of: i) Non-automatic import licenses ii) Import quotas iii) Import prohibitions
8	Absence of Price Control Measures	Imposition through the domestic legal framework of price control measures for economic purposes in relation to imports of selected agricultural and manufactured goods from any trading partner regardless of the origin of the goods.
9	Absence of Finance Measures	Imposition through the domestic legal framework of finance measures for economic purposes in relation to imports of selected agricultural and manufactured goods from any trading partner regardless of the origin of the goods, including in the form of: i) Payment terms ii) Insurance costs iii) Financial requirements for transactions
10	Absence of Export Restrictions	Imposition through the domestic legal framework of export restrictions for economic purposes in relation to exports of selected agricultural and manufactured goods from any trading partner regardless of the origin of the goods.
11	Absence of Caps on Licenses (Freight Transport)*	Imposition through the domestic legal framework of any caps on the number of operating licenses issued to service providers in the domestic market in the following service subsectors: i) Maritime Freight

		<ul style="list-style-type: none"> ii) Road Freight iii) Air Freight
12	Absence of Price Floors and Guidelines (Freight Transport)*	<p>Establishment in the domestic legal framework of any price floors, or provision of pricing guidelines, as set by the government or relevant entities in the domestic market, in the following service subsectors:</p> <ul style="list-style-type: none"> i) Maritime Freight ii) Road Freight iii) Air Freight
13	Absence of Mandatory Use of Certified Operators (Freight Transport)*	<p>Legally mandated employment of certified operators when conducting business domestically within the following service subsectors:</p> <ul style="list-style-type: none"> i) Maritime Freight ii) Road Freight iii) Air Freight
14	Absence of Caps on Licenses (Logistics)	<p>Imposition through the domestic legal framework of any caps on the number of operating licenses issued to service providers in the domestic market in the following service subsectors:</p> <ul style="list-style-type: none"> i) Cargo Handling, Storage and Warehousing ii) Customs Brokerage
15	Absence of Price Floors and Guidelines (Logistics)	<p>Establishment in the domestic legal framework of any price floors, or provision of pricing guidelines, as set by the government or relevant entities in the domestic market, in the following service subsectors:</p> <ul style="list-style-type: none"> i) Cargo Handling, Storage and Warehousing ii) Customs Brokerage
16	Absence of Mandatory Use of Certified Operators (Logistics)	<p>Legally mandated employment of certified operators when conducting business domestically within the following service subsectors:</p> <ul style="list-style-type: none"> i) Cargo Handling, Storage and Warehousing ii) Customs Brokerage
17	Safety Regulations–Certification for Operators (Freight Transport)*	<p>Legally mandated certification and training requirements for service providers within the following service subsectors:</p> <ul style="list-style-type: none"> i) Maritime Freight ii) Road Freight iii) Air Freight
18	Safety Regulations–Equipment (Freight Transport)*	<p>Specified statutory time intervals for the inspection of the equipment used in the following service subsectors:</p> <ul style="list-style-type: none"> i) Maritime Freight ii) Road Freight iii) Air Freight
19	Safety Regulations–Maximum Hours (Freight Transport)*	<p>Establishment of statutory limits on the maximum number of consecutive working hours allowed within a single day before a mandatory rest period in the following service subsectors:</p> <ul style="list-style-type: none"> i) Maritime Freight ii) Road Freight iii) Air Freight
20	Safety Regulations–Certification for Operators (Logistics)	<p>Legally mandated certification and training requirements for service providers within the following service subsectors:</p> <ul style="list-style-type: none"> i) Cargo handling, Storage and warehousing ii) Customs brokerage
21	Safety Regulations–Equipment (Logistics)	<p>Specified statutory time intervals for the inspection of the equipment used in the following service subsectors:</p> <ul style="list-style-type: none"> i) Cargo Handling, Storage and Warehousing ii) Customs brokerage
22	Safety Regulations–Maximum Hours (Logistics)	<p>Establishment of statutory limits on the maximum number of consecutive working hours allowed within a single day before a mandatory rest period in the following service subsectors:</p> <ul style="list-style-type: none"> i) Cargo Handling, Storage and Warehousing ii) Customs Brokerage

23	Absence of Additional Restrictions for Women Service Providers*	Imposition through the legal framework of any restrictions that apply solely to women service providers when applying for operating licenses in the following service sub-sectors: i) Maritime Freight ii) Road Freight iii) Air Freight iv) Cargo Handling, Storage and Warehousing v) Customs Brokerage
24	Absence of Prohibition of Women Service Providers*	Imposition through the legal framework of any restrictions on women service providers from providing any type of service within the following service sub-sectors: i) Maritime Freight ii) Road Freight iii) Air Freight iv) Cargo Handling, Storage and Warehousing v) Customs Brokerage
25	Absence of Additional Certification and Training Requirements for Women Service Providers*	Imposition through the legal framework of certification or training requirements that apply solely to women service providers in the following service sub-sectors: i) Maritime Freight ii) Road Freight iii) Air Freight iv) Cargo Handling, Storage and Warehousing v) Customs Brokerage

*Only two components among transport freight services subsectors apply per each economy depending on geographical location. See section 5.2.1.

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 are trade restrictive.¹⁸ By hindering competition, these measures impose negative externalities on other market actors, including consumers. In fact, barriers to trade and investment in services are often much higher than for goods.¹⁹ Therefore, Subcategory 1.2.2–Restrictions on International Trade in Services comprises twenty-two indicators (table 7).²⁰

Table 7. Subcategory 1.2.2–Restrictions on International Trade in Services

	Indicators	Components
1	Absence of Restrictions on Foreign Registration of Vessels Under National Flags (Maritime Freight Only)*	Imposition through the legal framework regulating maritime freight of any restrictions on the registration of vessels owned or controlled by foreign entities under national flags
2	Absence of Restrictions on Cabotage/Access Rights (Maritime Freight Only)*	Imposition through the legal framework regulating maritime freight of full or partial exclusions from cabotage laws/access rights to foreign-flagged ships
3	Absence of Restrictions on the Use of Local Port Services (Maritime Freight Only)*	Imposition through the legal framework regulating maritime freight of a requirement for foreign maritime freight service providers to exclusively utilize domestic maritime and port services, such as local port agent, tug, and tow services
4	Absence of Restrictions on Quotas (Freight Transport)**	Imposition through the legal framework of any quotas or other quantitative restrictions specifically on foreign service providers in the following subsectors: i) Maritime Freight ii) Road Freight iii) Air Freight
5	Absence of Restrictions Subject to an Economic Needs Test (Freight Transport)**	Market access granted to foreign service providers (including firms) subjected to an economic needs test in the following service subsectors: i) Maritime Freight ii) Road Freight iii) Air Freight

6	Absence of Restrictions on Acquisition and Use of Land and Real Estate (Freight Transport)**	Imposition through the legal framework of specific restrictions concerning the acquisition and use of land and real estate on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Maritime Freight ii) Road Freight iii) Air Freight
7	Absence of Restrictions on Quotas (Logistics)	Imposition through the legal framework of any quotas or other quantitative restrictions specifically on foreign service providers in the following subsectors: i) Cargo Handling, Storage and Warehousing ii) Custom Brokerage
8	Absence of Restrictions Subject to an Economic Needs Test (Logistics)	Market access granted to foreign service providers (including firms) subjected to an economic needs test in the following service subsectors: i) Cargo Handling, Storage and Warehousing ii) Custom Brokerage
9	Absence of Restrictions on Acquisition and Use of Land and Real Estate (Logistics)	Imposition through the legal framework of specific restrictions concerning the acquisition and use of land and real estate on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Cargo Handling, Storage and Warehousing ii) Custom Brokerage
10	Absence of Restrictions on Quotas (Financial Services)	Imposition through the legal framework of any quotas or other quantitative restrictions specifically on foreign service providers in the following subsectors: i) Commercial Banking ii) Insurance
11	Absence of Restrictions Subject to an Economic Needs Test (Financial Services)	Market access granted to foreign service providers (including firms) subjected to an economic needs test in the following service subsectors: i) Commercial Banking ii) Insurance
12	Absence of Restrictions on Acquisition and Use of Land and Real Estate (Financial Services)	Imposition through the legal framework of specific restrictions concerning the acquisition and use of land and real estate on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Commercial Banking ii) Insurance
13	Absence of Additional Restrictions on Licensing or Authorization Requirements (Freight Transport)**	Imposition through the legal framework of any additional licensing or authorization requirements specifically on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Maritime Freight ii) Road Freight iii) Air Freight
14	Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Freight Transport)**	Imposition through the legal framework of any additional quotas on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Maritime freight ii) Road Freight iii) Air Freight
15	Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Freight Transport)**	Legal requirement for labor market tests to be conducted prior to hiring foreign contractual or independent service providers in the following service subsectors: i) Maritime Freight ii) Road Freight iii) Air Freight
16	Absence of Additional Restrictions on Licensing or Authorization Requirements (Logistics)	Imposition through the legal framework of any additional licensing or authorization requirements specifically on foreign service providers which are not applicable to domestic service providers in the following service subsectors:

		i) Cargo Handling; Storage and Warehousing ii) Custom Brokerage
17	Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Logistics)	Imposition through the legal framework of any additional quotas on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Cargo handling, Storage and warehousing ii) Custom brokerage
18	Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Logistics)	Legal requirement for labor market tests to be conducted prior to hiring foreign contractual or independent service providers in the following service subsectors: i) Cargo Handling, Storage and Warehousing ii) Custom Brokerage
19	Absence of Additional Restrictions on Licensing or Authorization Requirements (Financial Services)	Imposition through the legal framework of any additional licensing or authorization requirements specifically on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Commercial Banking ii) Insurance
20	Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Financial Services)	Imposition through the legal framework of any additional quotas on foreign service providers which are not applicable to domestic service providers in the following service subsectors: i) Commercial Banking ii) Insurance
21	Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Financial Services)	Legal requirement for labor market tests to be conducted prior to hiring foreign contractual or independent service providers in the following service subsectors: i) Commercial Banking ii) Insurance
22	Absence of Procedural Hurdles for Visa for Business Purposes (Freight Transport)**	Imposition through the legal framework of procedural requirements that impose a cost exceeding 50 USD and a processing time longer than 15 days for obtaining business visas or crew member visas for foreign crew and service providers in the following transport service subsectors: i) Maritime Freight ii) Road Freight iii) Air Freight

*Landlocked economies will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly. See section 5.2.1.

**Only two components among transport freight services subsectors apply per each economy depending on geographical location. See sections 5.2.1.

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 protection to digital trade users and service providers, thereby enhancing safety and trust in the digital trading environment.²¹ 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.²² By hindering competition, these measures impose negative externalities on other market actors, including consumers. Therefore, Subcategory 1.2.3—Restrictions on Digital Trade comprises fifteen indicators (table 8).²³

Table 8. Subcategory 1.2.3—Restrictions on Digital Trade

	Indicators	Components
1	Absence of Additional Government Licenses	Requirement in the domestic legal framework for companies to obtain a specialized government license (beyond a general business license) to offer goods or services digitally

2	Absence of Online Selling Bans	Imposition through the domestic legal framework of any restrictions on online sales of digitally ordered goods or services (excluding sale-restricted products)
3	Absence of Additional Taxes or Higher Tax Rates	Imposition through the domestic legal framework of an additional tax, fee, or a higher than domestic rate on cross-border digital trade
4	Absence of Local Tax Presence Requirements	Requirement in the legal framework for cross-border digital trade providers to establish a local tax presence
5	Absence of Charges on Incoming Cross-Border E-Payments	Imposition through the legal framework of specific charges (such as direct or indirect taxes, regulatory border fees, or foreign exchange fees imposed by the Central Bank or the monetary authority) to incoming cross-border electronic payments
6	Absence of Charges on Outgoing Cross-Border E-Payments	Imposition through the legal framework of specific charges (such as direct or indirect taxes, regulatory border fees, or foreign exchange fees imposed by the Central Bank or the monetary authority) to outgoing cross-border electronic payments
7	Absence of Limits on Cross-Border E-Payments	Imposition through the domestic legal framework of limits on the value of the transactions for cross-border electronic-payments
8	Cross-Border Data Flows–Consent to Transfer	Requirement in the domestic legal framework of legal provisions requiring specific data transfer agreements or a formal consent from data subjects prior to the cross-border transfers of personal data
9	Disclosure of Relevant Information	Requirement in the domestic legal framework for providers of digitally ordered goods and services to publicly disclose to cross-border consumers the following information: i) Merchant information (address, business registration number and contact details) ii) Product or services specifications iii) Delivery options iv) Payment process v) Out-of-court complaints process vi) Refunds and cancellations policy
10	Consumer Rights-Limits on Advertising	Existence in the domestic legal framework of limits on advertising practices applicable to cross-border consumers, including spam and other unsolicited communications
11	Consumer Rights to Cancel Online Purchases	Provision in the domestic legal framework of the right to cancel online purchases within a designated period without any justification or incurring any penalty
12	Consumer Rights to Receive Refunds	Provision in the domestic legal framework of the right to receive refunds, replacements, or returns for goods damaged upon delivery
13	Penalties for Non-Compliance with Online Consumer Protection Provisions	Imposition in the domestic legal framework of penalties for businesses that fail to comply with online consumer protection provisions concerning cross-border consumers
14	Online Dispute Resolution Mechanism	Establishment in the domestic legal framework of an online dispute resolution mechanism (ODR) competent to handle and resolve complaints arising from digital trade, including those involving cross-border transactions
15	Online Dispute Resolution Mechanism (Free of Charge Filing)	Establishment in the domestic legal framework of a right for cross-border consumers to initiate enforceable ODR proceedings for issues related to cross-border digital trade without incurring any fees

2. PILLAR II. QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE

Table 9 shows the structure for Pillar II, 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	Electronic Systems and Interoperability of Services
2.1.2	Transparency and Availability of Information
2.1.3	Trade Infrastructure
2.2	Border Management
2.2.1	Risk Management
2.2.2	Coordinated Border Management
2.2.3	Trusted Trader Programs

2.1 Digital and Physical Infrastructure

Category 2.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 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 and other advanced Integrated Customs Management Systems 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.²⁴ 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. Therefore, Subcategory 2.1.1—Electronic Systems and Interoperability of Services comprises ten indicators (table 10).

Table 10. Subcategory 2.1.1—Electronic Systems and Interoperability of Services

	Indicators	Components
1	Availability of an Advanced Electronic System for International Trade	Existence of an operational national electronic system for international trade which allows for the electronic submission and processing of trade documentation through a single portal, such as: i) Electronic Single Window ii) Integrated Customs Management System
2	Agency Integration into the Advanced Electronic System for International Trade	Full integration of the following domestic public sector agencies into the electronic system for international trade: i) Tax administration ii) Sanitary and phytosanitary agencies iii) Standardization agencies iv) Environmental agencies v) Transport agencies vi) Ministry of Trade (or equivalent domestic ministry)
3	Stakeholder Integration into the Advanced Electronic System for International Trade	Ability of the following private sector stakeholders to access and utilize the electronic system for international trade: i) Customs brokers ii) Exporters and importers iii) Transport operators iv) Cargo handling and storage operators

		v) Chambers of Commerce vi) Financial institutions (i.e., banks, insurance companies)
4	Features of the Advanced Electronic System for International Trade	Fully electronic features available through the electronic system for international trade: i) Submission of commercial and transport documents ii) Lodging of customs declarations and customs release iii) Processing of export and import licenses, permits and authorizations iv) Processing of veterinary, sanitary, and phytosanitary certificates v) Processing of technical standards certificates vi) Processing of certificates of origin
5	Exchange of Information with Trading Partners' Electronic Systems for International Trade	Exchange by the electronic system for international trade of information for customs clearance on commercial and transport documents, and Customs clearance purposes with any other country
6	Single Point of Access of the Advanced Electronic System for International Trade	Provision by the electronic system for international trade of a centralized entry point to access the systems or services pertaining to international trade
7	Single Sign-On of the Advanced Electronic System for International Trade	Support by the electronic system for international trade of single sign-on functionality for all the services of selected agencies
8	Single Submission of Data of the Advanced Electronic System for International Trade	The electronic system for international trade allows users to enter or upload information and documents only once and makes them available to all the relevant authorized users of this system
9	Single Point of Decision Making of the Advanced Electronic System for International Trade	The electronic system for international trade allows communication of results of procedures through a single point
10	Single Point of Payment of the Advanced Electronic System for International Trade	Support by the electronic system for international trade of centralized payment processing, allowing payments for any services provided by all integrated public sector agencies to be made through a single transaction point

2.1.2 Transparency and Availability of Information

This set of indicators measures the implementation of good 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.²⁵ The publication of information fosters trust and cooperation among trading partners, supporting businesses in making informed decisions and increasing their competitiveness.²⁶ 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.²⁷ Therefore, Subcategory 2.1.2—Transparency and Availability of Information comprises twelve indicators (table 11).

Table 11. Subcategory 2.1.2—Transparency and Availability of Information

	Indicators	Components
1	Trade Information Portal (TIP) (Availability)	Public availability of a functional TIP providing the latest updates on trade regulations, procedures, and relevant information, including: i) Laws, regulations, and any other legal instruments related to international trade ii) Commodity classification and associated tariffs iii) Agreements with any country or countries, as well as unilateral agreements iv) Special measures applicable to specific commodities or products (for example, sanitary or phytosanitary measures or technical barriers to trade)

		v) Penalty provisions for breach of formalities and procedures for appeal or review vi) Instructions and forms used to apply for permits, licenses, and customs clearance
2	Publication–Duties, Taxes, Fees, Charges and Non-Tariff Measures	Publication on any official public agency portal(s) or website(s) of the following information: i) Applied rates of duties, taxes, and fees of any kind imposed on or in connection with importation or exportation ii) Regulations on non-tariff measures
3	Publication–Procedures and Advance Rulings	Publication on any official public agency portal(s) or website(s) of the following information: i) Procedures for importation, exportation, and transit ii) Issued advance rulings
4	Publication–Penalties and Procedures for Appeal	Publication on any official public agency portal(s) or website(s): i) Penalty provisions for breaches of import, export, or transit formalities ii) Procedures for appeal or review
5	Publication–Licensing Criteria (Freight Transport)*	Publication on any official portal(s) or website(s) of the relevant public agency the licensing criteria in the following subsectors: i) Maritime freight ii) Road freight iii) Air freight
6	Publication–Licensing Criteria (Logistics Services)	Publication on any official portal(s) or website(s) of the relevant public agency the licensing criteria in the following subsectors: i) Cargo handling; Storage and warehousing ii) Custom brokerage
7	Publication–Proposals of Laws and Draft Regulations	Publication, in practice, on any official public agency portal(s) or website(s) of all draft laws and regulations affecting international trade to explain their purpose
8	Publication–Advance Notices	Publication, in practice, on any official public agency portal(s) or website(s) of the relevant agency overseeing international trade of advance notices prior to enacting regulatory changes in the areas of customs and international trade
9	Enquiry Points	Establishment, in practice, of functional trade facilitation enquiry points that provide information regarding trade-related queries and documents
10	Consultation–Practice	Conducting, in practice, of formal public consultations with relevant stakeholders in the public domain before introducing or amending any laws and regulations concerning international trade
11	Consultation–Reasonable Opportunity	Provision, in practice, to all relevant stakeholders of a reasonable opportunity of at least 30 calendar days to provide comments during the formal public consultation process
12	Consultation–Process to Consider Comments	In practice, responsible administrative authority addresses all comments received during the formal public consultation process (including those that are not incorporated) in a written form either by responding to each comment individually or in a consolidated consultations report published online

*Only two components among transport freight services subsectors apply per each economy depending on geographical location. See sections 5.2.1 and 5.2.2.

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 integration in regional and global value chains.²⁸

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, together with 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 on island and landlocked economies, respectively. For comparability

purposes, only two main border types are measured in each economy. Therefore, Subcategory 2.1.3–Trade Infrastructure comprises ten indicators (table 12).

Table 12. Subcategory 2.1.3–Trade Infrastructure

	Indicators	Components
1.	Equipment & Facilities (Border 1–Port or Land Border)*	Availability and functionality of the following facilities and equipment to enable border control agencies to perform their control functions effectively: i) Intrusive examination areas ii) Deconsolidation and unbundling areas for cargo iii) Fixed or mobile scanners iv) Weight-in-Motion (WIM) scales v) Testing laboratory for samples
2	Services and Amenities (Border 1–Port or Land Border)*	Availability and functionality of the following services and infrastructure for traders: i) Designated parking areas for trucks ii) Covered storage facilities iii) Cold storage facilities iv) Customs bonded warehouses
3	Green Infrastructure (Border 1 if Port)	Availability and functionality of the following green services and infrastructure for traders: i) Sustainable Fuel Bunkering Facility ii) Onshore Power Supply
4	Consultative Committee (Border 1–Port)–Representatives**	Inclusion of representatives from the following stakeholders in the Port Consultative Committee: i) Port Authority Representatives ii) Private Sector representatives (port users, logistics companies, shipping lines, etc.) iii) Community representatives (members from local and provincial governments, labor unions, representatives of the community surrounding the port)
5	Equipment and Facilities (Border 2–Land Border or Airport)*	Availability and functionality of the following facilities and equipment to enable border control agencies to perform their control functions effectively: i) Intrusive examination areas ii) Deconsolidation and unbundling areas for cargo iii) Fixed or mobile scanners iv) Weight-in-Motion (WIM) scales v) Testing laboratory for samples
6	Services and Amenities (Border 2–Land Border or Airport)*	Availability and functionality of the following services and infrastructure for traders: i) Designated parking areas for trucks ii) Covered storage facilities iii) Cold storage facilities iv) Customs bonded warehouses
7	Consultative Committee (Airport)–Representatives	Inclusion of representatives from the following stakeholders in the Airport Consultative Committee: i) Airport Authority Representatives ii) Private Sector representatives (airport users, logistics companies, airlines, etc.) iii) Community representatives (members from local and provincial governments, labor unions, representatives of the community surrounding the airport)
8	Connection to the Electronic System for International Trade (Port or Airport)	Full integration of the measured seaport or airport with the electronic system for international trade
9	Information Systems (Port or Airport)	Availability of information systems at the measured port or airport: i) Port community system (applies only to seaports)** ii) Maritime single window (applies only to seaports)** iii) Terminal operating system (seaports or airports) iv) Truck booking system

10	Consultative Committee (Port or Airport)	Availability of port consultative committee, which meets at least twice a year, at the measured port or airport
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*Only two main border types are measured in each economy depending on geographical location. See Section 5.2.1. In case only one border may be measured, the total subcategory points will be rescaled accordingly.

**Landlocked economies will not be assessed by these components. Their total indicator points will consider only the remaining components. See section 5.2.1.

2.2 Border Management

Category 2.2 is divided into three subcategories consisting of several 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.²⁹ The most efficient risk management systems integrate all border control agencies.³⁰ The use of sophisticated techniques, advance targeting, and post-clearance audits also affects the performance of risk management systems, especially by minimizing the need for inspections and additional controls.³¹ Therefore, Subcategory 2.2.1–Risk Management comprises eight indicators (table 13).

Table 13. Subcategory 2.2.1–Risk Management

	Indicators	Components
1	Customs Risk Management Availability	Customs agency, in practice, has a functional risk management system in place
2	Sanitary and Phytosanitary Agency Integration	Full integration of sanitary and phytosanitary agencies into the integrated risk management system
3	Standardization Agency Integration	Full integration of standardization agencies into the integrated risk management system
4	Environmental Agency Integration	Full integration of environmental agencies into the integrated risk management system
5	Security Border Agency Integration	Full integration of security border agencies into the integrated risk management system
6	Automated Profiling and Targeting	Use of advanced level of automated profiling and targeting by Customs based on objective selectivity criteria to minimize the incidence of physical examinations for both exports and imports
7	Post-Clearance Audits	Use of risk-based post-clearance audits for imports using selectivity criteria
8	Customs Risk Management Coverage	Existence of specific Customs offices or border posts with physically present Customs officials that are not integrated in the risk management system

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 a vital role in leveraging resources to streamline procedures and avoid duplications and delays.³² Therefore, Subcategory 2.2.2–Coordinated Border Management comprises seven indicators (table 14).

Table 14. Subcategory 2.2.2–Coordinated Border Management

	Indicators	Components
1	Unique Consignment Reference	Use of a unique consignment reference by the Customs agency and other agencies
2	Joint Controls (Internal)	Conduct by the Customs agency of joint inspections with other domestic public agencies
3	Integrated Border Checkpoint*	Existence of an integrated border checkpoint with the main trading partner sharing land border
4	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
5	Joint Controls (External)	Recognition by border control agencies of inspections conducted by partner economy's border control agencies or conducting joint inspections
6	Alignment of Operating Hours*	Customs operating hours coincide, in practice, with those of the main trading partner sharing land border
7	Unified Document or Set of Documents*	There is a unified document or set of documents that is presented to both the border control agencies of the economy in question and the border control agencies of the main trading partner sharing a land border

*Island economies will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly. See section 5.2.1.

2.2.3 Trusted Trader Programs

This set of indicators measures the availability and features of Trusted Trader Programs. Trusted Trader Programs, such as Authorized Economic Operator (AEO) schemes, have become an important instrument for strengthening international supply chains and improving security standards conducted by border control agencies.³³ Successful Trusted Trader Programs include diverse types of operators and cover a long list of benefits.³⁴ Agencies in charge of such programs seek to expand Mutual Recognition Agreements (MRAs) and simplify processes of obtaining and renewing the relevant certificates.³⁵ Therefore, Subcategory 2.2.3–Trusted Trader Programs comprises six indicators (table 15).

Table 15. Subcategory 2.2.3–Trusted Trader Programs

	Indicators	Components
1	Availability of a Trusted Trader Program for Exporters and Importers	Trusted Trader certification program has been implemented for the following operators: i) Exporters ii) Importers
2	Availability of a Trusted Trader Program for Other Operators	Trusted Trader certification program, in practice, includes the following operators within the supply chain: i) Warehouse operators ii) Customs brokers iii) Logistics operators iv) Carriers/transport operators v) Manufacturers
3	Benefits of the Trusted Trader Program	Benefits provide to participants of the Trusted Trader Program include the following: i) Pre-arrival release of goods ii) Priority clearance and release of shipments iii) Use of periodic declarations iv) Lower rate of documentary reviews and physical inspections by Customs and other domestic public agencies due to recognized compliance and lower risk
4	Inter-Agency Recognition of the Trusted Trader Program	Trusted Trader Program status is recognized by other border control agencies besides the Customs agency in terms of providing expedited processing or other facilitation measures for certified traders, specifically by: i) Sanitary and phytosanitary agencies

		ii) Standardization agencies iii) Security border agencies
5	Mutual Recognition Agreements of the Trusted Trader Program	Economic operators which have been granted the status of a Trusted Trader in the economy in question receive the same benefits when conducting business in its main three trading partners
6	Electronic Certification and Renewal Process of the Trusted Trader Program	Possibility to carry out the Trusted Trader Program certification or the renewal process through the Trade Information Portal, Electronic Single Window for International Trade, or integrated Customs management system

3. PILLAR III. OPERATIONAL EFFICIENCY OF EXPORTING GOODS, IMPORTING GOODS, AND ENGAGING IN DIGITAL TRADE

Table 16 shows the structure for Pillar III, Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade. Each of this pillar's categories and indicators will be discussed in the order shown in table 16.

Table 16. Pillar III–Operational Efficiency of Exporting Goods, Importing 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	Participation in Cross-Border Digital Trade
3.3.1	Share of Trading Firms Exporting Digitally Ordered Goods
3.4	Perceived Major Obstacles: Customs and Trade Regulations, and Transportation
3.4.1	Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints
3.4.2	Share of Firms Identifying Transportation as Major or Severe Constraints

3.1 Compliance with Export Requirements

Category 3.1 is divided into two subcategories consisting of one indicator each.

3.1.1 Total Time to Comply 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 increase time to comply with export requirements.³⁶ Therefore, Subcategory 3.1.1–Total Time to Comply with Export Requirements comprises one indicator (table 17).

Table 17. Subcategory 3.1.1–Total Time to Comply with Export Requirements

	Indicators	Components
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

3.1.2 Total Cost to Comply with Export Requirements

Factors such as cumbersome customs clearance procedures, lack of coordination among border agencies, inadequate trade infrastructure and limited logistics services increase costs to comply with export requirements.³⁷ Therefore, Subcategory 3.1.2–Total Cost to Comply with Export Requirements comprises one indicator (table 18).

Table 18. Subcategory 3.1.2–Total Cost to Comply with Export Requirements

	Indicators	Components
1	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

Category 3.2 is divided into two subcategories consisting of one indicator each.

3.2.1 Total Time to Comply with Import Requirements

Similarly, operational and transaction costs associated with importing can become costly for firms that are looking to trade internationally. Factors such as lengthy customs clearance procedures, lack of coordination among border agencies, inadequate trade infrastructure and limited logistics services significantly increase time to comply with import requirements.³⁸ Therefore, Subcategory 3.2.1–Total Time to Comply with Import Requirements comprises one indicator (table 19).

Table 19. Subcategory 3.2.1–Total Time to Comply with Import Requirements

	Indicators	Components
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 are released

3.2.2 Total Cost to Comply with Import Requirements

Factors such as lengthy customs clearance procedures, lack of coordination among border agencies, inadequate trade infrastructure, and limited logistics services significantly increase time to comply with import requirements.³⁹ Therefore, Subcategory 3.2.2–Total Cost to Comply with Import Requirements comprises one indicator (table 20).

Table 20. Subcategory 3.2.2–Total Cost to Comply with Import Requirements

	Indicators	Components
1	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 Participation in Cross-Border Digital Trade

Category 3.3 is composed of one subcategory consisting of one indicator.

3.3.1 Share of Trading Firms Exporting Digitally Ordered Goods

Operational and transaction costs, as well as lengthy procedures for exporting digitally ordered goods, create barriers and challenges for firms engaging in digital exports. These factors may limit the firms in this sector and constrain their growth potential, affecting how many trading firms export low-value goods ordered online and cleared as a mail parcel or courier delivery. Therefore, Subcategory 3.3.1–Share of Trading Firms Exporting Digitally Ordered Goods comprises one indicator (table 21).

Table 21. Subcategory 3.3.1–Share of Trading Firms Exporting Digitally Ordered Goods

	Indicators	Components
1	Share of Trading Firms Exporting Digitally Ordered Goods	The percentage of firms in an economy that export digitally ordered goods (valued below the applicable de minimis threshold and cleared as a mail parcel or courier delivery)

3.4 Perceived Major Obstacles: Customs and Trade Regulations, and Transportation

Category 3.4 is divided into two subcategories consisting of one indicator each.

3.4.1 Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints

Perception-based questions on major obstacles to international trade capture subjective experiences and viewpoints of firms, shedding light on the challenges that businesses face when trading internationally. Trading firms’ perceptions of trade regulations as obstacles to trade may play a crucial role in shaping their trade strategies, market selection, risk management approach, and trade outcomes. Therefore, Subcategory 3.4.1–Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints comprises one indicator (table 22).

Table 22. Subcategory 3.4.1–Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints

	Indicators	Components
1	Share of Firms Identifying Customs and Trade Regulations as a Major or Severe Constraints	Perceptions index of customs and trade regulations as a constraint

3.4.2 Share of Firms Identifying Transportation as a Major or Severe Constraint

Trading firms’ perceptions of transportation as an obstacle to trade may play a crucial role in shaping their trade strategies, market selection, risk management approach, and trade outcomes. Therefore, Subcategory 3.4.2–Share of Firms Identifying Transportation as a Major or Severe Constraint comprises one indicator (table 23).

Table 23. Subcategory 3.4.2–Share of Firms Identifying Transportation as a Major or Severe Constraints

	Indicators	Components
1	Share of Firms Identifying Transportation as a Major or Severe Constraints	Perceptions index of transportation as a constraint

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 participating in digital trade 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 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. A screener questionnaire is used to assist the selection of experts receiving the topic questionnaires based on a set of criteria (table 24).

The data for the digital trade questionnaire are collected through the Utility Services (Internet), Financial Services (Electronic Payments), and Taxation questionnaires. Therefore, the International Trade topic does not select experts to participate in this questionnaire.

Table 24. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions	
Trade in Goods	International trade economists, international trade lawyers, international trade consultants, international trade managers, other trade experts, etc.
Trade in Services	International trade economists, international trade lawyers, international trade consultants, international 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 in Goods	Expertise in international trade economics, international trade law, other areas relevant to international trade
Trade in Services	Expertise in international trade economics, international trade law, other areas relevant to international trade
Public Services	Expertise in services related to international trade, including freight forwarding, customs brokerage, customs clearance, and shipping lines, trade consultancy, among others.
Assessment of the Experts' Knowledge and Experience Related to International Trade in Goods and Services, and Public Services for 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 allows 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. Data on Digital Trade is collected by the Utility Services, Financial Services, and Taxation topics. Hence, digital trade expert selection will follow the respective topic's screening processes.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the International Trade topic uses general and 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 does not have general parameters applicable to all pillars.

5.2 Specific Parameters

Trade regulations and their applicability may vary depending on the geographical location of each economy, the traded products, and the trading partners. To strike a balance between cross-country comparability and economy-specific representativeness, the International Trade topic employs the following specific parameters to provide contextual information for experts to identify the appropriate regulations to be assessed in different pillars.

5.2.1 Geographical Location

Justification:

The geographical location of an economy is linked to the possibilities available for the development of its trade infrastructure and supply of transportation services, as well as regulation covering a specific mode of transportation. Depending on the geographical location, an economy can be categorized into one of the three following groups: a coastal, an island, or a landlocked economy.

- Coastal Economy: A coastal economy refers to an economy with means to conduct exports and imports through seaports, land border crossings, and airports without transiting through a third country.
- Island Economy: An island economy refers to an economy with means to conduct exports and imports only through seaports and airports without transiting through a third country.
- Landlocked Economy: A landlocked economy refers to an economy with means to conduct exports and imports only through land border crossings and airports without transiting through a third country.

Considering the economy's geographic location, the two most relevant types of transportation freight are measured. For each economy, depending on its geographic location, the relevant transportation freight services may vary. 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 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 the Trade Infrastructure subcategory in Pillar II. This parameter is of particular relevance for questions on international trade in services, specifically concerning questions on subsectors in the 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. In addition, questions related to regulations covering a specific mode of transportation, for example, maritime freight, assess only coastal and island economies.

5.2.2 Services Sectors and Subsectors

Justification:

Regulations on trade in services vary at the subsector level. For the International Trade topic, considering certain service sectors' crucial roles as inputs and facilitators for international trade in goods, eight subsectors across transport services, 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, Commercial Banking, and Insurance. Considering the geographical location of the economy under assessment, only two freight transport subsectors will be considered, thus totaling seven subsectors across transport services, logistics services, and financial services measured in each economy (see section 5.2.1 for more details).

Application:

This parameter applies to both Pillars I and II in the vast majority of questions related to trade in services.

5.2.3 Agricultural Product Chapters

Justification:

This parameter refers to preselected harmonized system (HS) chapters (2-digit level) that are of an agricultural nature. 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 may be less so. For this reason, it is important to define globally those product chapters that may be more prone to become the target of various NTMs, which are imposed, among other reasons, for consumer protection, to pursue environmental and social goals, or to protect domestic industries/producers. There are 24 preselected agricultural product chapters (HS 2-digit level) which are chosen according to data on frequency of NTM application by HS chapters from the World Integrated Trade Solutions (WITS) database at the world-level. Processed tobacco goods and alcoholic beverages are excluded from the scope of this parameter.

Application:

This parameter is primarily used in Pillar I within the subcategory on 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 at the economy level, which is described further in section 5.2.5 for traded products.

5.2.4 Manufactured Product Chapters

Justification:

This parameter refers to preselected harmonized system (HS) chapters (2-digit level) that are of a manufactured nature. Like the agricultural product chapters, not all product chapters are the same concerning the application of NTMs to manufactured products. There may be manufactured product chapters that are more susceptible to various technical measures when being traded, while others may be less so. Therefore, it is important to globally define those product chapters that may be more prone to various NTMs, which are imposed, among other reasons, for consumer protection, to pursue environmental and social goals, or to protect domestic industries/producers. There are 24 preselected manufactured product chapters (HS 2-digit level) which are chosen according to data on frequency of NTM applications by HS chapters from the World Integrated Trade Solutions (WITS) database at the world-level.

Application:

This parameter is primarily used in Pillar I within the subcategory on 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 manufactured products at the economy level, which is described further in section 5.2.5 on traded products.

5.2.5 Traded Product(s)

Justification:

This parameter refers to 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 5.2.3 and 5.2.4. 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 a 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. For agricultural products, processed tobacco goods and alcoholic beverages are excluded; for manufactured products, defense-related goods are excluded.

Application:

This parameter is used in Pillar I within the subcategory on 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.

5.2.6 Traded Environmental Products

Justification:

This parameter refers to the top three most traded environmental products by total trade value at the world level between 2015-2019 (UN COMTRADE) within the Asia-Pacific Economic Cooperation (APEC) list of environmental goods at HS subheading level (6-digit). Tariffs and duties applied to the importation of environmental goods may vary depending on products that are being traded. The selection of the global top three most imported environmental goods achieves a balance between representativeness and comparability. It considers both the selected environmental goods' relevance to the economies covered, while also taking into consideration cross-country comparability.

Application:

This parameter is used in Pillar I within the subcategories on Digital and Sustainable Trade and International Trade Cooperation.

5.2.7 Trading Partner(s)

Justification:

This parameter refers to the natural partners of an economy by different trade categories between 2015 and 2019. In the context of trade cooperation and trusted trader 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 coordination border management, 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). 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 the UN COMTRADE database, using bilateral import data for the period 2015-2019.

Application:

This parameter is used in Pillar I under the subcategory on International Trade Cooperation, and in Pillar II under the subcategories covering Trade Infrastructure, Coordinated Border Management, and Trusted Trader Programs.

5.2.8 Main Border

Justification:

The main border per each mode of transportation (by maritime, air, or road freight) is determined by the total trade value by border by mode of transportation. Considering the economy's geographic location, only the main borders, that is, the two most relevant types of transportation freight, are measured (see 5.2.1). For coastal economies, which have no land border posts with any neighboring trading partner, only ports and airports will be assessed. Similarly, for landlocked economies which have no land border posts with neighboring trading partners, only airports will be assessed. 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 borders by transportation type, as facilities, amenities, and infrastructure can vary across different types of borders (that is, port, land border post, or airport). The selection of the main border by mode of transportation is 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 subcategories on Trade Infrastructure and Coordinated Border Management, where identifying the main border will provide sufficient context for experts to respond to questions related to facilities, amenities, and other infrastructure setup.

5.2.9 WTO Membership

Justification:

An economy's status for WTO membership (that is, Member, Observer, or none). 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 subcategory on International Trade Cooperation regarding notifications of preferential trade agreements (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—Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade. 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 25 shows the scoring for the International Trade 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 25. Aggregate Scoring Overview

Pillar Number	Pillar	Number of Indicators	Score			Rescaled Points (0–100)	Weight
			Firm Flexibility	Social Benefits	Total Points		
I	Quality of Regulations for International Trade	102	78	102	180	100	0.33
II	Quality of Public Services for the Facilitation of International Trade	53	53	53	106	100	0.33
III	Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade	7	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 102 indicators with a total score of 180 points (78 points on firm flexibility and 102 points on social benefits) (table 26). The scoring for each category under this pillar is as follows:

6.1.1 *Practices Supporting International Trade* has 40 indicators with a total maximum score of 72 points (32 points on firm flexibility and 40 points on social benefits). Specifically, the *International Trade in Goods and Services* Subcategory has 14 indicators; the *Digital and Sustainable Trade (includes gender and environment)* Subcategory has 14 indicators; and the *International Trade Cooperation* Subcategory has 12 indicators. Some indicators on cross-border carbon pricing instruments, international commitments on sustainable trade, and gender equality in trade agreements in this category have an ambiguous impact on firm flexibility and hence do not receive firm flexibility points.

6.1.2 *Regulatory Restrictions on International Trade* has 62 indicators with a total maximum score of 108 points (46 points on firm flexibility and 62 points on social benefits). Specifically, the *Restrictions on International Trade in Goods (includes gender)* Subcategory has 25 indicators, the *Restrictions on International Trade in Services* Subcategory has 22 indicators, and the *Restrictions on Digital Trade* Subcategory has 15 indicators.

Table 26. Aggregate Scoring for Pillar I

Pillar I—Quality of Regulations for International Trade		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Practices Supporting International Trade	40	32	40	72	50.00
1.1.1	International Trade in Goods and Services	14*	14*	14*	28*	16.67
1.1.2	Digital and Sustainable Trade (includes gender and environment)	14	8	14	22	16.67
1.1.3	International Trade Cooperation	12**	10**	12**	22**	16.67
1.2	Regulatory Restrictions on International Trade	62	46	62	108	50.00
1.2.1	Restrictions on International Trade in Goods (includes gender)	25	17	25	42	20.00
1.2.2	Restrictions on International Trade in Services	22***	22***	22***	44***	20.00
1.2.3	Restrictions on Digital Trade	15	7	15	22	10.00
Total		102	78	102	180	100.00

Note: FFP = Firm Flexibility Points. SBP = Social Benefits Points.

*Landlocked economies may score a total of 24 points, which will be rescaled to the same total rescaled points obtained by other economies (16.67).

**Non-WTO members may score a total of 12 points, which will be rescaled to the same total rescaled points obtained by WTO members (16.67).

***Landlocked economies may score a total of 38 points, which will be rescaled to the same total rescaled points obtained by other economies (20).

6.2 Pillar II—Quality of Public Services for the Facilitation of International Trade

Pillar II covers 53 indicators with a total score of 106 points (53 points on firm flexibility and 53 points on social benefits) (table 27). The scoring for each category under this pillar is as follows:

6.2.1 *Digital and Physical Infrastructure* has 32 indicators with a total maximum score of 64 points (32 points on firm flexibility and 32 points on social benefits). Specifically, the *Electronic systems and interoperability of services* Subcategory has 10 indicators, the *Transparency and availability of information* Subcategory has 12 indicators, and the *Trade Infrastructure* Subcategory has 10 indicators.

6.2.2 *Border Management* has 21 indicators with a total maximum score of 42 points (21 points on firm flexibility and 21 points on social benefits). Specifically, the *Risk Management* Subcategory has 8 indicators, the *Coordinated Border Management* Subcategory has 7 indicators, and the *Trusted Trader Programs* Subcategory has 6 indicators.

Table 27. Aggregate Scoring for Pillar II

Pillar II—Quality of Public Services for the Facilitation of International Trade		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Digital and Physical Infrastructure	32	32	32	64	50.00
2.1.1	Electronic Systems and Interoperability of Services	10	10	10	20	16.67
2.1.2	Transparency and Availability of Information	12	12	12	24	16.67
2.1.3	Trade Infrastructure	10*	10*	10*	20*	16.67
2.2	Border Management	21	21	21	42	50.00
2.2.1	Risk Management	8	8	8	16	20.00
2.2.2	Coordinated Border Management	7**	7**	7**	14**	20.00
2.2.3	Trusted Trader Programs	6	6	6	12	10.00
Total		53	53	53	106	100.00

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points.

*Considering the economy's geographic location, only the main borders referring to the two most relevant types of transportation freight are measured (see 5.2.1). While the number of components for the Information Systems (Port or Airport) indicator differs between island and coastal economies (4 components) and landlocked economies (3 components), the maximum score assigned to this indicator is the same for all economies. In case only one border can be measured for an economy, the total subcategory points will be rescaled to the same total rescaled points applicable to other economies (16.67).

**Island economies may score a total of 8 points (4 FFP and 4 SBP), which will be rescaled to the same total rescaled points applicable to other economies (20).

6.3 Pillar III—Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade

Pillar III has 7 indicators with scores ranging from 0 to 100 (table 28). 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 28. Aggregate Scoring for Pillar III

Pillar III—Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade		No. of Indicators	Rescaled Points
3.1	Compliance with Export Requirements	2	40.00
3.1.1	Total Time to Comply with Export Requirements	1	20.00
3.1.2	Total Cost to Comply with Export Requirements	1	20.00
3.2	Compliance with Import Requirements	2	40.00
3.2.1	Total Time to Comply with Import Requirements	1	20.00
3.2.2	Total Cost to Comply with Import Requirements	1	20.00
3.3	Participation in Cross-Border Digital Trade	1	10.00
3.3.1	Share of Trading Firms Exporting Digitally Ordered Goods	1	10.00
3.4	Perceived Major Obstacles: Customs and Trade Regulation, and Transportation	2	10.00
3.4.1	Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints	1	5.00
3.4.2	Share of Firms Identifying Transportation as Major or Severe Constraint	1	5.00
Total		7	100.00

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- ⁸ Handley (2014); World Bank (2018a); Johns and Saltane (2016); OECD (2008, 2009).
- ⁹ For good regulatory practices, see, among others, UNCITRAL's Model Law on Electronic Commerce, Model Law on Electronic Transferable Records, and Model Law on Electronic Signatures, and the UN Convention on the Use of Electronic Communications in International Contracts, as well as the WCO's Cross-Border E-Commerce Framework of Standards. This indicator will expand currently available databases—such as the World Bank Group's Digital Business Indicators (DBI) and Global Data Regulations Diagnostic (GDRD), the UN's Global Survey on Digital and Sustainable Trade Facilitation (GSDSTF), ECIPE's Digital Trade Restrictiveness Index (DTRI), and the Digital Policy Alert (DPA)—by increasing geographic scope and time period of coverage.
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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 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 FOR INTERNATIONAL TRADE					
1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE					
1.1.1 International Trade in Goods and Services					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Establishment of Maritime Single Window Environment*	1	1	2	1.19	IMO (1965, last amended 2023)
Temporary Admission of Goods	1	1	2	1.19	WCO (1990b, 2006b, 2022)
Rules on Liability of Carriers*	1	1	2	1.19	UN (1978)
Simplified Visa Regime–Foreign Crew Members and Service Providers	1	1	2	1.19	Geloso Grosso et al. (2014); ITC (2022b); WTO (1994c, 2019, 2020)
Reasons for License Rejection, Suspension, and Cancellation (Freight Transport)	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
Reasons for License Rejection, Suspension, and Cancellation (Logistics Services)	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
Right to Appeal (Goods)–Administrative	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
Right to Appeal (Goods)–Judicial	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
Right to Appeal (Services)–Administrative (Freight Transport)	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
Right to Appeal (Services)–Administrative (Logistics Services)	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
Right to Appeal (Services)–Judicial (Freight Transport)	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
Right to Appeal (Services)–Judicial (Logistics Services)	1	1	2	1.19	OECD (2009); UNCTAD (2011); WTO (2013)
De Minimis Value	1	1	2	1.19	GEA (2016); Holloway and Rae (2012); ICC (2015); WCO (1999); WTO (2013);
Regulatory Impact Assessment–NTMs	1	1	2	1.19	APEC and World Bank (2007); Francois (2001); Ing, Cadot, and Walz (2018); OECD (2009, 2013b, 2017); Van Tongeren (2009); WTO (1994a, 1994b, 2013)
Total Points for Subcategory 1.1.1	14	14	28	16.67	

1.1.2 Digital and Sustainable Trade (includes gender and environment)					
Electronic Contracts	1	1	2	1.52	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018, updated 2022); WTO (2019b).
Electronic Signatures	1	1	2	1.52	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018, updated 2022); WTO (2019b).
Technology Neutrality	1	1	2	1.52	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UN (2007); UNCITRAL (1996, 2001, 2022); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023); WTO (2019b).
Cross-Border Data Flows–Data Protection	1	1	2	1.52	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996); UNESCAP (2021); World Bank (2023).
Recognition of Digital Currencies for Cross-Border Payments	1	1	2	1.52	IMF (2024); World Bank (2023).
Cross-Border Carbon Pricing Instruments	n/a	1	1	0.76	Brenton and Chemutai (2021); EU (2024); OECD, (2020); Parry et al. (2021); Pirlot (2021); Shapiro (2020); UN (2020); World Bank (2007, 2024);
Tariffs on Environmental Goods	1	1	2	1.52	Brenton and Chemutai (2021); Casella and Melo, (2021); Islam and Managi (2019); Shapiro (2020); World Bank (2007)
Emission Trading System in Freight Transport	n/a	1	1	0.76	Brenton and Chemutai (2021); Shapiro (2020); World Bank (2007, 2024).
Endangered Species	n/a	1	1	0.76	CITES (1973).
Oil, Chemical, Sewage and Air Pollution	n/a	1	1	0.76	MARPOL (1973)
Hazardous Waste, Hazardous Chemicals or Pesticides	n/a	1	1	0.76	Basel Convention (1989), Rotterdam Convention (1998)
Freedom of Association and Right to Collective Bargaining	n/a	1	1	0.76	ILO (1998, updated 2022)
Equal Pay and Employment Opportunities	1	1	2	1.52	Laperle-Forget (2022); Monteiro (2018)
Women's Access to Credit	1	1	2	1.52	Laperle-Forget (2022); Monteiro (2018)
Total Points for Subcategory 1.1.2	8	14	22	16.67	
1.1.3 International Trade Cooperation					
Absence of Non-Notified PTAs**	1	1	2	1.52	Mattoo, Rocha, and Ruta (2020); UNCTAD (2006a); WTO (2022)
Duty Free Trade	1	1	2	1.52	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)
Cross-Border Data Flows	1	1	2	1.52	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)
Investment and Movement of Capital	1	1	2	1.52	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)
Trade in Services	1	1	2	1.52	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)
Trade in Services–Mutual Recognition of Professional Qualifications and Certifications	1	1	2	1.52	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)
Trade in Services–Temporary Movement of Natural Persons for Business Purposes	1	1	2	1.52	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)
Trade in Services–No Local Presence Requirement	1	1	2	1.52	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)
Harmonization of Regulation on Non-Tariff Measures	1	1	2	1.52	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)
Environment–Carbon Pricing System	n/a	1	1	0.76	Baccini, Dür, and Elsig (2015); Brenton and Chemutai (2021); Dhingra, Freeman, and Huang (2021); EU (2024); 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) OECD,

					(2020); Parry et al. (2021); Pirlot (2021); Shapiro (2020); UN (2020); World Bank (2007, 2024);
Environment–NTMs–Environmental Goods	n/a	1	1	0.76	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)
Competent Authorities to Oversee Implementation	1	1	2	1.52	ADB (2008); Baccini, Dür, and Elsig (2015); Steger (2012)
Total Points for Subcategory 1.1.3	10	12	22	16.67	
Total Points for Category 1.1	32	40	72	50.00	
1.2 REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE					
1.2.1 Restrictions on International Trade in Goods (includes gender)					
Sanitary and Phytosanitary Measures	n/a	1	1	0.48	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	0.95	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	0.48	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	0.95	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)
Absence of Pre-Shipment Inspections	1	1	2	0.95	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)
Absence of Contingent Trade-Protective Measures	1	1	2	0.95	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)

Absence of Quantity Control Measures	1	1	2	0.95	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)
Absence of Price Control Measures	1	1	2	0.95	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)
Absence of Finance Measures	1	1	2	0.95	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)
Absence of Export Restrictions	1	1	2	0.95	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)
Absence of Caps on Licenses (Freight Transport)	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Price Floors and Guidelines (Freight Transport)	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Mandatory Use of Certified Operators (Freight Transport)	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Caps on Licenses (Logistics)	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Price Floors and Guidelines (Logistics)	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Mandatory Use of Certified Operators (Logistics)	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Safety Regulations–Certification for Operators (Freight Transport)	n/a	1	1	0.48	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Safety Regulations–Equipment (Freight Transport)	n/a	1	1	0.48	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)

Safety Regulations–Maximum Hours (Freight Transport)	n/a	1	1	0.48	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Safety Regulations–Certification for Operators (Logistics)	n/a	1	1	0.48	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Safety Regulations–Equipment (Logistics)	n/a	1	1	0.48	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Safety Regulations–Maximum Hours (Logistics)	n/a	1	1	0.48	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Additional Restrictions for Women Service Providers	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Prohibition of Women Service Providers	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Absence of Additional Certification and Training Requirements for Women Service Providers	1	1	2	0.95	Crozet, Milet, and Mirza (2016); Ngai and Petrongolo (2017); World Bank (2012b, 2018a); WTO (1994c, 2019a)
Total Points for Subcategory 1.2.1	17	25	42	20.00	
1.2.2 Restrictions on International Trade in Services					
Absence of Restrictions on Foreign Registration of Vessels Under National Flags (Maritime Freight Only)*	1	1	2	0.91	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)
Absence of Restrictions on Cabotage/Access Rights (Maritime Freight Only)*	1	1	2	0.91	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)
Absence of Restrictions on the Use of Local Port Services (Maritime Freight Only)*	1	1	2	0.91	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)
Absence of Restrictions on Quotas (Freight Transport)	1	1	2	0.91	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)
Absence of Restrictions Subject to an Economic Needs Test (Freight Transport)	1	1	2	0.91	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)

Absence of Restrictions on Acquisition and Use of Land and Real Estate (Freight Transport)	1	1	2	0.91	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)
Absence of Restrictions on Quotas (Logistics)	1	1	2	0.91	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)
Absence of Restrictions Subject to an Economic Needs Test (Logistics)	1	1	2	0.91	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)
Absence of Restrictions on Acquisition and Use of Land and Real Estate (Logistics)	1	1	2	0.91	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)
Absence of Restrictions on Quotas (Financial Services)	1	1	2	0.91	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)
Absence of Restrictions Subject to an Economic Needs Test (Financial Services)	1	1	2	0.91	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)
Absence of Restrictions on Acquisition and Use of Land and Real Estate (Financial Services)	1	1	2	0.91	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)
Absence of Additional Restrictions on Licensing or Authorization Requirements (Freight Transport)	1	1	2	0.91	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)
Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Freight Transport)	1	1	2	0.91	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)
Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Freight Transport)	1	1	2	0.91	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)
Absence of Additional Restrictions on Licensing or Authorization Requirements (Logistics)	1	1	2	0.91	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)

Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Logistics)	1	1	2	0.91	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)
Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Logistics)	1	1	2	0.91	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)
Absence of Additional Restrictions on Licensing or Authorization Requirements (Financial Services)	1	1	2	0.91	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)
Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Financial Services)	1	1	2	0.91	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)
Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Financial Services)	1	1	2	0.91	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)
Absence of Procedural Hurdles for Visa for Business Purposes (Freight Transport)	1	1	2	0.91	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)
Total Points for Subcategory 1.2.2	22	22	44	20.00	
1.2.3 Restrictions on Digital Trade					
Absence of Additional Government Licenses	1	1	2	0.91	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023)
Absence of Online Selling Bans	1	1	2	0.91	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996wo); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023)
Absence of Additional Taxes or Higher Tax Rates	1	1	2	0.91	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023)
Absence of Local Tax Presence Requirements	1	1	2	0.91	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023)

Absence of Charges on Incoming Cross-Border E-Payments	1	1	2	0.91	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023)
Absence of Charges on Outgoing Cross-Border E-Payments	1	1	2	0.91	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023)
Absence of Limits on Cross-Border E-Payments	1	1	2	0.91	APEC (2020b); Daza Jaller, Gaillard, and Molinuevo (2020); Ferrantino and Koten (2019); UNCITRAL (1996); UNESCAP (2021); WCO (2018, updated 2022); World Bank (2023)
Cross-Border Data Flows–Consent to Transfer	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Disclosure of Relevant Information	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Consumer Rights–Limits on Advertising	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Consumer Rights to Cancel Online Purchases	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Consumer Rights to Receive Refunds	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Penalties for Non-Compliance with Online Consumer Protection Provisions	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Online Dispute Resolution Mechanism	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Online Dispute Resolution Mechanism (Free of Charge Filing)	n/a	1	1	0.45	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, updated 2022)); WTO (2013)
Total Points for Subcategory 1.2.3	7	15	22	10.00	
Total Points for Category 1.2	46	62	108	50.00	
Total Points for Pillar I	78	102	180	100.00	

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

*Landlocked economies will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

**Non-WTO members will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

PILLAR II—QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE					
2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE					
2.1.1 Electronic Systems and Interoperability of Services					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Availability of an Advanced Electronic System for International Trade	1	1	2	1.67	UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Agency Integration into the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE (2013); UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Stakeholder Integration into the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE (2017); UNECE/UN-CEFACT (2005, updated 2020); WCO (2017)
Features of the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Exchange of Information with Trading Partners' Electronic Systems for International Trade	1	1	2	1.67	UNECE (2013, 2017); UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017)
Single Point of Access of the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Single Sign-On of the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Single Submission of Data of the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Single Point of Decision Making of the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Single Point of Payment of the Advanced Electronic System for International Trade	1	1	2	1.67	UNECE/UN-CEFACT (2005, updated 2020); WCO (1999, 2017); WTO (2013)
Total Points for Subcategory 2.1.1	10	10	20	16.67	
2.1.2 Transparency and Availability of Information					
Trade Information Portal (TIP) (Availability)	1	1	2	1.39	UNECE (2021); WCO (1999); World Bank (2012a); WTO (2013, 2021b)
Publication—Duties, Taxes, Fees, Charges and Non-Tariff Measures	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999, 2005, updated 2021); World Bank (2012a); WTO (1994c, 1994d, 1994e, 2013, 2021b)
Publication—Procedures and Advance Rulings	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999, 2005, updated 2021); WTO (1994c, 1994d, 2013, 2021b)

Publication–Penalties, Procedures for Appeal	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999, 2005, updated 2021); WTO (1994c; 1994d, 2013, 2021b)
Publication–Licensing Criteria (Freight Transport)	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (2005, updated 2021); WTO (1994d, 2021b)
Publication–Licensing Criteria (Logistics Services)	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (2005, updated 2021); WTO (1994d, 2021b)
Publication–Proposals of Laws and Draft Regulations	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999; 2005, updated 2021); World Bank (2012a); WTO (1994d, 2013, 2021b)
Publication–Advance Notices	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999; 2005, updated 2021); World Bank (2012a); WTO (1994d, 2013; 2021b)
Enquiry Points	1	1	2	1.39	UNECE (2021); Van der Marel and Shepherd (2020); WCO (1999; 2005, updated 2021); World Bank (2012a); WTO (1994d, 2013, 2021b)
Consultation–Practice	1	1	2	1.39	Bandelet (2016); Van der Marel and Shepherd (2020); WCO (1999; 2005, updated 2021); WTO (2013, 2021b)
Consultation–Reasonable Opportunity	1	1	2	1.39	Bandelet (2016); WTO (2013, 2021b)
Consultation–Process to Consider Comments	1	1	2	1.39	Bandelet (2016); Van der Marel and Shepherd (2020); WTO (2021b)
Total Points for Subcategory 2.1.2	12	12	24	16.67	
2.1.3 Trade Infrastructure					
Equipment & Facilities (Border 1–Port or Land Border)	1	1	2	1.67	APEC (2010); Arvis et al. (2018); Donaubauer et al. (2018); Doyle et al. (2010); Guash (2011); IMO (1965, updated 2023); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Services & Amenities (Border 1–Port or Land Border)	1	1	2	1.67	Arvis et al. (2018); Donaubauer et al. (2018); Guash (2011); IMO (1965, updated 2023); Kunaka and Carruthers (2014); McKinnon et al. (2017); OSCE/UNECE (2012); UNECE (2021); World Bank (2010)
Green Infrastructure (Border 1 if Port)	1	1	2	1.67	APEC (2010); Arvis et al. (2018); Donaubauer et al. (2018); Doyle et al. (2010); Guash (2011); IMO (1965, updated 2023); Kunaka and Carruthers (2014); OSCE/UNECE (2012); UNECE (2021); WCO (1999); World Bank (2010)
Consultative Committee (Border 1–Port)–Representatives	1	1	2	1.67	Kunaka and Carruthers (2014)
Equipment & Facilities (Border 2–Land Border or Airport)	1	1	2	1.67	APEC (2010); 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 2–Land Border or Airport)	1	1	2	1.67	Arvis et al. (2018); Donaubauer et al. (2018); Guash (2011); Kunaka and Carruthers (2014); McKinnon et al. (2017); OSCE/UNECE (2012); UNECE (2021); World Bank (2010)
Consultative Committee (Airport)–Representatives	1	1	2	1.67	IATA (2017); ICAO (2023); Kunaka and Carruthers (2014)
Connection to the Electronic System for International Trade (Port or Airport)	1	1	2	1.67	UNECE (2017); WCO (2017); WTO (2013)
Information Systems (Port or Airport)	1	1	2	1.67	Carlan et al. (2016); Heilig and Voß (2017); IMO (2024); Mor et al. (2020)
Consultative Committee (Port or Airport)	1	1	2	1.67	IATA (2017); ICAO (2023); Kunaka and Carruthers (2014)
Total Points for Subcategory 2.1.3	10*	10*	20*	16.67	
Total Points for Category 2.1	32	32	64	50.00	
2.2 BORDER MANAGEMENT					
2.2.1 Risk Management					
Customs Risk Management Availability	1	1	2	2.50	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022a); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011; 2016, updated 2018); Widdowson (2014); WTO (2013)
Sanitary and Phytosanitary Agency Integration	1	1	2	2.50	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022a); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011; 2016, updated 2018); Widdowson (2014); WTO (2013)
Standardization Agency Integration	1	1	2	2.50	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022a); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011; 2016, updated 2018); Widdowson (2014); WTO (2013)
Environmental Agency Integration	1	1	2	2.50	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022a); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011; 2016, updated 2018); Widdowson (2014); WTO (2013)
Security Border Agency Integration	1	1	2	2.50	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022a); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011; 2016, updated 2018); Widdowson (2014); WTO (2013)
Automated Profiling and Targeting	1	1	2	2.50	IMF (2022); ITC (2020, 2022a); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011; 2016, updated 2018); Widdowson (2014); WTO (2013)

Post-Clearance Audits	1	1	2	2.50	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022a); USAID, 2018; WCO (2011; 2016, updated 2018); Widdowson (2014); WTO (2013)
Customs Risk Management Coverage	1	1	2	2.50	De Wulf and Sokol (2005); IMF (2022); ITC (2020, 2022a); USAID (2018); WCO (1999; 2003; 2005, updated 2021; 2011; 2016, updated 2018); Widdowson (2014); WTO (2013)
Total Points for Subcategory 2.2.1	8	8	16	20.00	
2.2.2 Coordinated Border Management					
Unique Consignment Reference	1	1	2	2.86	Doyle et al. (2010); OSCE/UNECE (2012); WCO (2004; 2005, updated 2021; 2006, updated 2020);
Joint Controls (Internal)	1	1	2	2.86	Aniszewski (2009); Doyle et al. (2010); IDB (2010); OSCE/UNECE (2012); WCO (2005, updated 2021; 2006, updated 2020); WTO (2013)
Integrated Border Checkpoint*	1	1	2	2.86	Aniszewski (2009); Doyle et al. (2010); OSCE/UNECE (2012); UNECE (1982); WCO (1999; 2006, updated 2020); WTO (2013)
Exchange of Information	1	1	2	2.86	Aniszewski (2009); Doyle et al. (2010); OSCE/UNECE (2012); UNECE (1982); UNESCAP (2021); WCO (2005, updated 2021; 2006, updated 2020); WTO (2013)
Joint Controls (External)	1	1	2	2.86	Aniszewski (2009); OSCE/UNECE (2012); UNECE (1982); WCO (1999; 2006, updated 2020); WTO (2013)
Alignment of Operating Hours*	1	1	2	2.86	Aniszewski (2009); WCO (1999; 2005, updated 2021; 2006, updated 2020); WTO (2013)
Unified Documents or Set of Documents*	1	1	2	2.86	Aniszewski (2009); Doyle et al. (2010); OSCE/UNECE (2012); UNESCAP (2021); WCO (2006, updated 2020); WTO (2013)
Total Points for Subcategory 2.2.2	7	7	14	20.00	
2.2.3 Trusted Trader Programs					
Availability of a Trusted Trader Program for Exporters and Importers	1	1	2	1.67	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006, updated 2018); WTO (2013)
Availability of a Trusted Trader Program for Other Operators	1	1	2	1.67	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006 updated 2018); WTO (2013)
Benefits of the Trusted Trader Program	1	1	2	1.67	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006 updated 2018); WTO (2013)

Inter-Agency Recognition of the Trusted Trader Program	1	1	2	1.67	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (1999; 2005, updated 2021; 2006 updated 2018); WTO (2013)
Mutual Recognition Agreements of the Trusted Trader Program	1	1	2	1.67	APEC (2016, 2020a); De Wulf and Sokol (2005); Doyle et al. (2010); WCO (2005, updated 2021;); WTO (2013)
Electronic Certification and Renewal Process of the Trusted Trader Program	1	1	2	1.67	De Wulf and Sokol (2005); WCO (2005, updated 2021;); WTO (2013)
Total Points for Subcategory 2.2.3	6	6	12	10.00	
Total Points for Category 2.2	21	21	42	50.00	
Total Points for Pillar II	53	53	106	100.00	

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

*Island economies will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

PILLAR III—OPERATIONAL EFFICIENCY OF EXPORTING GOODS, IMPORTING GOODS, AND ENGAGING IN DIGITAL TRADE					
3.1 COMPLIANCE WITH EXPORT REQUIREMENTS					
3.1.1 Total Time to Comply with Export Requirements					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Total Time to Comply with Export Requirements	100	n/a	100	20.00	Engman (2005); Hoekman and Nicita (2011); Hummels, David, and Schaur (2013); Volpe Martincus et al. (2015); WCO (2002, updated 2018); WTO (2013)
Total Points for Subcategory 3.1.1	100	n/a	100	20.00	
3.1.2 Total Cost to Comply with Export Requirements					
Total Cost to Comply with Export Requirements	100	n/a	100	20.00	Engman (2005); Hoekman and Nicita (2011); WTO (2013)
Total Points for Subcategory 3.1.2	100	n/a	100	20.00	
Total Points for Category 3.1	100	n/a	100	40.00	
3.2 COMPLIANCE WITH IMPORT REQUIREMENTS					
3.2.1 Total Time to Comply with Import Requirements					
Total Time to Comply with Import Requirements	100	n/a	100	20.00	Engman (2005); Hoekman and Nicita (2011); Hummels, David, and Schaur (2013); WCO (2002, updated 2018); WTO (2013)
Total Points for Subcategory 3.2.1	100	n/a	100	20.00	
3.2.2 Total Cost to Comply with Import Requirements					
Total Cost to Comply with Import Requirements	100	n/a	100	20.00	Engman (2005); Hoekman and Nicita (2011); WTO (2013)
Total Points for Subcategory 3.2.2	100	n/a	100	20.00	
Total Points for Category 3.2	100	n/a	100	40.00	
3.3 PARTICIPATION IN CROSS-BORDER DIGITAL TRADE					
3.3.1 Share of Trading Firms Exporting Digitally Ordered Goods					
Share of Trading Firms Exporting Digitally Ordered Goods	100	n/a	100	10.00	Gonzalez and Ferencz (2018); WTO (2021a)
Total Points for Subcategory 3.3.1	100	n/a	100	10.00	
Total Points for Category 3.3	100	n/a	100	10.00	

3.4 PERCEIVED MAJOR OBSTACLES: CUSTOMS AND TRADE REGULATIONS, AND TRANSPORTATION					
3.4.1 Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints					
Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints	100	n/a	100	5.00	Engman (2005); Hoekman and Nicita (2011); Hummels, David, and Schaur (2013); WCO(2002, updated 2018); WTO (2013)
Total Points for Subcategory 3.4.1	100	n/a	100	5.00	
3.4.2 Share of Firms Identifying Transportation as Major or Severe Constraints					
Share of Firms Identifying Transportation as Major or Severe Constraints	100	n/a	100	5.00	Hoekman and Nicita (2011); Hummels, David, and Schaur (2013); Limao and Venables (2001)
Total Points for Subcategory 3.4.2	100	n/a	100	5.00	
Total Points for Category 3.4	100	n/a	100	10.00	
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.

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ANNEX B. INTERNATIONAL TRADE–ANNOTATED QUESTIONNAIRE

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).

Glossary

Additional restriction: Limitation or conditions imposed on imported goods or foreign services, in addition to those applicable to the same goods produced domestically or domestic service providers, respectively.

Administrative appeal: Legal process through which an individual or entity can challenge an administrative decision made by a government agency or authority. It allows for the review of decisions such as the denial of a license, permit, or other regulatory actions. The appeal is typically reviewed by a higher authority within the public agency (not the court).

Advanced automated profiling and targeting: In the context of customs risk management, this refers to a system used by customs agencies to assess and manage risks associated with the import and export of goods. The system involves the use of sophisticated algorithms and data analysis techniques to assess and identify potential risks associated with the movement of goods across international borders, automatically processing large volumes of data related to shipments. It profiles shipments based on factors such as origin, destination, type of goods, and known patterns of non-compliance. The goal is to target high-risk shipments for further inspection and allow low-risk shipments to pass through customs with minimal intervention, thereby increasing efficiency and security in the trade process. Advanced automated profiling also uses machine learning and artificial intelligence to analyze vast amounts of trade data and shipment history to automate risk profiles.

Advance notice: 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: Formal decision by customs or other competent authorities to traders (upon request) regarding the classification, valuation, origin, or other customs-related treatment of a product prior to importation or exportation. Advance rulings provide certainty and predictability to traders by clarifying how a country's customs laws will apply to their goods in advance of the actual transaction and sets forth a transparent and formal process for treatment of goods with regards to the goods' tariff classification, origin, and customs valuation.

Air Cargo Community System (ACCS): Electronic platform that facilitates electronic communication and data exchange and streamlines processes among all stakeholders within the airport community, enabling intelligent and secure exchange of information and streamlining cargo movement processes. It is designed to optimize, manage, and automate port and logistics processes through a single submission of data and connecting transport and logistics chains. The connected stakeholders may include airport authorities, private transport operators (e.g., warehouses, airlines, trucking companies, freight agents, and freight forwarders), exporters and importers, customs brokers, Customs authority, and other regulatory authorities.

Air freight services: The transportation of goods by aircraft. It is the fastest mode for long-distance freight transport but also the most expensive. Air freight can include goods shipped on passenger aircraft or dedicated cargo planes.

Airport operations and management system: Specialized digital platform designed to automate and streamline various aspects of airport operations. It integrates multiple functions such as passenger processing, baggage tagging and handling, arrival/departure operations, departure control systems, information distribution, and air traffic control (ATC).

Binding commitments: Promises or obligations that are legally enforceable between the countries involved. These commitments require the parties to adhere to the terms agreed upon, such as reducing tariffs, opening up service sectors to foreign competition, or adhering to specific standards. Binding commitments are subject to international law and, if violated, can lead to dispute resolution proceedings. They are distinct from non-binding commitments, which are more like pledges without legal enforcement mechanisms.

Cabotage laws: Legal acts that restrict the rights of foreign firms to operate within domestic transport markets.

Carbon pricing instrument: Policy mechanism that captures the external costs of greenhouse gas (GHG) emissions—the costs of emissions that the public pays for, such as damage to crops, health care costs from heat waves and droughts, and loss of property from flooding and sea level rise—and ties them to their sources through a price, usually in the form of a price on the carbon dioxide (CO₂) emitted. This price signal incentivizes emitters to reduce their emissions by transforming their activities or face the financial cost of continuing to emit. Carbon pricing instruments aim to achieve environmental goals cost-effectively by allowing market mechanisms to reduce GHG emissions. These instruments may also be implemented cross-borders, such as international or regional emission trading systems (ETS) or border carbon adjustments (BCA).

Cargo handling, storage, and warehousing services: The activities involved in managing the movement and storage of goods within warehouses and logistics centers. This includes loading and unloading cargo, transportation within the facility, warehousing management, sorting, and assortment.

Centralized entry point: Unified platform that provides access to all necessary systems or services related to international trade, including customs clearance, permits, and certifications.

Cold Storage Facilities: Refrigerated spaces used to store perishable goods at controlled temperatures to maintain their quality.

Competent authority: Organization or body that has the legal authority to enforce regulations or oversee the implementation of various policies and standards within a specific field or jurisdiction. In the context of international trade, a competent authority would be the entity responsible for overseeing the implementation of trade agreements and ensuring compliance with other binding commitments.

Contingent trade protective measures: Trade policies adopted by countries to protect their domestic industries from specific adverse effects of imports. These measures are implemented contingent upon the fulfillment of certain procedural and substantive requirements and are aimed at countering imports that are

considered to be causing or threatening to cause injury to the domestic industry. These include anti-dumping duties, countervailing duties, and safeguard measures.

Contractual arrangement: In terms of trade agreements, refers to the legally binding agreements between two or more parties that outline the terms and conditions of trade between them. This can include details such as the goods or services to be exchanged, pricing, delivery schedules, payment terms, dispute resolution mechanisms, and other obligations and rights of each party. These arrangements are designed to provide a clear framework for the conduct of trade and to ensure that all parties understand their responsibilities and the consequences of non-compliance.

Covered investment: Investment that is protected under an investment treaty or agreement, encompassing assets like shares, real estate, and intellectual property. It qualifies for treaty protections against host state actions that may harm the investment.

Covered storage facilities: Structures that provide protection for goods from weather elements, ensuring their preservation during storage.

Cross-border: Refers to activities that take place between two or more countries or that cross the boundaries between nations.

Cross-border consumers: Individuals or entities that engage in commercial transactions with businesses located in a different country from their own. These transactions typically involve the purchase of goods or services through digital platforms, where the consumer is in one jurisdiction and the provider is in another.

Cross-border data flows: The movement or transfer of data or personal information between servers across country borders.

Customs bonded warehouse: Building or other secured area in which dutiable goods may be stored, manipulated, or undergo manufacturing operations without payment of duty until they are cleared through customs. It may be managed by the state or by a private enterprise. In the latter case, a customs bond must be posted with the government.

Customs brokerage services: The services provided by individuals or corporations that assist importers and exporters in meeting the requirements governing imports and exports. Customs brokers manage the submission of necessary information and payments to customs authorities on behalf of their clients.

Customs valuation: The process by which customs authorities assign a monetary value to goods for import or export purposes. The valuation is primarily used to determine the duties to be paid on imported goods and is an essential element for compiling trade statistics, monitoring quantitative restrictions, applying tariff preferences, and collecting national taxes. The customs value is usually based on the transaction value of the goods, which is the price actually paid or payable when sold for export to the importing country, plus certain adjustments.

Deconsolidation and unbundling areas for cargo: Areas where consolidated shipments are separated or unpacked for inspection, sorting, or further distribution.

Delegation of inspections: Process where one regulatory agency, such as customs, authorizes another domestic public agency to carry out inspection duties on its behalf. This delegation is typically based on the agency's expertise, such as food safety or environmental protection, and allows for a more specialized and efficient inspection process.

Designated parking areas for trucks: Specific areas allocated for trucks to park while waiting for clearance or loading/unloading goods.

Digital trade: Encompasses all forms of economic activity conducted via digital networks. These digitally enabled transactions of trade in goods and services can include services like cloud computing, data storage, and processing, as well as the sale and delivery of goods and services online. Digital trade involves both the production of digital goods (such as software, digital media, and online services) and the use of digital processes to facilitate traditional trade (like online ordering and electronic payments), including e-commerce, and may involve consumers, firms, and governments.

Digital currency: A form of currency that exists only in digital or electronic form and includes Central Bank digital currencies, cryptocurrencies, digital currency service providers, and digital currency wallet providers, amongst others. Digital currencies can substantially reduce transaction costs associated with cross-border transactions.

Duty de minimis: A valuation ceiling for imported goods, including documents and trade samples, below which no duty or tax is charged and clearance procedures, including data requirements, are minimal

Economic Needs Tests (ENTs): Regulatory mechanisms used by governments to assess the market demand and economic contributions before granting licenses or permits to foreign service providers. They are a set of criteria governments apply to foreign worker applicants to assess their economic contribution to the employment sector and the country.

Economic purpose: Refers to objectives such as protecting domestic industries, promoting development, adjusting trade balances, or addressing market failures. A measure imposed for economic purposes aims to support a country's economic policies rather than restrict trade.

Effectively applied ad valorem tariff rate: The import duty rate that a country actually applies to a specific imported product from a specific country of origin. This rate may differ from the bound rate (the maximum rate agreed upon in international trade negotiations) and be influenced by preferential trade arrangements or trade agreements with that origin country, as well as the country's Most Favored Nation (MFN) tariffs (or simply "tariffs" in case the importing country is not a WTO member). An ad valorem tariff is based on the value of the dutiable item and expressed in percentage terms, for example, a duty of 20 percent on the value of automobiles.

Electronic: Uses electronic media to transmit, process, or store information. This may involve the use of computers, Internet, e-mail, telephone, video calling, and other forms of digital communication to facilitate operations without relying on physical paper documents. A fully electronic process entails a process that from its start to its completion is conducted electronically.

Electronic contract: Agreement that is drafted, negotiated, and executed completely online.

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.

Electronic single window for international trade: 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 point of access to fulfill all import,

export, and transit-related regulatory requirements. If information is electronic, then individual data elements should only be submitted once.

Electronic system for international trade: Platform that facilitates the exchange of trade-related documents and information electronically between public and private sector stakeholders involved in international trade. This includes customs authorities, relevant public sector agencies, traders, freight forwarders, and other entities engaged in international trade. The system aims to streamline trade processes, reduce paperwork, enhance transparency, and improve the speed and efficiency of cross-border transactions. It uses electronic means to support the production, distribution, marketing, sale, or delivery of goods and services across international borders and can handle various functions such as electronic submission of customs declarations, processing of trade licenses, payment of duties and taxes, and tracking of shipments. The system can take the form of an electronic customs management system, an electronic single window for international trade, or similar.

Emission trading system: Market-based approach to controlling pollution by providing economic incentives for achieving reductions in the emissions of pollutants. It is a cap-and-trade system that sets a cap on the total amount of certain greenhouse gases that can be emitted by entities covered by the system. Within the cap, companies receive or buy emission allowances, which they can trade with one another as needed. Each allowance permits the holder to emit a certain amount of greenhouse gases. If a company emits less than its allowance, it can sell the surplus allowances. Conversely, if it emits more, it must buy allowances from other companies or face penalties. This system incentivizes companies to reduce their emissions in the most cost-effective way.

Enquiry point: 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. It is intended to provide transparency and predictability to all parties involved in trade by offering timely and accurate information. The enquiry point is also a requirement under the World Trade Organization's (WTO) Agreement on Trade Facilitation, which aims to expedite the movement, release, and clearance of goods across borders.

Environmental agencies: Entities such as National Environmental Protection Agencies, Ministries or Departments of Environment, Fisheries and Oceans Departments, Wildlife and Conservation Authorities, or equivalent, that oversee environmental protection and conservation.

Environmental goods: Products that directly contribute to environmental protection and climate mitigation by improving air and water quality, managing waste, contributing to energy efficiency, reducing air and noise pollution, and generating renewable energy. To promote green growth and sustainable development within the Asia-Pacific region, in 2011, APEC agreed to reduce tariffs 5 % or less on a list of environmental goods.

Equal pay: Equal remuneration for men and women workers for work of equal value. The concept of equal remuneration for work of equal value is broader and encompasses cases where men and women do different work.

Export permit to trade in endangered species: Permit issued by an exporting country based on findings that the specimens were legally acquired and the trade will not be detrimental to the survival of the species or its role in the ecosystem.

Export restrictions: Limitations on the quantity of goods exported to a specific economy or economies by the exporting economy.

Finance measures: Regulations affecting trade financing, including payment terms, insurance costs, and financial requirements for transactions. They aim to control or influence capital and financial service flows in trade.

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.

Fixed or mobile scanners: Devices used to non-intrusively inspect the contents of cargo, containers, or vehicles.

Foreign service providers: Entities that operate across international borders, offer their services in a country where they are not domiciled.

Formal public consultation: Official process conducted by government bodies or organizations to solicit feedback from citizens, stakeholders, or interested entities on proposed legislative or policy changes, or upcoming projects. Unlike informal dialogues, these consultations are systematically organized, follow a set protocol, and are part of the decision-making process, ensuring that the input collected is formally recognized and considered.

Free trade agreement: Treaty between two or more countries designed to facilitate trade and remove trade barriers, including tariffs and quotas. It encompasses various sectors such as goods, services, intellectual property, and investment. The agreement seeks to bolster economic cooperation and integration among its members, establishing shared trade regulations and standards.

Freight transport services: the movement of goods and cargo by land, air, or sea. This includes the physical process of transporting commodities, merchandise, and cargo from one point to another, often involving multiple modes of transportation such as trucks, ships, and aircraft.

Functional: System or service that is operational, accessible, and capable of performing its intended tasks. It should be actively maintained, allowing users to reliably access up-to-date information and utilize the portal's features effectively for trade-related activities.

Full integration: State of advanced system connectivity where relevant government agencies communicate, exchange data, streamline workflows, and operate through a common electronic platform. These agencies can access and process trade-related data and documentation through the system without the need for separate submissions or processing. In practice, full integration enables a trader to submit all required documentation electronically to a single point, after which the data is automatically distributed to all relevant agencies for processing. This not only speeds up the clearance process but also enhances transparency and compliance with trade regulations. In the case of full integration into a risk management system, control inspections are fully coordinated, and agencies have common protocols for inspections.

Implementation: Action of putting in place or amending existing domestic laws and regulations in adherence to and compatible with international treaty obligations.

Independent service providers: Individuals that enter the country to sell their 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 border checkpoint: Border crossing facility, such as a one-stop border post, where two neighboring countries collaborate to streamline their border control processes. This integration typically involves co-location of border officials from both countries, shared use of facilities, and joint operations. The aim is to facilitate the efficient and secure movement of goods, services, and people, reduce duplication of activities, and improve cooperation between the border authorities of the two countries. Integrated checkpoints are often found in regions with high volumes of cross-border traffic and are designed to enhance trade facilitation while maintaining security standards.

Integrated customs management system: Comprehensive system that consolidates various customs processes into a unified platform. It facilitates the submission of export or import documents through an electronic system and aims to reduce clearing time significantly. The ICMS is designed to enhance trade facilitation by providing a more efficient, modern system that can interface seamlessly with other internal and external systems as needed. The system can be part of the single window for international trade.

Intrusive examination area: Designated space where thorough inspections of cargo, vehicles, or containers are conducted, potentially involving the disassembly or internal inspection of items.

Joint inspections: Collaborative examinations conducted by two or more regulatory agencies at the border (e.g., customs, border police, sanitary and phytosanitary, standardization, or environment agency). These inspections are coordinated to streamline processes, reduce duplication of effort, and save time for both the authorities and traders. By sharing resources and information, agencies can more effectively enforce compliance with various regulations, including customs, health, safety, and environmental standards.

Judicial appeal: Legal process where a decision made by an administrative authority or lower court can be challenged and reviewed by a higher court.

Labor Market Tests (LMTs): A mechanism that aims to ensure that foreign workers are only admitted after employers have unsuccessfully searched for national workers. It typically requires employers to establish that there are no suitable candidates available to fill a job vacancy before hiring foreign workers. LMTs generally involve advertising the position in the local job market and providing evidence that the recruitment process did not yield any qualified local applicants.

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 treatymaking process.

Legal enforceability: Pertains to the ability to compel parties to adhere to the terms of a contract or legal document. If a contract is enforceable, it means that if one party fails to meet their obligations, the other party can seek a legal remedy through the court system. Enforceability ensures that contracts are not just legally valid but also actionable in practice and executed according to its terms.

Legal framework: Laws, rules, regulations, and legal precedents that are binding and make up the totality of the legislation applicable to international trade in a specific jurisdiction.

Less favorable treatment than domestic suppliers: Any discrimination faced only by foreign suppliers.

Local tax presence: Mandate requiring businesses to either appoint a local tax representative (an individual or an entity), or establish a permanent establishment (PE) or another form of local presence. This requirement typically applies to businesses that have tax or other legal obligations in a country where they do not reside or maintain a principal office or substantial operations.

Logistics services: The management of the flow of goods from the point of origin to the point of destination. This includes activities such as warehousing, inventory management, order fulfillment, and supply chain management.

Maritime freight services: The transport of goods and cargo via waterways, including oceans, seas, lakes, and rivers. This mode of freight transport is widely used for international trade due to its cost-effectiveness for large volumes and heavy loads.

Maritime single window: System that allows ship operators and agents to submit all required information for port entry and clearance in electronic format through a single electronic entry point. . This system eliminates the obligation of filling out the same documentation upon arriving at each port along the route.

Mutual recognition: Arrangement where two or more parties, often countries, agree to accept each other's assessments of conformity. Under such agreements, products, services, or qualifications certified in one jurisdiction are accepted as equivalent and valid in the others, streamlining trade and reducing redundant testing and certification processes.

Mutual recognition in preferential trade agreements for service providers: The process by which one country recognizes the regulatory standards, professional qualifications, certifications, and licenses of another country as equivalent to its own. This agreement allows professionals to provide their services across borders without having to undergo additional qualifications or certifications in the country where they wish to operate. This facilitates the mobility of professionals and is a key component in liberalizing trade in services between countries. It helps reduce entry barriers and enables a more seamless integration of service markets among the agreement's member countries.

National treatment principle: 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.

National treatment of non-tariff restrictions: Principle that a country must treat foreign goods, services, and investors no less favorably than domestic ones in terms of non-tariff measures. It aims to prevent discrimination against imported goods through non-tariff restrictions, such as taxes, regulations, or administrative procedures, which could otherwise give domestic products an unfair advantage.

Negative list approach: All sectors or sub-sectors not listed are, by default, open to foreign service suppliers under the same conditions as domestic service suppliers. Economies choosing to follow a negative list approach do not have to list the sectors for which they take commitments.

Non-discriminatory employment opportunities for women: Equality of opportunity and treatment in employment or occupation that does not make any distinction, exclusion or preference on the basis of sex.

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. They include various regulations such as quotas, import licensing systems, sanitary regulations, prohibitions, and other requirements imposed by a country to protect public health, safety, and the environment, among other objectives.

Non-technical Non-tariff Measures (NTMs): Variety of policy measures other than technical NTMs that can potentially have an economic effect on international trade. These include measures traditionally used as instruments of commercial policy, such as quotas, price control, export restrictions, or contingent trade protective measures.

Official public agency portal: An authorized online platform or website that is maintained by a government entity or authorized organization. It serves as a centralized source of information where official documents, regulations, procedures, and services related to public administration are published and made accessible to businesses, citizens, and other government entities or stakeholders.

Online Dispute Resolution (ODR): Public-facing digital space in which parties can convene to resolve their dispute or case.

Onshore Power Supply (OPS): Also known as “cold ironing” or “shore power,” it refers to the provision of electrical power to a ship at berth from a shore-based electrical supply. This supply allows the ship’s engines to be turned off and reducing emissions and noise pollution at the port.

Operational: Performing intended tasks actively, effectively, and efficiently, without significant downtime or errors, and is capable of carrying out the necessary operations to support the activities it was designed for. In the context of electronic systems for international trade, an operational system would be one that is actively facilitating trade processes such as documentation, customs clearance, and logistics management.

Periodic declarations: In the context of customs and trade, periodic declarations refer to a system that allows authorized traders to submit customs declarations at specified intervals, such as monthly or quarterly, rather than on a transaction-by-transaction basis. This system is typically available to trusted traders or companies with a high volume of transactions, who benefit from streamlined processing. Periodic declarations help reduce administrative burdens and improve cash flow management for businesses, while also allowing customs authorities to efficiently handle and audit trade data.

Personal information: Any data that can be used to identify an individual, including names, addresses, email addresses, identification numbers, location data, and online identifiers.

Port/airport consultative committee: A body that typically includes representatives from various stakeholders in the seaport/airport community (e.g., port/airport authorities, terminal operators, shipping lines, customs, logistics providers, etc.). The committee’s purpose is to facilitate dialogue and collaboration among the seaport’s/airport’s users and stakeholders to discuss and advise on matters affecting the operation and development of the port or airport.

Port community system: Neutral and open electronic platform connecting the multiple systems operated by a variety of public and private stakeholders within the seaport community, enabling intelligent and secure exchange of information and streamlining cargo movement processes. It is designed to optimize,

manage, and automate port and logistics processes through a single submission of data and connecting transport and logistics chains.

Post-clearance audit: Comprehensive review conducted by customs authorities after the release of goods. These audits aim to verify the accuracy and compliance of the information declared by traders, such as the classification and valuation of goods, and adherence to customs procedures. The purpose is to ensure that all duties and taxes have been correctly assessed and paid and that trade regulations, and other related laws and regulations, have been properly followed.

Preferential Trade Agreement (PTA): An arrangement between two or more countries where they agree to give each other preferential treatment in terms of trade, including tariff reduction or providing other favorable terms on a certain range of goods and services. PTAs are designed to facilitate increased trade and economic cooperation between the member countries, but they are less extensive than Free Trade Agreements (FTAs), which generally encompass a broader array of trade issues and commitments.

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.

Price control measure: A regulation or policy implemented by a government to set the price levels for goods and services in a market; a form of non-tariff measure used to manage the economy and achieve social or political goals. This measure can take the form of price ceiling, which limits the maximum price for items to prevent excessive charges, or price floor, which sets a minimum price to protect producers from overly low prices that could threaten their economic viability.

Price floor: An established lower boundary on the price of a commodity or service in the market. Governments usually set up a price floor to ensure that the market price of a commodity or service does not fall below a level that would threaten the financial existence of producers of the commodity or service providers.

Pricing guideline: A set of principles, rules, or recommendations issued by a public agency that businesses use to determine the selling price of their products or services. These guidelines can be based on various factors such as production costs, market demand, competition, perceived value, customer expectations, and desired profit margins, and may or not be binding. They can include recommendations, strategies, or policies that guide pricing decisions to ensure they are competitive, fair, and aligned with the company's overall objectives.

Public domain: May include online platforms, public hearings, ad hoc meetings, and press releases, among others.

Quality control: The systematic processes and measures implemented to ensure that products meet specific standards of quality before they are exported or imported. Regarding mandatory pre-shipment inspections (PSI), quality control is a critical step that involves an independent inspection agency verifying the quantity, quality, specifications, and compliance of goods against industry standards, international regulations, and the specific requirements of the importing countries.

Quantitative restrictions: Market access restrictions that explicitly limit, through quotas, the quantity of foreign service providers that can enter the domestic market during a specified time period.

Quantity control measure: Type of non-tariff measure that a government uses to restrict the amount of goods that can be imported or exported, with the goal to protect domestic industries, manage trade balances, or for political and economic reasons. These controls include quotas, which limit the quantity of a good that can enter or leave a country, and licensing requirements that restrict access to certain markets.

Reasonable opportunity: In the context of commenting on legislative proposals it refers to ensuring that stakeholders, including the public and interested parties, are given sufficient time and access to review and provide feedback on proposed legislation. This concept emphasizes the importance of transparency and inclusivity in the legislative process, allowing for a diverse range of views to be considered before final decisions are made.

Responsible administrative authority: The government agency or body with the legal power to regulate and enforce laws within a specific area of public administration. In the context of service subsectors, it is the authority that oversees the application and adherence to regulations, including the issuance, suspension, and cancellation of licenses in service sectors.

Regulatory impact assessment: Systemic approach to critically assessing the positive and negative effects of proposed and existing regulations and non-regulatory alternatives.

Right to collective bargaining and freedom of association: The labor rights that allow workers to form and join organizations of their own choosing (freedom of association) and to negotiate work terms collectively with employers (collective bargaining). These rights are fundamental for workers to negotiate fair wages, safe working conditions, and other employment terms, and are protected by various international labor standards.

Risk management system: Systematic and analytical process implemented by customs authorities to identify, evaluate, prioritize, and respond to various risks associated with the movement of goods across international borders. The goal is to facilitate legitimate trade while ensuring the security and compliance of goods entering or exiting a country. This system typically includes the use of advanced technologies, data analysis, and intelligence gathering to assess the risk levels of shipments and decide on the appropriate level of intervention or inspection. By employing a risk management system, customs agencies can efficiently allocate resources, streamline procedures, and target high-risk activities, thereby enhancing the effectiveness and efficiency of border control operations.

Road freight: The transportation of goods from one location to another using motor vehicles mainly via road networks. It is known for its flexibility and is typically used for shorter distances compared to maritime or air freight.

Sale-restricted products: Goods that, by their nature, are restricted and require, in many cases, submission of ID and/or other permits (i.e., medicine, alcohol, tobacco, chemical products, explosives, weapons, among others).

Sanitary and phytosanitary agencies: Organizations responsible for protecting human, animal, and plant life from risks arising from the introduction, establishment, or spread of pests and diseases.

Sanitary and phytosanitary (SPS) measures: Regulations and standards that governments use to protect human, animal, or plant life or health from risks arising from the introduction, establishment, or spread of

pests, diseases, or disease-carrying and disease-causing organisms. These measures include a range of quarantine and biosecurity requirements, such as product quality standards, safety criteria, and testing and certification procedures.

Security border agencies: Agencies responsible for maintaining the security of a country's borders against illegal entry, smuggling, and other security threats.

Selectivity criteria: A set of parameters or rules used by customs authorities to identify and select high-risk shipments for inspection or audit. These criteria are based on risk assessments and may include factors such as the nature of the goods, the trader's compliance history, the country of origin, country from which the goods were shipped, value of the goods, type of transport, , and other relevant data. The use of selectivity criteria helps customs to focus their resources on areas of higher risk, improving the efficiency and effectiveness of customs controls.

Simplified visa regime: Facilitated procedures for entering a country, including visa exemption, visa on arrival, and crew member visas.

Single sign-on (SSO) functionality: Refers to an authentication process that allows a user to access multiple applications or systems with one set of login credentials. This means that a user can log in once and gain access to all associated systems without being prompted to log in again for each system.

Spam: Irrelevant or inappropriate messages sent on the internet to a large number of recipients, often for advertising purposes.

Stakeholders: Individuals, groups, or organizations that have an interest in or are affected by the outcomes of a particular decision or project. In international trade, stakeholders can include businesses, consumers, employees, governments, and non-governmental organizations.

Standardization agencies: Bodies that develop and implement standards to ensure the quality and safety of products and services.

Standardized international customs documents: Also referred to as carnets, facilitate the temporary admission of goods by avoiding extensive customs procedures, eliminating payment of customs duties and excise taxes, and eliminating the purchase of temporary import bonds. By means of an international guarantee system, they ensure that duties and taxes will be paid in cases of misuse.

Sustainable fuel bunkering facility: Bunkering facility specifically designed for holding sustainable fuels such as the Liquefied Natural Gas (LNG), which are alternative fuels produced from renewable resources that aim to reduce carbon emissions and environmental impact compared to traditional fossil fuels. Ships berthing at the port can then receive such environmentally sustainable fuels.

Sustainable trade: Commercial exchange of goods and services generating social, economic, and environmental benefits, on top of creating economic value.

Technical Barriers to Trade (TBT): Technical regulations, standards, and conformity assessment procedures that can affect trade in goods. TBT measures include product specifications, labeling requirements, and testing protocols that products must meet to be imported.

Technical Non-tariff Measures (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.

Technology neutrality principle: Advocates for the creation of laws, regulations, and policies that are impartial regarding the choice of technology or medium used. It means that the legal framework should facilitate innovation and competition without prescribing or prohibiting the use of specific technological solutions. The aim is to encourage a fair and open market where different technologies can compete on their merits, and where businesses and consumers have the freedom to choose the best technology for their needs. Technological neutrality, thus, is one to support “paperless” means of communication as an alternative to paper-based documents by facilitating the seamless integration of new and emerging technologies into the economy without the need for constant legal updates. It helps to create a stable and predictable environment for businesses to operate in and adapt to technological advancements.

Temporary admission: A customs procedure that permits the import of goods into a country’s territory without full payment of customs duties and taxes, provided these goods are intended for re-export within a specified period. This system is designed to facilitate international trade and economic activity by offering flexibility for the import of goods for specific purposes, such as exhibitions, professional use, or commercial samples. The goods must be re-exported in the same condition, with allowances for normal wear and tear, and must not undergo any change. This procedure is beneficial for businesses and individuals who need to bring goods into a country temporarily without the financial burden of duties and taxes that would normally apply to permanent imports.

Terminal operating system: Digital platform designed to optimize and manage the operations of a cargo terminal, such as a container, bulk, or multipurpose terminal. It facilitates the efficient movement and storage of goods within the terminal by coordinating logistics, tracking inventories, and managing the use of equipment and labor.

Testing laboratory for samples: Facility equipped to analyze samples from shipments for compliance with regulatory standards.

Trade in goods: Commercial exchange of all goods which 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. When this exchange occurs between parties based in different countries, it is referred to as international trade in services. The General Agreement on Trade in Services (GATS) outlines four modes of supply for international trade in services: cross-border trade, consumption abroad, commercial presence, and presence of natural persons.

Trade information portal: Online platform that consolidates and provides access to a wide range of trade-related regulatory information from government agencies performing a control function in relation to imports, exports, transits, or trans-shipments. This includes customs regulations, import and export procedures, tariff rates, international trade agreements, and other relevant information that traders and other economic operators require to comply with legal requirements and facilitate smooth international trade transactions.

Truck booking system: Digital platform that enables the scheduling and management of freight transportation by connecting shippers with trucking companies and drivers.

Trusted trader program: An initiative developed by customs authorities to certify businesses that demonstrate high levels of security and compliance with customs regulations as “trusted” partners. These programs offer benefits such as expedited processing, reduced inspections, and simplified reporting requirements, aiming to facilitate faster and more efficient trade for reliable traders. This program aims to enhance trade efficiency and security by allowing customs to focus their resources on higher-risk and unknown traders. An example of a Trusted Trader Program is the Authorized Economic Operator (AEO).

Unified document/set of documents: Refers to a single set of paperwork or electronic records that satisfies the requirements of both border control agencies, simplifying the clearance process.

Unique Consignment Reference (UCR): An identifier that customs authorities and other agencies use to track and manage shipments throughout the import or export process. It is a unique number assigned to a consignment of goods, which links all documents and information related to the movement, clearance, and control of the goods. The UCR enables efficient data exchange and helps in the coordination between different parties involved in the trade, including customs, other government agencies, and traders. It is a key component in the facilitation of international trade, contributing to the security and efficiency of supply chain logistics.

Vessels under national flags: Ships that are registered in a particular country and are authorized to fly the flag of that country. The flag state is also considered the vessel’s nationality. The flag state, which is the country of registration, confers the nationality of the vessel and has the authority to enforce regulations over the vessel, including those relating to inspection, certification, and issuance of safety and pollution prevention documents. The ship operates under the laws of its flag state and is subject to the legal jurisdiction of that state.

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 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 “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.

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 rollout phase as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE	
Parameters	
Agricultural Product Chapters	Selection of HS2 digit Agriculture chapters that are more susceptible to non-tariff measures provides relevance and comparability to the indicators on regulatory restrictions on international trade.
Geographical Location	Based on their geographical location, all economies covered by the B-READY project will be categorized into Coastal, Island or Landlocked economies. The two most relevant forms of transportation for each economy will be identified and considered across all economies belonging to the same category.
Manufactured Product Chapters	Selection of HS2 digit 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 Harmonized System (HS) subheading level (6-digit) within pre-selected HS chapters.
Traded Environmental Products	The top 3 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 Section I – A.2 on Sustainable Trade Policy and A.3 on International Trade Cooperation, trading partner(s) refer to an economy’s top 3 trade partners in goods and services combined between 2015 and 2019.
WTO Membership	An economy’s status for WTO membership (Member, Observer, or none).

Note: HS = Harmonized System; WTO = World Trade Organization.

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE

1.1.1 International Trade in Goods and Services

- 1. Does the legal framework establish an interoperable maritime single window environment to streamline port and Customs procedures? (Y/N)**

2. Does the legal framework provide for the temporary admission of goods by adopting standardized international Customs documents? (Y/N)
3. Does the legal framework define the liability of carriers for loss or damage to goods during maritime transport? (Y/N)
4. According to the legal framework, do direct exporters and importers or their authorized representatives have the right to administratively appeal all regulatory decisions of the responsible administrative authority on areas affecting international trade in goods? (Y/N)
Note: Responsible administrative authority in this case can be the Customs agency, Ministry of Trade, etc.
5. According to the legal framework, do direct exporters and importers or their authorized representatives have the right to judicially appeal all regulatory decisions of the responsible administrative authority to the courts on areas affecting international trade in goods? (Y/N)
Note: Responsible administrative authority in this case can be the Customs agency, Ministry of Trade, etc.
6. According to the legal framework, what is the duty de minimis threshold in US Dollars (USD) below which no customs duties are applied on imported goods?
Note: In case there is no de minimis threshold, please input 0.
7. Does the legal framework require a systematic regulatory impact assessment to evaluate the potential impact of proposed technical and non-technical non-tariff measures (NTMs) before their implementation? (Y/N)

1.1.2 Digital and Sustainable Trade (includes gender and environment)

8. Has [ECONOMY] implemented a cross-border carbon pricing instrument? (Y/N)
9. Does the legal framework require an export permit to trade in endangered species? (Y/N)
10. Does the legal framework regulate oil, chemical, sewage and air pollution originating from ships? (Y/N)
11. Does the legal framework require an exporting party to provide advance notification and receive explicit consent from the importing party prior to exporting a shipment or hazardous waste, hazardous chemicals or pesticides? (Y/N)

1.1.3 International Trade Cooperation

12. Is [ECONOMY] a party to any preferential trade agreements (PTAs) that have not been formally notified to the WTO? (Y/N; N – good practice)
13. Is [ECONOMY] a party to any international agreement which includes legally binding commitments that govern its trade relationships with [3 MAIN TRADING PARTNERS]? (Y/N)
(not scored)
Y → provide response to questions 14 to 24
14. Does [ECONOMY] have a free trade agreement which encompasses all goods with [3 MAIN TRADING PARTNERS]? (Y/N)

15. Does [ECONOMY] have any legally binding commitments in international agreements with [3 MAIN TRADING PARTNERS] on the implementation of a carbon pricing instrument? (Y/N)
16. Does [ECONOMY] have any legally binding commitments with [3 MAIN TRADING PARTNERS] that provide mutual recognition of conformity assessments as applicable to technical non-tariff measures (NTMs)? (Y/N)
17. Does [ECONOMY] have any legally binding commitments with [3 MAIN TRADING PARTNERS] that provide mutual recognition of conformity assessments covering any of the following environmental goods ([HS 6-digit codes of the top 3 most traded goods among the Asia-Pacific Economic Cooperation (APEC) list of environmental goods])? (Y/N)
18. Does [ECONOMY] have any legally binding commitments with [3 MAIN TRADING PARTNERS] to enforce regulations that guarantee the right to collective bargaining and freedom of association? (Y/N)
19. Does [ECONOMY] have any legally binding commitments with [3 MAIN TRADING PARTNERS] to enforce regulations that ensure equal pay and non-discriminatory employment opportunities for women? (Y/N)
20. Does [ECONOMY] have any legally binding commitments with [3 MAIN TRADING PARTNERS] to enforce regulations that enhance women's access to credit and finance? (Y/N)
21. Does [ECONOMY] have any legally binding commitments with [3 MAIN TRADING PARTNERS] to ensure cross border electronic data flows for the conducting of business? (Y/N)
22. Do these legally binding commitments on cross border electronic data flows with [3 MAIN TRADING PARTNERS] include safety mechanisms for personal information? (Y/N)
23. Does [ECONOMY] have any legally binding commitments with [3 MAIN TRADING PARTNERS] to permit the free transfer for all covered investment? (Y/N)
24. Does [ECONOMY] have an established competent authority to oversee implementation of all legally binding commitments contracted in trade agreements with [3 MAIN TRADING PARTNERS]? (Y/N)

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE			
1.1.1 International Trade in Goods and Services***			
Indicators	FFP	SBP	Total Points
Establishment of Maritime Single Window Environment (1)*	1	1	2
Temporary Admission of Goods (2)	1	1	2
Rules on Liability of Carriers (3)*	1	1	2
Right to Appeal (Goods)–Administrative (4)	1	1	2
Right to Appeal (Goods)–Judicial (5)	1	1	2
De Minimis Value (6)	1	1	2
Regulatory Impact Assessment–NTMs (7)	1	1	2
Total Points	7	7	14

Coastal and island economies may score a total of 14 points across these indicators (7 points on firm flexibility and 7 points on social benefits). Landlocked economies may score a total of 10 points across these indicators (5 points on firm flexibility and 5 points on social benefits). The scores of landlocked economies will be rescaled at the subcategory level

1.1.2 Digital and Sustainable Trade (includes gender and environment)***			
Indicators	FFP	SBP	Total Points
Cross-Border Carbon Pricing Instruments (8)	n/a	1	1
Endangered Species (9)	n/a	1	1
Oil, Chemical, Sewage and Air Pollution (10)	n/a	1	1
Hazardous Waste, Hazardous Chemicals or Pesticides (11)	n/a	1	1
Freedom of Association and Right to Collective Bargaining (18)	n/a	1	1
Equal Pay and Employment Opportunities (19)	1	1	2
Women's Access to Credit (20)	1	1	2
Total Points	2	7	9
1.1.3 International Trade Cooperation***			
Indicators	FFP	SBP	Total Points
Absence of Non-Notified PTAs (12)**	1	1	2
Duty Free Trade (14) <i>Points may only be awarded for this indicator if the response to question 13 is Yes</i>	1	1	2
Harmonization of Regulation on Non-Tariff Measures (16) <i>Points may only be awarded for this indicator if the response to question 13 is Yes</i>	1	1	2
Cross-Border Data Flows (21 AND 22) <i>Points may only be awarded for this indicator if the response to question 13 is Yes</i>	1	1	2
Investment and Movement of Capital (23) <i>Points may only be awarded for this indicator if the response to question 13 is Yes</i>	1	1	2
Environment–Carbon Pricing System (15) <i>Points may only be awarded for this indicator if the response to question 13 is Yes</i>	n/a	1	1
Environment–NTMs–Environmental Goods (17) <i>Points may only be awarded for this indicator if the response to question 13 is Yes</i>	n/a	1	1
Competent Authorities to Oversee the Implementation (24) <i>Points may only be awarded for this indicator if the response to question 13 is Yes</i>	1	1	2
Total Points	6	8	14
<i>WTO member economies may score a total of 14 points across these indicators (6 points on firm flexibility and 8 points on social benefits). Non-WTO member economies may score a total of 12 points across these indicators (5 points on firm flexibility and 7 points on social benefits). The scores of non-WTO member economies will be rescaled at the subcategory level</i>			

Note: n/a = not applicable (refers to cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Points; PTA = Preferential Trade Agreement; SBP = Social Benefits Points.

*See Section 5.2.1.

**See Section 5.2.9.

***Subcategory 1.1.1 and 1.1.3 shared with Trade Regulations–Services questionnaire. Subcategory 1.1.2 shared with Trade Regulations–Services, Digital Trade and Public Services questionnaires.

1.2 REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE

1.2.1 Restrictions on International Trade in Goods (includes gender)

25. Does the legal framework impose any sanitary and phytosanitary measures for imports of all products under the code [AGRICULTURAL PRODUCT HS 6-DIGIT] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)
Y → provide response to question 26.
26. Considering the required sanitary and phytosanitary measures mentioned in question 25, do any of them breach the principle of national treatment? (Y/N; N – good practice)
27. Does the legal framework impose any technical barriers to trade for imports of all products under the code [MANUFACTURED PRODUCT HS 6-DIGIT] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)
Y → provide response to question 28
28. Considering the required technical barriers to trade mentioned in the question 27, do any of them breach the principle of national treatment? (Y/N; N – good practice)
29. Does the legal framework impose a pre-shipment inspection (PSI) either for customs valuation or for quality control for imports of any product under [MANUFACTURED PRODUCT HS 6-DIGIT] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N; N – good practice)
30. Does the legal framework impose any quantity control measures for imports of any product under the agricultural product chapters [AGRICULTURAL PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)
31. How about imports of any product under the manufactured product chapters [MANUFACTURED PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)
32. Does the legal framework impose any price control measure for economic purposes for imports of any product under the agricultural product chapters [AGRICULTURAL PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N; N – good practice)
33. How about for imports of any product under the manufactured product chapters [MANUFACTURED PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)
34. Does the legal framework impose any finance measures for economic purposes for imports of any product under the agricultural product chapters [AGRICULTURAL PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)
35. How about for imports of any product under the manufactured product chapters [MANUFACTURED PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)
36. In the last three years leading up to September 1, 2024, have any contingent trade protective measures been enforced in practice when importing any product under the agricultural product chapters [AGRICULTURAL PRODUCT CHAPTERS (HS 2-DIGIT)] or manufactured product

chapters [MANUFACTURED PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)

37. Does the legal framework impose any export restrictions for imports of any product under the agricultural product chapters [AGRICULTURAL PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)

38. How about for imports of any product under the manufactured product chapters [MANUFACTURED PRODUCT CHAPTERS (HS 2-DIGIT)] from any trading partner (regardless of the origin of the goods and without preferential treatment)? (Y/N)

1.2 REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE			
1.2.1 Restrictions on International Trade in Goods (includes gender)*			
Indicators	FFP	SBP	Total Points
Sanitary and Phytosanitary Measures (25)	n/a	1	1
Sanitary and Phytosanitary Measures (National Treatment) (26) <i>Points may only be awarded for this indicator if the response to question 25 is Yes</i>	1	1	2
Technical Barriers to Trade (27)	n/a	1	1
Technical Barriers to Trade (National Treatment) (28) <i>Points may only be awarded for this indicator if the response to question 27 is Yes</i>	1	1	2
Absence of Pre-Shipment Inspections (29)	1	1	2
Absence of Contingent Trade-Protective Measures (36)	1	1	2
Absence of Quantity Control Measures (30 AND 31)	1	1	2
Absence of Price Control Measures (32 AND 33)	1	1	2
Absence of Finance Measures (34 AND 35)	1	1	2
Absence of Export Restrictions (37 AND 38)	1	1	2
Total Points	6	8	14

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.

*Subcategory 1.2.1 shared with Trade Regulations–Services questionnaire.

PILLAR II–QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE

2.1.2 Transparency and Availability of Information

39. In practice, are proposals of all draft laws and regulations affecting international trade published on any official public agency portal(s) or website(s) to explain their purpose? (Y/N)

40. In practice, are advance notices published on any official public agency portal(s) or website(s) of the relevant agency overseeing international trade prior to enacting regulatory changes in the areas of customs and international trade? (Y/N)

41. In practice, are formal public consultations with relevant stakeholders conducted in the public domain before introducing or amending any laws and regulations concerning international trade? (Y/N)

Y → provide response to questions 42 to 44.

42. In practice, are these formal public consultations conducted on an official public agency portal or website? (Y/N)

Y → provide response to question 43.

43. In practice, are all relevant stakeholders given a reasonable opportunity of at least 30 calendar days to provide comments on the above-mentioned portal(s) or website(s) during the formal public consultation process? (Y/N)

44. In practice, does the responsible administrative authority address all comments received during the formal consultation process (including those that are not incorporated) in a written form either by responding to each comment individually or in a consolidated consultations report published on the above-mentioned portal(s) or website(s)? (Y/N)

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE			
2.1.2 Transparency and Availability of Information*			
Indicators	FFP	SBP	Total Points
Publication—Proposals of Laws and Draft Regulations (39)	1	1	2
Publication—Advance Notices (40)	1	1	2
Consultation—Practice (41 AND 42)	1	1	2
Consultation—Reasonable Opportunity (43) <i>Points may only be awarded for this indicator if the response to questions 41 and 42 are both Yes</i>	1	1	2
Consultation—Process to Consider Comments (44) <i>Points may only be awarded for this indicator if the response to question 41 is Yes</i>	1	1	2
Total Points	5	5	10

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points.

* Subcategory 2.1.2 shared with Trade Regulations – Services and Public Services questionnaires.

TRADE REGULATIONS–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.

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.

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 rollout phase as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE	
Parameters	
Geographical Location	Based on their geographical location, all economies covered by the B-READY project will be categorized into coastal, island or landlocked economies. The two most relevant forms of transportation for each economy will be identified and considered across all economies belonging to the same category.
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, Commercial Banking, and Insurance).
Trading Partner(s)	In the cases of Section on International Trade Cooperation, trading partner(s) refer to an economy’s top 3 trade partners in goods and services combined between 2015 and 2019.

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE

1.1.1 International Trade in Goods and Services

According to the legal framework, are authorities required to provide applicants with reasons for the rejection, suspension, or cancellation of licenses granted in the following service subsectors?
(questions 1 through 5)

- 1. Maritime Freight (Y/N)**
- 2. Road Freight (Y/N)**
- 3. Air Freight (Y/N)**
- 4. Cargo Handling, Storage and Warehousing (Y/N)**
- 5. Customs Brokerage (Y/N)**

According to the legal framework, do service providers or professionals have the right to administratively appeal all regulatory decisions of the responsible administrative authority in the following services subsectors? (questions 6 through 10)

- 6. Maritime Freight (Y/N)**
- 7. Road Freight (Y/N)**
- 8. Air Freight (Y/N)**
- 9. Cargo Handling, Storage and Warehousing (Y/N)**
- 10. Customs Brokerage (Y/N)**

According to the legal framework, do service providers or professionals have the right to judicially appeal all regulatory decisions of the responsible administrative authority in the following subsectors affecting international trade in services? (questions 11 through 15)

- 11. Maritime Freight (Y/N)**
- 12. Road Freight (Y/N)**
- 13. Air Freight (Y/N)**
- 14. Cargo Handling, Storage and Warehousing (Y/N)**
- 15. Customs Brokerage (Y/N)**

According to the legal framework, is there a simplified visa regime for foreign crew members and service providers in the following service subsectors? (questions 16 through 18)

- 16. Maritime Freight (Y/N)**
- 17. Road Freight (Y/N)**
- 18. Air Freight (Y/N)**

1.1.2 Digital and Sustainable Trade

Has [ECONOMY] implemented an Emission Trading System (ETS) at the national level that includes the following service subsectors? (questions 19 through 21)

- 19. Maritime Freight (Y/N)**
- 20. Road Freight (Y/N)**
- 21. Air Freight (Y/N)**

1.1.3 International Trade Cooperation

22. Is [ECONOMY] a party to any international agreement which includes legally binding commitments on trade in services with [3 MAIN TRADING PARTNERS]? (Y/N)

Note: Please take into consideration that economies may also choose to adopt a negative list approach.

Does [ECONOMY] have any legally binding commitments on the mutual recognition of professional qualifications and certifications that enable professionals to provide services across borders with [3 MAIN TRADING PARTNERS] in the following service subsectors? (questions 23 through 27)

23. Maritime Freight (Y/N)

24. Road Freight (Y/N)

25. Air Freight (Y/N)

26. Cargo Handling, Storage and Warehousing (Y/N)

27. Customs Brokerage (Y/N)

Does [ECONOMY] have mutual binding commitments that facilitate the temporary movement of natural persons for business purposes across borders to provide services with [3 MAIN TRADING PARTNERS] in the following service subsectors? (questions 28 through 32)

28. Maritime Freight (Y/N)

29. Road Freight (Y/N)

30. Air Freight (Y/N)

31. Cargo Handling, Storage and Warehousing (Y/N)

32. Customs Brokerage (Y/N)

Does [ECONOMY] have mutual binding commitments that allow service suppliers to offer services across borders without the necessity of establishing or maintaining a business presence or residency within its territory with [3 MAIN TRADING PARTNERS] in the following service subsectors? (questions 33 through 37)

33. Maritime Freight (Y/N)

34. Road Freight (Y/N)

35. Air Freight (Y/N)

36. Cargo Handling, Storage and Warehousing (Y/N)

37. Customs Brokerage (Y/N)

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE			
1.1.1 International Trade in Goods and Services**			
Indicators	FFP	SBP	Total Points
Reasons for License Rejection, Suspension, and Cancellation (Freight Transport) (1 AND 2–Coastal; 1 AND 3–Island; 2 AND 3–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2

Reasons for License Rejection, Suspension, and Cancellation (Logistics Services) (4 AND 5)	1	1	2
Right to Appeal (Services)–Administrative (Freight Transport) (6 AND 7–Coastal; 6 AND 8–Island; 7 AND 8–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Right to Appeal (Services)–Administrative (Logistics Services) (9 AND 10)	1	1	2
Right to Appeal (Services)–Judicial (Freight Transport) (11 AND 12–Coastal; 11 AND 13–Island; 12 AND 13–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Right to Appeal (Services)–Judicial (Logistics Services) (14 AND 15)	1	1	2
Simplified Visa Regime–Foreign Crew Members and Service Providers (16 AND 17–Coastal; 16 AND 18–Island; 17 AND 18–Landlocked)* <i>The score is assigned if there are no restrictions on visa processes (specifically, no visa exemption, no visa on arrival, or no crew member visa) for crew members and service providers caps on licenses for freight transport services, according to the geographic location parameter. In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Total Points	7	7	14
1.1.2 Digital and Sustainable Trade (includes gender and environment)**			
Indicators	FFP	SBP	Total Points
Emission Trading System in Freight Transport (19 AND 20–Coastal; 19 AND 21–Island; 20 AND 21–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	n/a	1	
Total Points	0	1	1
1.1.3 International Trade Cooperation**			
Indicators	FFP	SBP	Total Points
Trade in Services (22)	1	1	2
Trade in Services–Mutual Recognition of Professional Qualifications and Certifications (23 AND 24 AND 26 AND 27–Coastal; 23 AND 25 AND 26 AND 27–Island; 24 AND 25 AND 26 AND 27–Landlocked)* <i>Points may only be awarded for this indicator if the response to question 22 is Yes. In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Trade in Services–Temporary Movement of Natural Persons for Business Purposes (28 AND 29 AND 31 AND 32–Coastal; 28 AND 30 AND 31 AND 32–Island; 29 AND 30 AND 31 AND 32–Landlocked)* <i>Points may only be awarded for this indicator if the response to question 22 is Yes. In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2

Trade in Services–No Local Presence Requirement (33 AND 34 AND 36 AND 37–Coastal; 33 AND 35 AND 36 AND 37–Island; 34 AND 35 AND 36 AND 37–Landlocked)* <i>Points may only be awarded for this indicator if the response to question 22 is Yes. In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Total Points	4	4	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 Points; SBP = Social Benefits Points.

*See Section 5.2.1.

**Subcategory 1.1.1 and 1.1.3 shared with Trade Regulations–Goods questionnaire. Subcategory 1.1.2 shared with Trade Regulations–Goods, Digital Trade, and Public Services questionnaires.

1.2 REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE

1.2.1 Restrictions on International Trade in Goods (includes gender)

Does the legal framework impose any restrictions on women service providers from providing any type of service within the following service subsectors? (questions 38 through 42)

38. Maritime Freight (Y/N; N – good practice)

39. Road Freight (Y/N; N – good practice)

40. Air Freight (Y/N; N – good practice)

41. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

42. Customs Brokerage (Y/N; N – good practice)

Does the legal framework impose any caps on the number of operating licenses issued to service providers in the domestic market in the following service subsectors? (questions 43 through 47)

Note: Please mark “no” if no operating licenses are required to operate in the domestic market in the respective service subsector.

43. Maritime Freight (Y/N; N – good practice)

44. Road Freight (Y/N; N – good practice)

45. Air Freight (Y/N; N – good practice)

46. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

47. Customs Brokerage (Y/N; N – good practice)

Does the legal framework impose any restrictions that apply solely to women service providers when applying for operating licenses in the following service sub-sectors? (questions 48 through 52)

48. Maritime Freight (Y/N; N – good practice)

49. Road Freight (Y/N; N – good practice)

50. Air Freight (Y/N; N – good practice)

51. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

52. Customs Brokerage (Y/N; N – good practice)

Does the legal framework establish any price floors or provide pricing guidelines, as set by the government or relevant entities, in the following service subsectors? (questions 53 through 57)

53. Maritime Freight (Y/N; N – good practice)

54. Road Freight (Y/N; N – good practice)

55. Air Freight (Y/N; N – good practice)

56. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

57. Customs Brokerage (Y/N; N – good practice)

Does the legal framework, mandate service providers to employ certified operators when conducting business domestically within the following service subsectors? (questions 58 through 62)

58. Maritime Freight (Y/N; N – good practice)

59. Road Freight (Y/N; N – good practice)

60. Air Freight (Y/N; N – good practice)

61. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

62. Customs brokerage (Y/N; N – good practice)

Does the legal framework mandate certification AND training requirements for service providers within the following service subsectors? (questions 63 through 67)

63. Maritime Freight (Y/N)

64. Road Freight (Y/N)

65. Air Freight (Y/N)

66. Cargo Handling, Storage and Warehousing (Y/N)

67. Customs Brokerage (Y/N)

Does the legal framework specify any certification or training requirements that apply solely to women service providers in the following service sub-sectors? (questions 68 through 72)

68. Maritime Freight (Y/N; N – good practice)

69. Road Freight (Y/N; N – good practice)

70. Air Freight (Y/N; N – good practice)

71. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

72. Customs Brokerage (Y/N; N – good practice)

Does the legal framework specify statutory time intervals for the inspection of the equipment used in the following service subsectors? (questions 73 through 77)

73. Maritime Freight (Y/N)

74. Road Freight (Y/N)

75. Air Freight (Y/N)

76. Cargo Handling, Storage and Warehousing (Y/N)

77. Customs Brokerage (Y/N)

Does the legal framework establish statutory limits on the maximum number of consecutive working hours allowed within a single day before a mandatory rest period in the following service subsectors? (questions 78 through 82)

78. Maritime Freight (Y/N)

79. Road Freight (Y/N)

80. Air Freight (Y/N)

81. Cargo Handling, Storage and Warehousing (Y/N)

82. Customs Brokerage (Y/N)

1.2.2 Restrictions on International Trade in Services

83. Does the legal framework regulating Maritime Freight impose any restrictions on the registration of vessels owned or controlled by foreign entities under national flags? (Y/N; N – good practice)

84. Does the legal framework regulating Maritime Freight impose any full or partial exclusions from cabotage laws/access rights to foreign-flagged ships? (Y/N; N – good practice)

85. Does the legal framework impose a requirement for foreign Maritime Freight service providers to exclusively utilize domestic maritime and port services, such as local port agent, tug, and tow services? (Y/N; N – good practice)

Does the legal framework impose any quotas or other quantitative restrictions specifically on foreign service providers in the following services subsectors? (questions 86 through 92)

86. Maritime Freight (Y/N; N – good practice)

87. Road Freight (Y/N; N – good practice)

88. Air Freight (Y/N; N – good practice)

89. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

90. Customs brokerage (Y/N; N – good practice)

91. Commercial banking (Y/N; N – good practice)

92. Insurance (Y/N; N – good practice)

Does the legal framework grant market access to foreign service providers (including firms) in the following service subsectors subject to an economic needs test? (Y/N; N – good practice) (questions 93 through 99)

93. Maritime Freight (Y/N; N – good practice)

94. Road Freight (Y/N; N – good practice)

95. Air Freight (Y/N; N – good practice)

96. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

97. Customs Brokerage (Y/N; N – good practice)

98. Commercial Banking (Y/N; N – good practice)

99. Insurance (Y/N; N – good practice)

Does the legal framework impose specific restrictions concerning the acquisition and use of land and real estate on foreign service providers BUT not applicable to domestic service providers in the following service subsectors? (questions 100 through 106)

100. Maritime Freight (Y/N; N – good practice)

101. Road Freight (Y/N; N – good practice)

102. Air Freight (Y/N; N – good practice)

103. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

104. Customs Brokerage (Y/N; N – good practice)

105. Commercial Banking (Y/N; N – good practice)

106. Insurance (Y/N; N – good practice)

Does the legal framework impose any additional licensing or authorization requirements specifically on foreign service providers BUT not applicable to domestic service providers in the following service subsector? (questions 107 through 113)

107. Maritime Freight (Y/N; N – good practice)

108. Road Freight (Y/N; N – good practice)

109. Air Freight (Y/N; N – good practice)

110. Cargo handling, Storage and Warehousing (Y/N; N – good practice)

111. Customs Brokerage (Y/N; N – good practice)

112. Commercial Banking (Y/N; N – good practice)

113. Insurance (Y/N; N – good practice)

Does the legal framework impose any additional quotas on foreign contractual or independent service providers not applicable to domestic service providers in the following service subsectors? (questions 114 through 120)

114. Maritime Freight (Y/N; N – good practice)

115. Road Freight (Y/N; N – good practice)

116. Air Freight (Y/N; N – good practice)

117. Cargo handling, Storage and Warehousing (Y/N; N – good practice)

118. Customs Brokerage (Y/N; N – good practice)

119. Commercial Banking (Y/N; N – good practice)

120. Insurance (Y/N; N – good practice)

Does the legal framework require labor market tests to be conducted prior to hiring foreign contractual or independent service providers in the following service subsectors? (questions 121 through 127)

121. Maritime Freight (Y/N; N – good practice)

122. Road Freight (Y/N; N – good practice)

123. Air Freight (Y/N; N – good practice)

124. Cargo Handling, Storage and Warehousing (Y/N; N – good practice)

125. Customs Brokerage (Y/N; N – good practice)

126. Commercial Banking (Y/N; N – good practice)

127. Insurance (Y/N; N – good practice)

According to the legal framework, are there procedural requirements that impose a cost exceeding 50 USD and a processing time longer than 15 days for obtaining business visas or crew member visas for foreign crew and service providers in the following transport service subsectors? (questions 128 through 133)

128. Maritime Freight (Y/N; N – good practice)

N→ provide response to question 129.

129. If the answer to question 128 is No, do these procedural hurdles exist in practice? (Y/N; N – good practice)

130. Road Freight (Y/N; N – good practice)

N→ provide response to question 131.

131. If the answer to question 130 is No, do these procedural hurdles exist in practice? (Y/N; N – good practice)

132. Air Freight (Y/N; N – good practice)

N→ provide response to question 133.

133. If the answer to question 132 is No, do these procedural hurdles exist in practice? (Y/N; N – good practice)

1.2 REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE			
1.2.1 Restrictions on International Trade in Goods (includes gender) **			
Indicators	FFP	SBP	Total Points
Absence of Caps on Licenses (Freight Transport) (43 AND 44–Coastal; 43 AND 45–Island; 44 AND 45–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Price Floors and Guidelines (Freight Transport) (53 AND 54–Coastal; 53 AND 55–Island; 54 AND 55–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Mandatory Use of Certified Operators (Freight Transport) (58 AND 59–Coastal; 58 AND 60–Island; 59 AND 60–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Caps on Licenses (Logistics) (46 AND 47)	1	1	2
Absence of Price Floors and Guidelines (Logistics) (56 AND 57)	1	1	2
Absence of Mandatory Use of Certified Operators (Logistics) (61 AND 62)	1	1	2
Safety Regulations–Certification for Operators (Freight Transport) (63 AND 64–Coastal; 63 AND 65–Island; 64 AND 65–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	n/a	1	1
Safety Regulations–Equipment (Freight Transport) (73 AND 74–Coastal; 73 AND 75–Island; 74 AND 75–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	n/a	1	1
Safety Regulations–Maximum Hours (Freight Transport) (78 AND 79–Coastal; 78 AND 80–Island; 79 AND 80–Landlocked)*	n/a	1	1

<i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>			
Safety Regulations–Certification for Operators (Logistics) (66 AND 67)	n/a	1	1
Safety Regulations–Equipment (Logistics) (76 and 77)	n/a	1	1
Safety Regulations–Maximum Hours (Logistics) (81 and 82)	n/a	1	1
Absence of Additional Restrictions for Women Service Providers (48 AND 49 AND 51 AND 52–Coastal; 48 AND 50 AND 51 AND 52–Island; 49 AND 50 AND 51 AND 52–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Prohibitions of Women Service Providers (38 AND 39 AND 41 AND 42–Coastal; 38 AND 40 AND 41 AND 42–Island; 39 AND 40 AND 41 AND 42–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Additional Certification and Training Requirements for Women Service Providers (68 AND 69 AND 71 AND 72–Coastal; 68 AND 70 AND 71 AND 72–Island; 69 AND 70 AND 71 AND 72–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Total Points	9	15	24
1.2.2 Restrictions on International Trade in Services			
Indicators	FFP	SBP	Total Points
Absence of Restrictions on Foreign Registration of Vessels Under National Flags (Maritime Freight Only) (83)* <i>This question measures only coastal and island economies</i>	1	1	2
Absence of Restrictions on Cabotage/Access Rights (Maritime Freight Only) (84)* <i>This question measures only coastal and island economies</i>	1	1	2
Absence of Restrictions on the Use of Local Port Services (Maritime Freight Only) (85)* <i>This question measures only coastal and island economies</i>	1	1	2
Absence of Restrictions on Quotas (Freight Transport) (86 AND 87–Coastal; 86 AND 88–Island; 87 AND 88–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Restrictions Subject to an Economic Needs Test (Freight Transport) (93 AND 94–Coastal; 93 AND 95–Island; 94 AND 95–Landlocked)*	1	1	2

<i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>			
Absence of Restrictions on Acquisition and Use of Land and Real Estate (Freight Transport) (100 AND 101–Coastal; 100 AND 102–Island; 101 AND 102–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Restrictions on Quotas (Logistics) (89 AND 90)	1	1	2
Absence of Restrictions Subject to an Economic Needs Test (Logistics) (96 AND 97)	1	1	2
Absence of Restrictions on Acquisition and Use of Land and Real Estate (Logistics) (103 and 104)	1	1	2
Absence of Restrictions on Quotas (Financial Services) (91 AND 92)	1	1	2
Absence of Restrictions Subject to an Economic Needs Test (Financial Services) (98 AND 99)	1	1	2
Absence of Restrictions on Acquisition and Use of Land and Real Estate (Financial Services) (105 AND 106)	1	1	2
Absence of Additional Restrictions on Licensing or Authorization Requirements (Freight Transport) (107 AND 108–Coastal; 107 AND 109–Island; 108 AND 109–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Freight Transport) (114 AND 115–Coastal; 114 AND 116–Island; 115 AND 116–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Freight Transport) (121 AND 122–Coastal; 121 AND 123–Island; 122 AND 123–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Absence of Additional Restrictions on Licensing or Authorization Requirements (Logistics) (110 AND 111)	1	1	2
Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Logistics) (117 AND 118)	1	1	2
Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Logistics) (124 AND 125)	1	1	2
Absence of Additional Restrictions on Licensing or Authorization Requirements (Financial Services) (112 AND 113)	1	1	2
Absence of Additional Quotas for Foreign Contractual and Independent Service Providers (Financial Services) (119 AND 120)	1	1	2

Absence of Labor Market Tests for Foreign Contractual and Independent Service Providers (Financial Services) (126 AND 127)	1	1	2
Absence of Procedural Hurdles for Visa for Business Purposes (Freight Transport) (128 AND 129 AND 130 AND 131–Coastal; 128 AND 129 AND 132 AND 133–Island; 130 AND 131 AND 132 AND 133–Landlocked)* <i>In coastal economies this question assesses maritime freight and road freight; in island economies this question assesses maritime freight and air freight; and in landlocked economies this question assesses road freight and air freight</i>	1	1	2
Total Points	22	22	44

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points; n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).

*See Section 5.2.1.

**Subcategory 1.2.1 shared with Trade Regulations–Goods questionnaire.

PILLAR II-QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE	
Parameters	
Geographic Location	The geographic location 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, commercial banking, and insurance).

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE

2.1.2 Transparency and Availability of Information

In practice, are the licensing criteria for transport services in the following subsectors published on any official public agency portal or website(s) of the relevant public agency? (questions 134 through 136)

Note: In case there are no licensing criteria, please mark “No”.

134. Maritime Freight (Y/N)

135. Road Freight (Y/N)

136. Air Freight (Y/N)

In practice, are the licensing criteria for logistics services in the following subsectors published on any official public agency portal(s) or website(s) of the relevant public agency? (questions 137 through 138)

Note: In case there are no licensing criteria, please mark “No”.

137. Cargo Handling, Storage and Warehousing (Y/N)

138. Customs Brokerage (Y/N)

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE			
2.1.2 Transparency and Availability of Information**			
Indicators	FFP	SBP	Total Points
Publication–Licensing Criteria (Freight Transport) (134 AND 135–Coastal; 134 AND 136–Island; 135 AND 136–Landlocked) *	1	1	2
Publication–Licensing Criteria (Logistics Services) (137 AND 138)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points.

*See Section 5.2.1.

**Subcategory 2.1.2 shared with Trade Regulations–Goods and Public Services questionnaires.

DIGITAL TRADE 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 “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.

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 rollout phase as needed, as well as to substantiate and provide further information for the scored questions.

The data on these indicators are collected through the Utility Services (Internet), Financial Services (Electronic Payments), and Taxation questionnaires. All subcategories are marked with an asterisk (*) to clarify in which questionnaires the questions that follow are situated.

PILLAR I– QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE

1.1.2 Digital and Sustainable Trade* (includes gender and environment)

- 1. Are electronic contracts issued in a foreign country legally enforceable under the legal framework? (Y/N)**
- 2. Are electronic signatures issued in a foreign country legally enforceable under the legal framework? (Y/N)**
- 3. Does the legal framework establish the technology neutrality principle in the context of digital trade? (Y/N)**
- 4. Does the legal framework establish principles of personal data protection that regulate cross-border data flows? (Y/N)**
- 5. Does the legal framework recognize the use of digital currencies for cross-border payments? (Y/N)**

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE			
1.1.2 Digital and Sustainable Trade* (includes gender and environment)**			
Indicators	FFP	SBP	Total Points
Electronic Contracts (1)	1	1	2

Electronic Signatures (2)	1	1	2
Technology Neutrality (3)	1	1	2
Cross-Border Data Flows–Data Protection (4)	11	2	
Recognition of Digital Currencies for Cross-Border Payments (5)	1	1	2
Total Points	5	5	10

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points.

*The data on these indicators are collected through the Utility Services (Internet) and Financial Services (Electronic Payments) questionnaires.

**Subcategory 1.1.2 shared with Trade Regulations–Goods, Trade Regulations–Services, and Public Services questionnaires.

1.2 REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE

1.2.3 Restrictions on Digital Trade*

6. Does the regulatory framework require companies to obtain an additional government license to offer goods or services digitally, beyond general business license? (Y/N; N – good practice)
7. Excluding sale-restricted products, does the legal framework impose any restrictions on online sales of digitally ordered goods or services? (Y/N; N – good practice)
8. Does the legal framework require specific data transfer agreements or a formal consent from data subjects prior to the cross-border transfers of personal data? (Y/N)
9. Does the legal framework impose an additional tax, fee, or a higher than domestic rate on cross-border digital trade (Y/N; N – good practice)
10. Does the legal framework require cross-border digital trade providers to establish a local tax presence? (Y/N; N – good practice)
11. Does the legal framework impose any specific charges to incoming cross-border electronic payments, such as 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)
12. Does the legal framework impose any specific charges to outgoing cross-border electronic payments, such as 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)
13. Does the legal framework impose any limits on the value of the transactions for cross-border electronic payments? (Y/N; N – good practice)

Does the legal framework require the providers of digitally ordered goods and services to publicly disclose to cross-border consumers the following information? (questions 14 through 19)

14. Merchant information (business address, registration number and contact details) (Y/N)

15. Product/services specifications (Y/N)

16. Delivery options (Y/N)

17. Payment Process (Y/N)

18. Out of court complaints process (Y/N)
19. Refunds and cancellations policy (Y/N)
20. Does the legal framework set any limits on advertising practices applicable to cross-border consumers, such as spam and unsolicited communications? (Y/N)
21. Does the legal framework provide cross-border consumers the right to cancel online purchases within a designated period without providing any justification or incurring any penalty? (Y/N)
22. Does the legal framework provide cross-border consumers the right to receive refunds, replacements, or returns for goods that are damaged upon delivery? (Y/N)
23. Does the legal framework impose penalties for businesses that fail to comply with the online consumer protection provisions concerning cross-border consumers? (Y/N)
24. Does the legal framework establish a public online dispute resolution (ODR) mechanism that is component to handle and resolve complaints arising from digital trade, including those involving cross-border transactions? (Y/N)
25. Does the legal framework allow cross-border consumers to initiate enforceable ODR proceedings related to cross-border digital trade without incurring any fee? (Y/N)

1.2 REGULATORY RESTRICTIONS ON INTERNATIONAL TRADE			
1.2.3 Restrictions on Digital Trade*			
Indicators	FFP	SBP	Total Points
Absence of Additional Government Licenses (6)	1	1	2
Absence of Online Selling Bans (7)	1	1	2
Absence of Additional Taxes or Higher Tax Rates (9)	1	1	2
Absence of Local Tax Presence Requirement (10)	1	1	2
Absence of Charges on Incoming Cross-Border E-Payments (11)	1	1	2
Absence of Charges on Outgoing Cross-Border E-Payments (12)	1	1	2
Absence of Limits on Cross-Border E-Payments (13)	1	1	2
Cross-Border Data Flows–Consent to Transfer (8)	n/a	1	1
Disclosure of Relevant Information (14 AND 15 AND 16 AND 17 AND 18 AND 19)	n/a	1	1
Consumer Rights–Limits on Advertising (20)	n/a	1	1
Consumer Rights to Cancel Online Purchases (21)	n/a	1	1
Consumer Rights to Receive Refunds (22)	n/a	1	1
Penalties for Non-Compliance with Online Consumer Protection Provisions (23)	n/a	1	1
Online Dispute Resolution Mechanism (24)	n/a	1	1
Online Dispute Resolution Mechanism (Free of Charge Filing) (25)	n/a	1	1
Total Points	7	15	22

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 these indicators are collected through the Utility Services (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.

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.

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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I– QUALITY OF REGULATIONS FOR INTERNATIONAL TRADE	
Parameters	
Traded Environmental Products	The top 3 imported environmental products by total trade value at the world-level between 2015-2019 within the Asia-Pacific Economic Cooperation (APEC) list of environmental goods at HS subheading level (6-digit).

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE

1.1.2 Digital and Sustainable Trade

1. Among the Asia-Pacific Economic Cooperation (APEC) list of environmental goods under HS 854140, HS 901380, HS 847989, what is the highest effectively applied ad valorem tariff rate?

Note: Please provide the tariff rate as a percentage (ad valorem tariffs %). If a specific tariff is based on the quantity of the goods, please calculate it based on a typical transaction.

1.1 PRACTICES SUPPORTING INTERNATIONAL TRADE			
1.1.2 Digital and Sustainable Trade (includes gender and environment)*			
Indicators	FFP	SBP	Total Points
Tariffs on Environmental Goods (1)	1	1	2
Total Points	1	1	2

*Subcategory 1.1.2 shared with Trade Regulations–Goods, Trade Regulations–Services, and Digital Trade questionnaires.

PILLAR II–QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE	
Parameters	
Geographical Location	Based on their geographical location, all economies covered by the B-Ready project will be categorized as coastal, island or landlocked economies. The

	two most relevant forms of transportation for each economy will be identified and considered across all economies belonging to the same category.
Trading Partner(s)	The trading partner(s) refer to an economy's top 3 trade partners in goods and services combined between 2015 and 2019. In the context of external coordination, trading partner refers to the main trading partner of goods, or the main trading partner of goods sharing a land border (UN COMTRADE). In case there is no trade conducted through existing land borders with the main trading partner, the second main trading partner is considered. In case there is no trade conducted through existing land borders, the question is not applicable.
Main Border	Main border by each mode of transportation mode (air, sea, and/or land) is determined by the total trade value by border by mode of transportation. When referring to the main neighboring trading partner, the main border refers to the main border post through which most trade between the two economies is conducted.

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE

2.1.1 Electronic Systems and Interoperability of Services

- 2. Is there an operational national electronic system for international trade which allows for the electronic submission and processing of trade documentation through a single portal? If multiple systems are in place (e.g., Electronic Single Window or Integrated Customs Management System) please refer to the one most commonly used by traders. (Y/N)**

Y → provide response to questions 3 to 27, 55 and 75.

- 3. Are other domestic public sector agencies, in addition to the Customs agency, fully integrated into the electronic system mentioned in the question 2? (Y/N) (not scored)**

Y → provide response to questions 4 through 9.

Are the following domestic public sector agencies, in addition to the Customs agency, fully integrated into the electronic system mentioned in the question 2? (questions 4 through 9)

- 4. Tax administration (Y/N)**

- 5. Sanitary and phytosanitary agencies (Y/N)**

- 6. Standardization agencies (Y/N)**

- 7. Environmental agencies (Y/N)**

- 8. Transport agencies (Y/N)**

- 9. Ministry of Trade (or equivalent domestic ministry) (Y/N)**

- 10. Does the electronic system mentioned in the question 2 provide a centralized entry point to access the system or services pertaining to international trade? (Y/N)**

- 11. Does the electronic system mentioned in the question 2 support single sign-on (SSO) functionality for all the services of the agencies selected above? (Y/N)**

Can the following private sector stakeholders access and utilize the electronic system mentioned in the question 2 for relevant trade-related activities? (questions 12 through 17)

- 12. Customs brokers (Y/N)
- 13. Exporters and importers (Y/N)
- 14. Transport operators (Y/N)
- 15. Cargo handling and storage operators (Y/N)
- 16. Chambers of commerce (Y/N)
- 17. Financial institutions (i.e., banks, insurance companies) (Y/N)
- 18. Does the electronic system mentioned in the question 2 allow to enter or upload information and documents only once and make them available to all the relevant authorized users of this system? (Y/N)
- 19. Does the electronic system mentioned in the question 2 enable the communication of results of procedures (e.g., applications, authorizations, certifications, clearance) through a single point? This would mean that users receive all notifications and results from one centralized location within the system. (Y/N)

In practice, are the following features available and fully electronic in the electronic system mentioned in the question 2? (questions 20 through 25)

- 20. Submission of commercial and transport documents (e.g., invoice, bill of landing) (Y/N)
- 21. Lodging of customs declaration and customs release (Y/N)
- 22. Processing of export and import licenses, permits and authorizations (Y/N)
- 23. Processing of veterinary, sanitary, and phytosanitary certificates (Y/N)
- 24. Processing of technical standards certificates (Y/N)
- 25. Processing of certificates of origin (Y/N)
- 26. Does the electronic system mentioned in the question 2 support centralized payment processing, allowing payments for any services provided by all integrated public sector agencies through a single transaction point within the system? (Y/N)
- 27. Does the electronic system mentioned in the question 2 exchange information for Customs clearance purposes with similar systems in any other country? (Y/N)

2.1.2 Transparency and Availability of Information

In practice, is the following information published on any official public agency portal(s) or website(s)? (questions 28 through 33)

- 28. Applied rates of duties, taxes, and fees of any kind imposed on or in connection with importation or exportation (Y/N)
- 29. Procedures for importation, exportation, and transit (Y/N)

30. Regulations on non-tariff measures (Y/N)
31. Issued advance rulings (Y/N)
32. Penalty provisions for breaching import, export, or transit formalities (Y/N)
33. Procedures for appeal or review, including formal complaints on disputed customs' rulings (Y/N)
34. Does [ECONOMY] have a functional national trade information portal that includes the latest updates on trade regulations, procedures, and relevant information as of September 1, 2024? (Y/N)
Y → provide response to questions 35 to 40.
- In practice, is the following information published on the national trade information portal mentioned above? (questions 35 through 40)**
35. Laws, decrees, regulations, instructions, notifications, guidance notes and any other legal instruments related to international trade and compliance (Y/N)
36. Commodity classification and associated tariffs (Y/N)
37. Agreements with any country or countries, as well as unilateral agreements (Y/N)
38. Special measures applicable to specific commodities or products (e.g., sanitary and phytosanitary measures or technical barriers to trade) (Y/N)
39. Penalty provisions for breach of formalities and procedures for appeal or review (Y/N)
40. Instructions and forms used to apply for permits, licenses and customs clearance (Y/N)
41. In practice, has [ECONOMY] established a functional trade facilitation enquiry point that provides information regarding trade-related queries and documents? (Y/N)
42. Does the trade facilitation enquiry point mentioned above respond to emails within 7 calendar days? (Y/N)

2.1.3 Trade infrastructure

Border 1

43. Do you agree that the main seaport / land border post through which [ECONOMY] conducts most of its trade (in trade value terms) is [FILL WITH MEASURED SEAPORT (LAND BORDER POST)]? (Y/N) *(not scored)*
N → provide response to question 43.1.
- 43.1 If not, please specify the seaport / land border post through which [ECONOMY] conducts most of its trade (in trade value terms). This information will be taken into account for the next data collection cycle. *(not scored)*

Are the following facilities and equipment available and functional at [FILL WITH MEASURED SEAPORT / LAND BORDER POST] to enable border control agencies to perform their control functions effectively? (questions 44 through 48)

Note: The facilities and equipment listed below can be located within or in the proximity of the seaport (land border post), including special customs clearance zones.

44. Intrusive examination areas (Y/N)

45. Deconsolidation and unbundling areas for cargo (Y/N)

46. Fixed or mobile scanners (Y/N)

47. Weight-in-Motion (WIM) scales (Y/N)

48. Testing laboratory for samples (Y/N)

Are the following services and infrastructure available and functional for traders at [FILL WITH MEASURED SEAPORT / LAND BORDER POST]? (questions 49 through 52)

Note: The infrastructure listed below can be located within or in the proximity of the seaport (land border post).

49. Designated parking areas for trucks (Y/N)

50. Covered storage facilities (Y/N)

51. Cold storage facilities (Y/N)

52. Customs bonded warehouses (Y/N)

Are the following green services and infrastructure available and functional for traders at [FILL WITH MEASURED SEAPORT] (questions 53 through 55)

53. Sustainable Fuel Bunkering Facility (Y/N)

54. Onshore Power Supply (Y/N)

55. Is the [FILL WITH MEASURED SEAPORT] fully integrated with the electronic system for international trade mentioned in question 2? (Y/N)

Are the following information systems in use at [FILL WITH MEASURED SEAPORT]? (questions 56 through 59)

56. Port community system (Y/N)

57. Maritime Single Window (Y/N)

58. Terminal operating system (Y/N)

59. Truck booking system (Y/N)

60. Does the [FILL WITH MEASURED SEAPORT] have a Port Consultative Committee? (Y/N)
Y → provide response to questions 61 through 64.

61. Does this Port Consultative Committee meet at least twice a year? (Y/N)

Does this Port Consultative Committee include representatives from the following stakeholders:
(questions 62 through 64)

62. Port Authority Representatives (Y/N)

63. Private Sector Representatives (port users, logistics companies, shipping lines, etc.) (Y/N)

64. Community Representatives (members from local and provincial governments, labor unions, representatives of the community surrounding the port) (Y/N)

Border 2

65. Do you agree that the main land border post / airport through which [ECONOMY] conducts most of its trade (in trade value terms) with [MAIN NEIGHBORING TRADING PARTNER] is [FILL WITH MEASURED LAND BORDER POST / AIRPORT]? (Y/N) *(not scored)*

N → provide response to question 65.1.

65.1 Please specify the land border post (airport) through which [ECONOMY] conducts most of its trade (in trade value terms) with [MAIN NEIGHBORING TRADING PARTNER]. This information will be taken into account for the next data collection cycle. *(not scored)*

Are the following facilities and equipment available and functional at [FILL WITH MEASURED LAND BORDER POST / AIRPORT] to enable border control agencies to perform their control functions effectively? (questions 66 through 70)

66. Intrusive examination areas (Y/N)

67. Deconsolidation and unbundling areas for cargo (Y/N)

68. Fixed or mobile scanners (Y/N)

69. Weight-in-Motion (WIM) scales (Y/N)

70. Testing laboratory for samples (Y/N)

Are the following services and infrastructure available and functional for traders at [FILL WITH MEASURED LAND BORDER POST / AIRPORT]? (questions 71 through 74)

Note: The infrastructure listed below can be located within or in the proximity of the land border post (airport).

71. Designated parking areas for trucks (Y/N)

72. Covered storage facilities (Y/N)

73. Cold storage facilities (Y/N)

74. Customs bonded warehouses (Y/N)

75. Is the [FILL WITH MEASURED AIRPORT] fully integrated with the electronic system for international trade mentioned in question 2? (Y/N)

Are the following information systems in use at [FILL WITH MEASURED AIRPORT]? (questions 76 through 78)

76. Air Cargo Community System (ACCS) (Y/N)

77. Air Operations and Management System (Y/N)

78. Truck booking system (Y/N)

79. Does [FILL WITH MEASURED AIRPORT] have an airport consultative committee? (Y/N)

Y → provide response to questions 80 through 83.

80. In practice, does this airport consultative committee meet at least twice a year? (Y/N)

Does this Airport Consultative Committee include representatives from the following stakeholders:
(questions 81 through 83)

81. Airport Authority Representatives (Y/N)

82. Private sector representatives (airport users, logistics companies, airlines, etc.) (Y/N)

83. Community representatives (members from local and provincial governments, labor unions, representatives from the community surrounding the airport). (Y/N)

2.1 DIGITAL AND PHYSICAL INFRASTRUCTURE			
2.1.1 Electronic Systems and Interoperability of Services			
Indicators	FFP	SBP	Total Points
Availability of an Advanced Electronic System for International Trade (2)	1	1	2
Agency Integration into the Advanced Electronic System for International Trade (4 AND 5 AND 6 AND 7 AND 8 AND 9) <i>Points may only be awarded for this indicator if the response to questions 2 and 3 are both Yes</i>	1	1	2
Single Point of Access of the Advanced Electronic System for International Trade (10) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Single Sign-On of the Advanced Electronic System for International Trade (11) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Stakeholder Integration into the Advanced Electronic System for International Trade (12 AND 13 AND 14 AND 15 AND 16 AND 17) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Single Submission of Data of the Advanced Electronic System for International Trade (18) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Single Point of Decision Making of the Advanced Electronic System for International Trade (19) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Features of the Advanced Electronic System for International Trade (20 AND 21 AND 22 AND 23 AND 24 AND 25) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Single Point of Payment of the Advanced Electronic System for International Trade (26) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Exchange of Information with Trading Partners' Electronic Systems for International Trade (27)	1	1	2

<i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>			
Total Points	10	10	20
2.1.2 Transparency and Availability of Information***			
Indicators	FFP	SBP	Total Points
Trade Information Portal (TIP) (35 AND 36 AND 37 AND 38 AND 39 AND 40) <i>Points may only be awarded for this indicator if the response to question 34 is Yes</i>	1	1	2
Publication–Duties, Taxes, Fees, Charges and Non-Tariff Measures (28 AND 30)	1	1	2
Publication–Procedures and Advanced Ruling (29 AND 31)	1	1	2
Publication–Penalties, Procedures for Appeal (32 AND 33)	1	1	2
Enquiry Points (41 AND 42)	1	1	2
Total Points	5	5	10
2.1.3 Trade Infrastructure			
Indicators	FFP	SBP	Total Points
Equipment and Facilities (Border 1–Port or Land Border) (44 AND 45 AND 46 AND 47 AND 48) <i>This indicator measures a seaport for coastal and island economies, and a land border for landlocked economies</i>	1	1	2
Services and Infrastructure (Border 1–Port or Land Border) (49 AND 50 AND 51 AND 52) <i>This indicator measures a seaport for coastal and island economies, and a land border for landlocked economies</i>	1	1	2
Green Infrastructure (Border 1–Port) (53 AND 54)*	1	1	2
Consultative Committee (Border 1–Port)–Representatives (60 AND 61 AND 62 AND 63 AND 64–Coastal and Island)* <i>Points may only be awarded for this indicator if the responses to questions 60 and 61 are both Yes</i>	1	1	2
Equipment and Facilities (Border 2–Land Border or Airport) (66 AND 67 AND 68 AND 69 AND 70) <i>This indicator measures a land border for coastal economies, and an airport for island and landlocked economies</i>	1	1	2
Services & Amenities (Border 2–Land Border or Airport) (71 AND 72 AND 73 AND 74) <i>This indicator measures a land border for coastal economies, and an airport for island and landlocked economies</i>	1	1	2
Consultative Committee (Border 2–Airport)–Representatives (79 AND 80 AND 81 AND 82 AND 83–Landlocked) <i>Points may only be awarded for this indicator if the responses to questions 79 and 80 are both Yes. Island economies will not be assessed under this indicator</i>	1	1	2
Connection to the Electronic System for International Trade (Port or Airport) (55–Coastal and Island; 75–Landlocked*) <i>Points may only be awarded for this indicator if the response to question 2 is Yes</i>	1	1	2
Information Systems (Port or Airport) (56 AND 57 AND 58 AND 59–Coastal and Island; 76 AND 77 AND 78–Landlocked)* <i>This indicator measures a seaport for coastal and island economies, and an airport for landlocked economies. For landlocked economies, this indicator does</i>	1	1	2

<i>not assess the components on Port Community Systems or Maritime Single Windows. As such, coastal and island economies will be scored under 4 components within this indicator, while landlocked economies will only be scored under 3 components. Despite this, all economies will be able to score the same number of points for this indicator. In cases where only one border can be measured for an economy, and that border is a land border, the score for the economy will be rescaled</i>			
Consultative Committee (Port or Airport) (60 AND 61–Coastal and Island; 79 AND 80–Landlocked)* <i>This indicator measures a seaport for coastal and island economies, and an airport for landlocked economies</i>	1	1	2
Total Points	10	10	20
<i>Coastal and island economies may score a total of 20 points (10 points on firm flexibility and 10 points on social benefits), while landlocked may score a total of 18 points (9 points on firm flexibility and 9 points on social benefits). The score for landlocked economies will be rescaled</i>			

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points.

*See Sections 5.2.1.

**Subcategory 2.1.2 shared with Trade Regulations–Goods, and Trade Regulations–Services questionnaires.

2.2 BORDER MANAGEMENT

2.2.1 Risk Management

84. In practice, does the Customs agency in [ECONOMY] have a functional risk management system in place? (Y/N)

Y → provide response to questions 85 to 92.

85. Is any other domestic public agency fully integrated into the Customs Agency's risk management system? (Y/N)

Y → provide response to questions 86 to 89.

Are the following domestic public agencies fully integrated? (questions 86 through 89)

86. Sanitary and Phytosanitary Agencies (Y/N)

87. Standardization Agencies (Y/N)

88. Environmental Agencies (Y/N)

89. Security Border Agencies (Y/N)

90. Does the Customs Agency use advanced automated profiling and targeting based on objective selectivity criteria to minimize the incidence of physical examinations for both exports and imports? (Y/N)

91. Does the Customs Agency conduct risk-based post-clearance audits on imports using selectivity criteria? (Y/N)

92. Are there any specific Customs offices or border posts with physically present Customs officials that are NOT integrated in the risk management system? (Y/N)

Note: please answer “Yes” if there is at least one specific border post or customs office where trade operators are systematically or discretionally subjected to security controls outside the risk management system.

2.2.2 Coordinated Border Management

Internal Coordination

- 93. Is a unique consignment reference (UCR) used by the Customs agency and other domestic public agencies? (Y/N)**
- 94. Does the Customs agency conduct joint inspections with other domestic public agencies or delegate inspections to other domestic public agencies? (Y/N)**

External Coordination

- 95. Is there an integrated border checkpoint with [MAIN NEIGHBORING TRADING PARTNER WITH BORDER CONTROLS]? (Y/N)**

Note: if there are no border controls between the two economies (e.g. they are members of the same customs union), please mark “Yes.”

- 96. Is there a unified document or set of documents that is presented to both border control agencies of [ECONOMY] and [MAIN NEIGHBORING TRADING PARTNER WITH BORDER CONTROLS] (Y/N)**

Note: If there are no border controls between the two economies (e.g. they are members of the same customs union), please mark “Yes.”

- 97. In practice, do the Customs agency’s operating hours coincide with those of the Customs agency of [MAIN NEIGHBORING TRADING PARTNER WITH BORDER CONTROLS]? (Y/N)**

Note: Coinciding operating hours mean that both customs agencies are open and operating during the same hours, facilitating smooth cross-border trade. If there are no border controls between the two economies (e.g., they are members of the same customs union), please mark “Yes”.

- 98. Does the Customs agency exchange information on commercial and transport documents and customs declaration with the Customs agency of [MAIN TRADING PARTNER GOODS]? (Y/N)**

Note: This exchange of information may include data sharing on shipments, declarations, and other relevant documents to facilitate trade and enhance security. If there are no border controls between the two economies (e.g., they are members of the same customs union), please mark “Yes”.

- 99. Do border control agencies recognize inspections conducted by border control agencies of [MAIN TRADING PARTNER GOODS] or, in case the economies share a border, conduct joint inspections? (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.”

2.2.3 Trusted Trader Programs

- 100. Has the Customs agency in [ECONOMY] implemented a Trusted Trader certification program for exporters? (Y/N)**
- 101. Is this Trusted Trader certification program also available for importers? (Y/N)**

Note: responses to questions 102-115 are required if Y is selected under questions 100 and 101.

Y→ provide response to questions 102 to 115.

In practice, does this Trusted Trader certification program include the following types of operators within the supply chain? (questions 102 through 106)

Note: Please consider only the trade operators that may be certified in practice.

102. Warehouse operators (Y/N)

103. Customs brokers (Y/N)

104. Freight forwarders (Y/N)

105. Carrier/transport operators (Y/N)

106. Manufactures (Y/N)

In practice, does this Trusted Trader certification program provide the following benefits to its participants? (questions 107 through 110)

Note: Please consider only the benefits that trade operators receive in practice.

107. Pre-arrival release of goods: the ability to have goods released by Customs before their physical arrival at the port of entry. (Y/N)

108. Priority clearance and release of shipments: expedited processing and release of shipments, giving them priority over non-certified shipments (Y/N)

109. Use of periodic declarations: the option to submit customs declarations on a periodic basis, rather than for each individual shipment (Y/N)

110. Lower rate of documentary reviews and physical inspections by Customs and other domestic public agencies due to recognized and compliance and lower risk. (Y/N)

Besides the Customs agency, is the Trusted Trader status recognized by the following domestic border control agencies in terms of providing expedited processing or other facilitation measures for certified traders? (questions 111 through 113)

111. Sanitary and Phytosanitary agencies (Y/N)

112. Standardization agencies (Y/N)

113. Security border agencies (Y/N)

114. Do economic operators which have been granted the status of a Trusted Trader in [ECONOMY] receive the same benefits when conducting business in [3 MAIN TRADING PARTNERS] (Y/N)

Note: Reciprocal benefits may include expedited customs processing, reduced inspections, and other facilitation measures that are part of mutual recognition agreements between the economies.

115. Can the Trusted Trader certification or renewal process be completed electronically through trade information portal, electronic single window for international trade, or integrated customs management system? (Y/N)

2.2 BORDER MANAGEMENT			
2.2.1 Risk Management			
Indicators	FFP	SBP	Total Points
Customs Risk Management Availability (84)	1	1	2
Sanitary and Phytosanitary Agency Integration (86) <i>Points may only be awarded for this indicator if the response to questions 84 and 85 are both Yes</i>	1	1	2
Standardization Agency Integration (87) <i>Points may only be awarded for this indicator if the response to questions 83 and 84 are both Yes</i>	1	1	2
Environmental Agency Integration (88) <i>Points may only be awarded for this indicator if the response to questions 84 and 85 are both Yes</i>	1	1	2
Security Border Agency Integration (89) <i>Points may only be awarded for this indicator if the response to questions 84 and 85 are both Yes</i>	1	1	2
Automated Profiling and Targeting (90) <i>Points may only be awarded for this indicator if the response to questions 84 and 85 are both Yes</i>	1	1	2
Post-Clearance Audits (91) <i>Points may only be awarded for this indicator if the response to questions 84 and 85 are both Yes</i>	1	1	2
Customs Risk Management Coverage (92) <i>Points may only be awarded for this indicator if the response to questions 84 and 85 are both Yes</i>	1	1	2
Total Points	8	8	16
2.2.2 Coordinated Border Management			
Indicators	FFP	SBP	Total Points
Unique Consignment Reference (93)	1	1	2
Joint Controls (Internal) (94)	1	1	2
Integrated Border Checkpoint (95)*	1	1	2
Exchange of Information (96)	1	1	2
Joint Controls (External) (97)	1	1	2
Alignment of Operating Hours (98)*	1	1	2
Unified Document or Set of Documents (99)*	1	1	2
Total Points	7	7	14
<i>Coastal and landlocked economies may score a total of 14 points (7 points on firm flexibility and 7 points on social benefits), while island economies may score a total of 8 points (4 points on firm flexibility and 4 points on social benefits). The score for island economies will be rescaled</i>			
2.2.3 Trusted Trader Programs			
Indicators	FFP	SBP	Total Points
Availability of a Trusted Trader Program for Exporters and Importers (100 AND 101)	1	1	2
Availability of a Trusted Trader Program for Other Operators (102 AND 103 AND 104 AND 105 AND 106)	1	1	2

<i>Points may only be awarded for this indicator if the responses to questions 100 and 101 are both Yes</i>			
Benefits of the Trusted Trader Program (107 AND 108 AND 109 AND 110) <i>Points may only be awarded for this indicator if the responses to questions 100 and 101 are both Yes</i>	1	1	2
Inter-Agency Recognition of the Trusted Trader Program (111 AND 112 AND 113) <i>Points may only be awarded for this indicator if the responses to questions 100 and 101 are both Yes</i>	1	1	2
Mutual Recognition Agreements of the Trusted Trader Program (114) <i>Points may only be awarded for this indicator if the responses to questions 100 and 101 are both Yes</i>	1	1	2
Electronic Certification and Renewal Process of the Trusted Trader Program ((2 OR 34) AND 115) <i>Points may only be awarded for this indicator if the responses to questions 100 and 101 are both Yes and the response to either or both questions 2 and 34 is Yes</i>	1	1	2
Total Points	6	6	12

Note: FFP = Firm Flexibility Points; SBP = Social Benefits Points.

*See Section 5.2.1

PILLAR III—OPERATIONAL EFFICIENCY OF EXPORTING GOODS, IMPORTING GOODS, AND ENGAGING IN DIGITAL TRADE

The scores for Pillar III indicators will be calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers will be identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade is collected through firm-level surveys, using the questions that follow.

3.1 COMPLIANCE WITH EXPORT REQUIREMENTS

- 1. In fiscal year [insert last complete fiscal year], what percentage of this establishment's sales were:**
(not scored)
1a. National Sales
1b. Indirect exports (sold domestically to third party that exports products)
1c. Direct exports
- 2. In fiscal year [insert last complete fiscal year], what was the main country (or territory) of destination for this establishment's direct exports?** (not scored)
- 3. In fiscal year [insert last complete fiscal year], when this establishment exported goods directly, was any inspection, certification, or licensing conducted prior to the arrival of those goods at their point of exit (e.g., port, airport)? (Y/N)** (not scored)
Note: Include only processes required by authorities of [ECONOMY].
- 4. On average, how many days did it take to conduct those inspections, certifications, and licensing processes?**
- 5. After those direct exports arrived at their main point of exit, how many days did it take on average until those goods were cleared to leave the customs area of control?**

6. What was the typical cost of all export-related transactions for the goods to exit [ECONOMY], as a percentage of the value of those goods?

Note: Please include all export requirements, including fees by customs and other agencies, as well as any cost of customs brokers, freight forwarders, domestic transportation, trade finance, and insurance. Exclude international transport and any costs incurred in the destination.

3.2 COMPLIANCE WITH IMPORT REQUIREMENTS

7. In fiscal year [insert last complete fiscal year], what percentage of this establishment's purchases of material inputs or supplies, or goods purchased for resale were: *(not scored)*

7a. Of domestic origin

7b. Of foreign origin

8. In fiscal year [insert last complete fiscal year], what was the main country (or territory) of origin for these direct imports? *(not scored)*

9. In fiscal year [insert last complete fiscal year], when this establishment imported goods directly, was any inspection, certification, or licensing conducted prior to the arrival of those goods to their point of entry (e.g., port, airport)? (Y/N) *(not scored)*

Note: Include only processes required by authorities of [ECONOMY].

10. On average, how many days did it take to conduct those inspections, certifications, and licensing processes?

11. How many days did it take on average from the time these goods arrived at their point of entry (e.g., port, airport) until the time these goods were cleared to leave the customs area of control?

12. What was the typical cost of all import-related transactions for the goods to enter [ECONOMY], as a percentage of the value of those goods?

Note: Please include all requirements, including fees by customs and other agencies, as well as any cost of customs brokers, freight forwarders, domestic transportation, trade finance, and insurance. Exclude international transport and any costs incurred prior to their entry to [ECONOMY].

3.3 PARTICIPATION IN CROSS-BORDER DIGITAL TRADE

13. In fiscal year [insert last complete fiscal year], were any online orders fulfilled by mail, parcel, or courier service that did not require any customs duties in the destination countries (or territories)? (Y/N)

3.4 PERCEIVED MAJOR OBSTACLES: CUSTOMS AND TRADE REGULATIONS, AND TRANSPORTATION

14. Using the response options on the card; To what degree are customs and trade regulations an obstacle to the current operations of this establishment?

14a. No obstacle

14b. Minor obstacle

14c. Moderate obstacle

14d. Major obstacle

14e. Very severe obstacle

15. Using the response options on the card; To what degree is transport an obstacle to the current operations of this establishment?

- 15a. No obstacle
- 15b. Minor obstacle
- 15c. Moderate obstacle
- 15d. Major obstacle
- 15e. Very severe obstacle

3.1 COMPLIANCE WITH EXPORT REQUIREMENTS			
3.1.1 Total Time to Comply with Export Requirements			
Indicators	FFP	SBP	Total Points
Total Time to Comply with Export Requirements (4 AND 5)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Total Cost to Comply with Export Requirements			
Total Cost to Comply with Export Requirements (6)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.2	100	n/a	100
Total Points Category 3.1	100	n/a	100
3.2 COMPLIANCE WITH IMPORT REQUIREMENTS			
3.2.1 Total Time to Comply with Import Requirements			
Total Time to Comply with Import Requirements (10 AND 11)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Total Cost to Comply with Import Requirements			
Total Cost to Comply with Import Requirements (12)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.2	100	n/a	100
Total Points for Category 3.2	100	n/a	100
3.3 PARTICIPATION IN CROSS-BORDER DIGITAL TRADE			
3.3.1 Share of Trading Firms Exporting Digitally Ordered Goods			
Share of Trading Firms Exporting Digitally Ordered Goods (13)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.3.1	100	n/a	100
Total Points for Category 3.3	100	n/a	100
3.4 PERCEIVED MAJOR OBSTACLES: CUSTOMS AND TRADE REGULATIONS, AND TRANSPORTATION			
3.4.1 Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints			
Share of Firms Identifying Customs and Trade Regulations as Major or Severe Constraints (14)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.4.1	100	n/a	100
3.4.2 Share of Firms Identifying Transportation as a Major or Severe Constraint			
Share of Firms Identifying Transportation as a Major or Severe Constraint (15)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.4.2	100	n/a	100

Total Points for Category 3.4	100	n/a	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 Points; SBP = Social Benefits Points.

CHAPTER 8. TAXATION–METHODOLOGY NOTE

I. MOTIVATION

Taxation is a powerful policy tool that governments use to generate revenues and finance operations, public goods, and services. In the private sector, taxation can promote growth and development 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 tax procedures may increase compliance costs for firms and discourage formalization.² Identifying challenges taxpayers face can guide reforms that support private sector development while pursuing domestic resource mobilization objectives.

According to academic research, deficiencies such as complicated tax regulations, inefficient tax administration, and high tax compliance costs can affect private sector development.³ The Taxation indicators include measures that capture these potential issues, as well as measures that focus on environmental sustainability and gender equality.

Digitalization of tax administration services positively impacts tax collection.⁴ Electronic filing services contribute to reducing compliance costs and foster a more transparent tax regime by curbing corruption and bribe solicitation.⁵ Digitalization of the tax administration's procedures also helps reduce tax evasion.⁶

The efficiency of tax administration systems also impacts the burden of administrative compliance. Research shows that economies with efficient tax administration procedures—easily accessible information, e-tax systems, effective risk management, and transparency—experience greater firm productivity and economic growth.⁷ Reducing the likelihood of audits of low-risk taxpayers also encourages greater taxpayer compliance. Impartial, accessible, and efficient tax dispute resolution mechanisms are essential for allowing taxpayers to challenge tax assessments and receive a prompt and fair hearing.⁸ Finally, improving internal efficiency enables tax administrations to unlock additional revenues.⁹

In addition to boosting economic performance, taxation can be a powerful tool in promoting environmental sustainability. Environmental taxes effectively address market failures in accounting for environmental impacts. Carbon pricing allows consumers and businesses to choose cost-effective methods to reduce their environmental “footprint” or to incentivize innovation by investing in low-carbon emission technologies.¹⁰

Finally, various studies emphasize the positive effects of gender equality on development. Gender equality is an integral component of fiscal reform and plays a key role in achieving more inclusive and sustainable economic growth.¹¹ Supporting women's full participation in the economy promotes growth, diversifies the economies, reduces income inequality, mitigates demographic shifts, and contributes to stability.¹² Thus, the Taxation topic also explores aspects of gender equality in the corporate taxation system.

II. INDICATORS

The Taxation topic measures the quality of tax 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 tax regulation, covering de jure and de facto information on the legal requirements. The second pillar measures the quality of tax administration by assessing the public services related to tax matters. The third pillar measures the operational efficiency of tax regulation and related public services from a firm's perspective. Each pillar is divided into categories based on common features. Furthermore, each category is divided into subcategories. Each subcategory consists of indicators, each of which has one or more 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 summarizes all three pillars and their respective categories.

Table 1. Summary Table of all Three Pillars for the Taxation Topic

Pillar I–Quality of Tax Regulations (13 indicators)	
1.1	Clarity and Transparency (4 indicators)
1.1.1	Clarity of Tax Regulations (2 indicators)
1.1.2	Transparency of Changes in Tax Regulations (2 indicators)
1.2	Administrative Procedures (4 indicators)
1.2.1	Simplified Tax Record Keeping and Reporting (1 indicator)
1.2.2	General Tax Registration (1 indicator)
1.2.3	VAT Registration (1 indicator)
1.2.4	VAT Refund (1 indicator)
1.3	Environmental Fiscal Instruments (5 indicators)
1.3.1	Existence of Environmental Fiscal Instruments (3 indicators)
1.3.2	Availability of Public Consultations (1 indicator)
1.3.3	Transition Periods (1 indicator)
Pillar II–Public Services Provided by the Tax Administration (16 indicators)	
2.1	Digital Services for Taxpayers (4 indicators)
2.1.1	Online Service Taxpayer Portal (1 indicator)
2.1.2	Electronic Filing of Taxes (1 indicator)
2.1.3	Pre-Filled Tax Declarations (1 indicator)
2.1.4	Electronic Payment of Taxes (1 indicator)
2.2	Data Management and System Integration in the Tax Administration (5 indicators)
2.2.1	Tax Registration (1 indicator)
2.2.2	Taxpayer Database and Tax Identification Number (TIN) (1 indicator)
2.2.3	Tax Deregistration (1 indicator)
2.2.4	Data Exchange and Usage (includes gender) (2 indicators)
2.3	Transparency (3 indicators)
2.3.1	Annual Performance and Gender Diversity in the Tax Administration (2 indicators)
2.3.2	Public Accountability (1 indicator)
2.4	Tax Audits and Related Disputes (4 indicators)
2.4.1	Tax Audits (2 indicators)
2.4.2	Dispute of Tax Audit Results (2 indicators)
Pillar III–Operational Efficiency of Tax System in Practice (7 indicators)	
3.1	Time and Functionality of Processes (5 indicators)
3.1.1	Time to File and Pay Taxes (1 indicator)
3.1.2	Use of Electronic Systems to File and Pay Taxes (1 indicator)
3.1.3	Duration of a Generic Tax Audit (1 indicator)
3.1.4	Duration of a Tax Dispute (1 indicator)
3.1.5	Use of a VAT Refund (1 indicator)
3.2	Financial Burden on Firms (2 indicators)
3.2.1	Effective Tax Rate (ETR) for Profit Taxes (1 indicator)
3.2.2	Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions (1 indicator)

Note: VAT = Value Added Tax; TIN = Taxpayer's Identification Number.

1. PILLAR I. QUALITY OF TAX REGULATIONS

Table 2 shows the structure for Pillar I, Quality of Tax 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 Tax Regulations

1.1	Clarity and Transparency
1.1.1	Clarity of Tax Regulations

1.1.2	Transparency of Changes in Tax Regulations
1.2	Administrative Procedures
1.2.1	Simplified Tax Record Keeping and Reporting
1.2.2	General Tax Registration
1.2.3	VAT Registration
1.2.4	VAT Refund
1.3	Environmental Fiscal Instruments
1.3.1	Existence of Environmental Fiscal Instruments
1.3.2	Availability of Public Consultations
1.3.3	Transition Periods

Note: VAT = Value Added Tax.

1.1 Clarity and Transparency

Category 1.1 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Clarity of Tax Regulations

Issuing legal rulings and interpretations of the law in a timely, transparent, and consistent manner is important. It promotes predictability and fairness in tax administration, provides certainty for taxpayers, and improves the business tax environment.¹³ Therefore, Subcategory 1.1.1–Clarity of Tax Regulations comprises two indicators (table 3).

Table 3. Subcategory 1.1.1–Clarity of Tax Regulations

	Indicators	Components
1	Availability of Tax Guidance	<ul style="list-style-type: none"> i) Tax guides are available to the public ii) Tax notices are available to the public iii) Factsheets are available to the public iv) General tax guidance is up-to-date v) General tax guidance is published online vi) Revenue procedures are available to the public vii) Internal revenue manuals are available to the public viii) Technical advice memorandums are available to the public ix) Internal tax guidance is up-to-date x) Internal tax guidance is published online
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

1.1.2 Transparency of Changes in Tax Regulations

Various studies find that transparency and predictability in the process of drafting and enacting tax legislation enhances tax certainty.¹⁴ According to businesses, one of the most effective tools is announcing important changes in advance and engaging key participants of the private sector and society in the consultation.¹⁵ Therefore, Subcategory 1.1.2–Transparency of Changes in Tax Regulations comprises two indicators (table 4).

Table 4. Subcategory 1.1.2–Transparency of Changes in Tax Regulations

	Indicators	Components
1	Broad Public Consultation	<ul style="list-style-type: none"> i) Consultations are held for the enactment and changes to tax laws and regulation ii) All interested private sector stakeholders can participate in consultations iii) Consultations take place before the formulation of tax legislative proposals iv) Consultations take place during the drafting of the tax legislation v) Consultations take place after the enactment of tax legislation vi) Online publication of the feedback received
2	Future Tax Plans	<ul style="list-style-type: none"> i) Online publication on future tax plans

	ii) Publication of future tax plans prior to implementation
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1.2 Administrative Procedures

Category 1.2 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Simplified Tax Record Keeping and Reporting

Research shows that manual tax record-keeping can lead to errors and fraud.¹⁶ 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. It also reduces the burden on tax authorities.¹⁷ Therefore, Subcategory 1.2.1–Simplified Tax Recording Keeping and Reporting comprises one indicator (table 5).

Table 5. Subcategory 1.2.1–Simplified Tax Record Keeping and Reporting

	Indicators	Components
1	Simplified Tax Record Keeping and Reporting	i) Tax records can be kept online ii) Availability of simplified record keeping for small businesses iii) Availability of simplified tax reporting for small businesses

1.2.2 General Tax Registration

The availability of information about general tax registration is a fundamental component of effective tax administration. Clear, comprehensive, and transparent information from the public agency reduces uncertainties about tax liabilities and enhances reporting and compliance.¹⁸ Additionally, providing information online boosts transparency and trust in the tax administration.¹⁹ Moreover, details on tax registration fees and timelines clarify the process for taxpayers and simplify procedures for start-ups. To maintain the register, one of the simplest and most effective methods is to use legislation and/or regulation that requires taxpayers to notify the administration of any changes to their registration particulars.²⁰ Therefore, Subcategory 1.2.2–General Tax Registration comprises one indicator (table 6).

Table 6. Subcategory 1.2.2–General Tax Registration

	Indicators	Components
1	Transparency in the Tax Registration Process	i) Online 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

1.2.3 VAT Registration

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.²¹ The VAT registration threshold allows the tax authority to concentrate its resources on bigger taxpayers, thus saving budget expenditures. Subcategory 1.2.3–VAT Registration comprises one indicator (table 7).

Table 7. Subcategory 1.2.3–VAT Registration

	Indicators	Components
1	VAT Registration Threshold*	i) Existence of a VAT registration threshold ii) Availability of voluntary VAT registration

Note: VAT = Value Added Tax.

* Economies that do not impose VAT are not assessed on this subcategory. In such cases, the total points from this subcategory are proportionately redistributed to other subcategories within this category.

1.2.4 VAT Refund

For firms, fast and efficient VAT refund systems reduce the opportunity costs of capital held in pending VAT refunds. VAT declarations are necessary to administer the payment and refund of VAT, and they can be useful for risk assessment purposes.²² Limiting the ability to request a VAT refund incurs significant cost, including compromised VAT design and lower revenue productivity.²³ Therefore, Subcategory 1.2.4–VAT Refund comprises one indicator (table 8).

Table 8. Subcategory 1.2.4–VAT Refund

	Indicators	Components
1	VAT Refund*	i) Availability of VAT cash refund ii) Restriction on VAT cash refund

Note: VAT = Value Added Tax.

* Economies that do not impose VAT are not assessed on this subcategory. In such cases, the total points from this subcategory are proportionately redistributed to other subcategories within this category.

1.3 Environmental Fiscal Instruments

Category 1.3 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.3.1 Existence of Environmental Fiscal Instruments

Environmental fiscal instruments aim to reduce "carbon emission", curb fuel consumption, facilitate innovation and adoption of environment-friendly technologies, and raise revenues.²⁴ Therefore, Subcategory 1.3.1–Existence of Environmental Fiscal Instruments comprises three indicators (table 9).

Table 9. Subcategory 1.3.1–Existence of Environmental Fiscal Instruments

	Indicators	Components
1	Presence of Environmental Fiscal Instruments	Availability of carbon taxes or emission trading systems
2	Absence of fossil fuel subsidy	Absence of fossil fuel subsidy
3	Additional mechanisms	Availability of tax incentives or tax credits to support the private sector in transitioning to a green economy

1.3.2 Availability of Public Consultations

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 environmental fiscal instruments, public consultations should engage a broad group of private sector stakeholders. These include business organizations, trade and consumer organizations representing those affected by the tax burden, and tax advisors or accountants.²⁵ Therefore, Subcategory 1.3.2–Availability of Public Consultations comprises one indicator (table 10).

Table 10. Subcategory 1.3.2–Availability of Public Consultations

	Indicators	Components
1	Availability of Public Consultations	i) Public consultations conducted always ii) Online publication of the public consultations' results

1.3.3 Transition Periods

To ensure continuous emissions reduction, policy makers should periodically review the environmental tax rates/fees and assess their effectiveness in achieving the desired emissions targets. However, revision of the environmental tax rates/fees might provide uncertainty. Governments can reduce uncertainty by contemplating an explicit adjustment mechanism in the tax legislation and informing businesses that the

rates/fees might be increased over time. Policy makers must also allow a reasonable period between the enactment of a new environmental fiscal instrument and its implementation date.²⁶ Therefore, Subcategory 1.3.3–Transition Periods comprises one indicator (table 11).

Table 11. Subcategory 1.3.3–Transition Periods

	Indicators	Components
1	Transition Periods	i) Adjustment mechanisms ii) Communication of the transition period iii) Online publication of the information on the transition periods

2. PILLAR II. PUBLIC SERVICES PROVIDED BY THE TAX ADMINISTRATION

Table 12 shows the structure for Pillar II, 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 12. Pillar II–Public Services Provided by the Tax Administration

2.1	Digital Services for Taxpayers
2.1.1	Online Service Taxpayer Portal
2.1.2	Electronic Filing of Taxes
2.1.3	Pre-Filled Tax Declarations
2.1.4	Electronic Payment of Taxes
2.2	Data Management and System Integration in the Tax Administration
2.2.1	Tax Registration
2.2.2	Taxpayer Database and Tax Identification Number (TIN)
2.2.3	Tax Deregistration
2.2.4	Data Exchange and Usage (includes gender)
2.3	Transparency
2.3.1	Annual Performance and Gender Diversity in the Tax Administration
2.3.2	Public Accountability
2.4	Tax Audits and Related Disputes
2.4.1	Tax Audits
2.4.2	Dispute of Tax Audit Results

Note: TIN = Taxpayer’s Identification Number.

2.1 Digital Services for Taxpayers

Category 2.1 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 Online Service Taxpayer Portal

Online taxpayer portals offer a modern, streamlined, and transparent way of interacting with the tax authority. These portals ensure security of access, offer services based on user’s particulars, and simplify user journeys. Additionally, they may utilize big data and other technologies to deliver responsive and personalized services, enhancing the overall efficiency of tax administration.²⁷ Subcategory 2.1.1–Online Service Taxpayer Portal comprises one indicator (table 13).

Table 13. Subcategory 2.1.1–Online Service Taxpayer Portal

	Indicators	Components
1	Online Service Taxpayer Portal	i) Availability of a taxpayer online service portal ii) Absence of obstacles to using the portal in practice iii) Portal covers all taxes and social contributions iv) Taxpayers can update their bank account and contact details on the portal v) Taxpayers can view, prepare, file and adjust tax reporting documents on the portal vi) Taxpayers can make financial transactions on the portal vii) Taxpayers can communicate with the tax administration via secure channels

	viii) Taxpayers can access historical files and communication on the portal
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2.1.2 Electronic Filing of Taxes

Research shows that investments in e-filing and e-payment tax systems are effective in reducing compliance costs, corruption, and tax evasion. They have also inspired organizational changes and the uptake of information technology within firms.²⁸ Therefore, Subcategory 2.1.2–Electronic Filing of Taxes comprises one indicator (table 14).

Table 14. Subcategory 2.1.2–Electronic Filing of Taxes

	Indicators	Components
1	Electronic Filing*	i) Companies can file corporate income-based taxes online ii) Companies can file VAT or other consumption taxes online iii) Companies can file employment-based taxes and social contributions online

Note: VAT = Value Added Taxes.

*Economies that do not impose one of the following taxes—corporate income-based taxes, VAT, other consumption taxes, or employment-based taxes and social contributions—are not assessed on the respective components. The points from these components are proportionately redistributed to other components within this indicator.

2.1.3 Pre-Filled Tax Declarations

Offering pre-filled tax declarations can simplify the tax filing process and boost tax compliance.²⁹ This method includes authorities pre-populating taxpayers' returns or online accounts with accurate data obtained from reliable sources (banks, employers, customs, etc.).³⁰ Therefore, Subcategory 2.1.3–Pre-Filled Tax Declarations comprises one indicator (table 15).

Table 15. Subcategory 2.1.3–Pre-Filled Tax Declarations

	Indicators	Components
1	Pre-Filled Declarations*	i) Pre-filled corporate income-based taxes declarations for companies ii) Pre-filled VAT or other consumption taxes declarations for companies iii) Pre-filled employment-based taxes and social contributions declarations for companies

Note: VAT = Value Added Taxes.

*Economies that do not impose one of the following taxes—corporate income-based taxes, VAT, other consumption taxes, or employment-based taxes and social contributions—are not assessed on the respective components. The points from these components are proportionately redistributed to other components within this indicator.

2.1.4 Electronic Payment of Taxes

Electronic tax payments offer benefits such as faster payments and lower compliance costs.³¹ Allowing electronic payments also increases tax compliance and enhance monitoring and enforcement by tax authorities.³² Therefore, Subcategory 2.1.4–Electronic Payment of Taxes comprises one indicator (table 16).

Table 16. Subcategory 2.1.4–Electronic Payment of Taxes

	Indicators	Components
1	Electronic Payment*	i) Companies can pay corporate income-based taxes online ii) Companies can pay VAT or other consumption taxes online iii) Companies can pay employment-based taxes and social contributions online

Note: VAT = Value Added Taxes.

*Economies that do not impose one of the following taxes—corporate income-based taxes, VAT, other consumption taxes, or employment-based taxes and social contributions—are not assessed on the respective components. The points from these components are proportionately redistributed to other components within this indicator.

2.2 Data Management and System Integration in the Tax Administration

Category 2.2 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Tax Registration

An automated or fully online tax registration process reduces the bureaucratic burden on firms and frees up the resources for tax administration.³³ Furthermore, a simple tax registration removes obstacles for companies that want to operate formally. The use of a multichannel system, allowing taxpayers to register for multiple taxes, is also gaining significant prominence for tax administrations.³⁴ Therefore, Subcategory 2.2.1–Tax Registration comprises one indicator (table 17).

Table 17. Subcategory 2.2.1–Tax Registration

	Indicators	Components
1	Tax Registration Process	Automated tax registration upon incorporation

2.2.2 Taxpayer Database and Tax Identification Number (TIN)

A taxpayer registration database and unique tax identification number (TIN) allow firms to verify information and benefit from a more transparent tax system.³⁵ Integrating unique identification systems with tax administration can improve taxpayer identification, potentially broadening the tax base and enhance compliance.³⁶ Furthermore, a modern tax administration system relies on a unique TIN as the foundation of its management information system, and which monitors the status and progress of taxpayer cases through all core business processes.³⁷ Therefore, Subcategory 2.2.2–Taxpayer Database and Tax Identification Number (TIN) comprises one indicator (table 18).

Table 18. Subcategory 2.2.2–Taxpayer Database and Tax Identification Number (TIN)

	Indicators	Components
1	Taxpayer Database and TIN	i) Unified taxpayer database ii) Computerized taxpayer database iii) Database with full national coverage iv) Single tax identification number for all company's taxes

Note: TIN = Taxpayer's Identification Number.

2.2.3 Tax Deregistration

Same as the tax registration process, cumbersome tax deregistration process may deter firms from formalizing in the first place. While companies cease to exist for various reasons, the deregistration process, including tax deregistration, should account for all stakeholders' interests. Automated solutions can facilitate this process.³⁸ Therefore, Subcategory 2.2.3–Tax Deregistration comprises one indicator (table 19).

Table 19. Subcategory 2.2.3–Tax Deregistration

	Indicators	Components
1	Tax Deregistration	Automated tax deregistration

2.2.4 Data Exchange and Usage (includes gender)

Enhancing the cross-checking of taxpayer-reported information reduces the need for firms to provide additional data and lowers compliance costs. By cross-checking with third parties, tax authorities can improve accuracy and efficiency in tax reporting and compliance, thereby increasing tax collection. Furthermore, collecting and analyzing sex-disaggregated tax data is important for policy analysis and formulation, and it contributes to promoting gender equality because it facilitates the assessment and development of appropriate evidence-based responses and corrective actions. Therefore, Subcategory 2.2.4–Data Exchange and Usage (includes gender) comprises two indicators (table 20).

Table 20. Subcategory 2.2.4–Data Exchange and Usage (includes gender)

	Indicators	Components
1	Information Cross-Checking on Tax Portal	Information cross-checked on tax portal
2	Availability of Sex-Disaggregated Data and Their Analysis	i) Availability of sex-disaggregated data ii) Tax authority conducts analysis of sex-disaggregated data iii) Publication of findings of the analysis

2.3 Transparency

Category 2.3 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.3.1 Annual Performance and Gender Diversity in the Tax Administration

Transparent tax administrations promote trust 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 promote accountability of tax administrations.

Furthermore, the tax administration can act as a role model in promoting a gender-balanced and inclusive workforce.³⁹ Economies where tax authorities have more women in senior management positions are more likely to implement policies and practices that promote gender equality. Also, having more women employed in the tax authority leads to more women using tax services. Gender equality within an entity leads to better business outcomes, including increased profitability and effectiveness.⁴⁰ Therefore, Subcategory 2.3.1–Annual Performance and Gender Diversity in the Tax Administration comprises two indicators (table 21).

Table 21. Subcategory 2.3.1–Annual Performance and Gender Diversity in the Tax Administration

	Indicators	Components
1	Annual Performance	i) Online publication of the annual report on financial and operational performance ii) Audits on the financial and operational performance of the tax administration iii) Online access to the findings of an external review body
2	Gender Composition of the Staff in the Tax Administration	i) Public availability of gender composition of the staff ii) Public availability of gender composition of the senior executives

2.3.2 Public Accountability

Engaging citizens in taxpayer perception surveys and stakeholder consultations supports transparency and public confidence in tax administrations. Trust in the tax administration is further strengthened by the code of ethics and professional conduct. Unethical behavior by tax officials contributes to corruption and abuse of power. Strict adherence to codes of ethics upholds ethical standards, fosters staff integrity, and reduces tension between administrators and taxpayers.⁴¹ Firms can benefit from the independent and impartial investigation of taxpayer complaints concerning wrongdoing and maladministration by the tax administration. Therefore, Subcategory 2.3.2–Public Accountability assesses all these aspects and comprises one indicator (table 22).

Table 22. Subcategory 2.3.2–Public Accountability

	Indicators	Components
1	Public Accountability	i) Taxpayer's perceptions surveys ii) Online publication of the results of the feedback iii) Availability of the code of ethics iv) Consequences for misconduct v) Presence of tax ombudsman or equivalent authority

	vi) Presence of an anti-corruption agency
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2.4 Tax Audits and Related Disputes

Category 2.4 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.4.1 Tax Audits

A well-managed audit program plays a major role in managing tax compliance.⁴² Annual tax audit plans bring certainty about the audits and maximizes efficiency of the tax administration.⁴³ Uniform tax audit methods and procedures outlined in specific guidelines and manuals improve transparency, clarity, and trust among taxpayers. Tax audits that use a range of audit types reduce firms' costs of dealing with tax authorities. Tax audit programs help detect and deter inaccurate reporting.⁴⁴ Therefore, Subcategory 2.4.1–Tax Audits comprises two indicators (table 23).

Table 23. Subcategory 2.4.1–Tax Audits

	Indicators	Components
1	Annual National Tax Audit Plan	i) Online availability of annual national tax audit plan ii) Annual national audit plan coverage
2	Tax Audit Framework	i) Tax audit types ii) Online availability of tax audit manuals and guidelines

2.4.2 Dispute of Tax Audit Results

Having an independent mechanism that reviews all types of tax disputes promotes efficiency and saves taxpayers cost and time. Impartial, accessible, and efficient tax dispute resolution mechanisms are essential for allowing taxpayers to challenge tax assessments and receive a prompt and fair hearing.⁴⁵ Moreover, the flexibility for taxpayers to escalate to the next level of dispute resolution if the first-level review is lengthy could save them both time and compliance costs. It also contributes to the fairness of the system and access to justice.⁴⁶ Therefore, Subcategory 2.4.2–Dispute of Tax Audit Results comprises two indicators (table 24).

Table 24. Subcategory 2.4.2–Dispute of Tax Audit Results

	Indicators	Components
1	First-Level Review Mechanism	i) Tax Disputes Review Body
2	Second-Level Review Mechanism	i) Escalation of disputes to the next level ii) Graduate complaint mechanism

3. PILLAR III. OPERATIONAL EFFICIENCY OF TAX SYSTEM IN PRACTICE

Table 25 shows the structure for Pillar III, Operational Efficiency of Tax System in Practice. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 25. Pillar III–Operational Efficiency of Tax System in Practice

3.1	Time and Functionality of Processes
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	Duration of a Tax Dispute
3.1.5	Use of a VAT Refund*
3.2	Financial Burden on Firms
3.2.1	Effective Tax Rate (ETR) for Profit Taxes
3.2.2	Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions

Note: VAT = Value Added Tax.

3.1 Time and Functionality of Processes

Category 3.1 is divided into five subcategories consisting of several indicators, each of which may, in turn, have several components.

3.1.1 Time to File and Pay Taxes

Efficient tax administration improves tax compliance, expands the tax base, and increases tax revenues.⁴⁷ In contrast, complex regulations and redundant, complicated procedures can cause delays and increase compliance time for firms.⁴⁸ Therefore, Subcategory 3.1.1–Time to File and Pay Taxes comprises one indicator (table 26).

Table 26. Subcategory 3.1.1–Time to File and Pay Taxes

	Indicators	Components
1	Total Time for Preparation, Filing and Payment	The time (recorded in hours) to prepare, file, and pay three major types of taxes and contributions: corporate income tax, VAT/sales taxes, and labor taxes and social contributions

Note: VAT = Value Added Tax.

3.1.2 Use of Electronic Systems to File and Pay Taxes

Research suggests that investments in e-filing and e-payment tax systems not only reduce compliance costs, corruption, and tax evasion but also encourage organizational changes and adoption of information technology within firms.⁴⁹ Such systems can also improve tax compliance and revenue collection in developing countries.⁵⁰ To be effective, electronic tax filing and payment systems should be fully operational and implementable in practice. Therefore, Subcategory 3.1.2–Use of Electronic Systems to File and Pay Taxes comprises one indicator (table 27).

Table 27. Subcategory 3.1.2–Use of Electronic Systems to File and Pay Taxes

	Indicators	Components
1	Use of Electronic Systems to File and Pay Taxes	i) The percentage of respondent firms that used electronic systems to file taxes in the previous calendar year ii) 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 increase compliance time and costs, and cause distortions in economic activities.⁵¹ Therefore, Subcategory 3.1.3–Duration of a Generic Tax Audit comprises one indicator (table 28).

Table 28. 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 Duration of a Tax Dispute

A lengthy tax litigation process can delay tax collection and be costly for the private sector, due to both litigation costs and uncertainty it creates.⁵² Therefore, Subcategory 3.1.4–Duration of a Tax Dispute comprises one indicator (table 29).

Table 29. Subcategory 3.1.4–Duration of a 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 a VAT Refund

Recovering excess input VAT credits is crucial to a well-functioning tax system. Inadequate legal frameworks or complex administration procedures often discourage taxpayers from claiming legitimate VAT refunds.⁵³ Therefore, Subcategory 3.1.5–Use of a VAT Refund comprises one indicator (table 30).

Table 30. Subcategory 3.1.5–Use of a VAT Refund

	Indicators	Components
1	Obtaining a VAT Refund in Practice *	i) The percentage of firms who did not apply for a VAT refund due to the process being too burdensome, even when they were eligible for such a refund ii) The time to receive a VAT refund adjusted by the number of firms reporting issues with VAT refunds

Note: VAT = Value Added Tax.

*Economies that do not impose VAT are assigned maximum score on this subcategory.

3.2 Financial Burden on Firms

Category 3.2 is divided into two subcategories consisting of one indicator each.

3.2.1 Effective Tax Rate (ETR) for Profit Taxes

The effective tax rate (ETR) paid on corporate income and other profit-based taxes 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, Subcategory 3.2.1–Effective Tax Rate (ETR) for Profit Taxes comprises one indicator (table 31).

Table 31. Subcategory 3.2.1–Effective Tax Rate (ETR) for Profit Taxes

	Indicators	Components
1	Effective Tax Rate (ETR) for Profit Taxes*	Financial cost of profit-based taxes for companies measured through the ETR estimate

Note: ETR = Effective Tax Rate.

*Economies that do not impose corporate profit-based taxes are assigned maximum score on this subcategory.

3.2.2 Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions

The effective tax rate (ETR) paid on labor-based taxes and social contributions affects firms' labor costs, profit margins, and ability to compete, as well as decisions related to hiring, employee benefits, and overall operational efficiency. Therefore, Subcategory 3.2.2–Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions comprises one indicator (table 32).

Table 32. Subcategory 3.2.2–Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions

	Indicators	Components
1	Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions*	Financial cost of employment-based taxes and social contributions for companies measured through the ETR estimate

Note: ETR = Effective Tax Rate.

*Economies that do not impose employment-based taxes and social contributions on companies are assigned maximum score on this subcategory.

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 the time required for filing and paying taxes, the duration of a generic tax audit, the use of a VAT refund, the percentage of firms filing and paying taxes electronically, and effective tax rates for corporate profit-based taxes, employment-based 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.

The data on the time it takes to go through a tax dispute are collected through consultations with private sector experts, as described in the previous paragraph. The reason for this approach is that firms participating in Enterprise Surveys may have limited experience with processes that do not occur on a regular basis for most companies (such as submitting a tax complaint).

4.2 Screening and Selection of Experts

The Taxation topic has one questionnaire. A screener questionnaire is used to assist the selection of experts receiving the Taxation topic questionnaire based on a set of criteria (table 33).

Table 33. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions
Tax advisors, consultants, accountants, lawyers, specialists, auditors, associates, and analysts
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
Assessment of the Experts' Knowledge and Experience Related to Regulations, Services, and Processes in Taxation
Years of experience in the selected areas of specialization

Thus, the information provided in the screener questionnaire allows the team to better understand the experts' professions, areas of specialization, and knowledge or experience related to taxation.

IV. PARAMETERS

To ensure comparability of the data collected from expert consultations across economies, the Taxation topic uses general parameters. A parameter refers to an assumption about location, tax residency, sector and activity. Questionnaire respondents are presented with these parameters and asked to evaluate a standardized scenario that permits comparability across locations, jurisdictions, and economies.

5.1 General Parameters

Taxation employs three general parameters, including business location. Many economies have subnational jurisdictions, which require a business location to be specified in order for experts to identify the relevant regulatory framework and applicable public services to be assessed.

5.1.1 Business Location

Justification:

Geographic location determines the applicable local corporate profit-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 complaints, and more. Thus, business location is an essential parameter for assessing the 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 when local regulations are applicable in addition to the national ones. In economies where regulations differ across states, the regulations of the largest city are measured. For Pillar II, the parameter determines the applicable taxes and procedures. For Pillar III, it applies only when the data are collected through expert consultations rather than 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 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 measured jurisdiction.

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 many 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 raise 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 given that financial institutions engage in a wide variety of activities—including provision of loans, trading, 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 data comparability, the Taxation topic excludes matters related to taxation of mineral, extractive, and financial sectors.

Application:

The sector parameter is relevant to all three pillars. The regulatory framework and public services for the mineral, extractive, and financial sectors often differ from those applicable to regular companies. Therefore,

including them could skew the data and reduce comparability. 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 data comparability.

V. TOPIC SCORING

The Taxation topic has three pillars: Pillar I—Quality of Tax Regulations; Pillar II—Public Services Provided by the Tax Administration; and Pillar III—Operational Efficiency of Tax System 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 34 shows the scoring for the Taxation 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 34. Aggregate Scoring Overview

Pillar Number	Pillar	Number of Indicators	Score			Rescaled Points (0–100)	Weight
			Firm Flexibility Points	Social Benefits Points	Total Points		
I	Quality of Tax Regulations	13	11	13	24	100	0.33
II	Public Services Provided by the Tax Administration	16	15	16	31	100	0.33
III	Operational Efficiency of Tax System in Practice	7	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 Tax Regulations

Pillar I covers 13 indicators with a total score of 24 points (11 points on firm flexibility and 13 points on social benefits) (table 35). The scoring for each category under this pillar is as follows:

- 6.1.1** *Clarity and Transparency* has 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 points on social benefits). Specifically, each of the two subcategories—*Clarity of Tax Regulations* and *Transparency of Changes in Tax Regulations*—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 points are assigned to both categories.
- 6.1.2** *Administrative Procedures* has 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 points on social benefits). Specifically, each of the four subcategories—*Simplified Tax Record Keeping and Reporting*, *General Tax Registration*, *VAT Registration*, and *VAT Refund*—has 1 indicator. A regulatory framework that ensures solid legal framework on administrative procedures benefits both firms (firm flexibility) and society (social benefits). Hence, equal points are assigned to both categories.
- 6.1.3** *Environmental Fiscal Instruments* has 5 indicators with a total maximum score of 8 points (3 points on firm flexibility and 5 on social benefits). Specifically, the *Existence of Environmental Fiscal Instruments* Subcategory has 3 indicators; whereas *Availability of Public Consultations* and *Transition Periods* Subcategories have 1 indicator each. A regulatory framework that promotes the public consultations and the transition policies for environmental taxes benefits both the firm (firm flexibility) and the society (social benefits). Hence, equal points are assigned to both categories.

The existence of environmental fiscal instruments, however, has an ambiguous effect on firms, and is therefore only assigned points on the social benefits aspect.

Table 35. Aggregate Scoring Pillar I

Pillar I—Quality of Tax Regulations		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Clarity and Transparency	4	4	4	8	40.00
1.1.1	Clarity of Tax Regulations	2	2	2	4	20.00
1.1.2	Transparency of Changes in Tax Regulations	2	2	2	4	20.00
1.2	Administrative Procedures	4	4	4	8	40.00
1.2.1	Simplified Tax Record Keeping and Reporting	1	1	1	2	10.00
1.2.2	General Tax Registration	1	1	1	2	10.00
1.2.3	VAT Registration*	1	1	1	2	10.00
1.2.4	VAT Refund*	1	1	1	2	10.00
1.3	Environmental Fiscal Instruments	5	3	5	8	20.00
1.3.1	Existence of Environmental Fiscal Instruments	3	1	3	4	6.67
1.3.2	Availability of Public Consultations	1	1	1	2	6.67
1.3.3	Transition Periods	1	1	1	2	6.67
Total		13	11	13	24	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; VAT = Value Added Tax.

*Economies that do not impose VAT, are not assessed on subcategories “VAT Registration” and “VAT Refund”. In such cases, points from these subcategories are proportionately redistributed amongst other subcategories within the category “Administrative Procedures”.

6.2 Pillar II—Public Services Provided by the Tax Administration

Pillar II covers 16 indicators with a total score of 31 points (15 points on firm flexibility and 16 points on social benefits) (table 36). The scoring for each category under the pillar is as follows:

- 6.2.1** *Digital Services for Taxpayers* has 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 points on social benefits). Specifically, each of the four subcategories has 1 indicator: the *Online Service Taxpayer Portal*; the *Electronic Filing of Taxes*; the *Pre-Filled Tax Declarations*; and the *Electronic Payment of Taxes*. The digitization of services provided by the tax administration benefits both firms (firm flexibility) and society (social benefits). Hence, equal points are assigned to both categories.
- 6.2.2** *Data Management and System Integration in the Tax Administration* has 5 indicators with a total maximum score of 10 points (5 points on firm flexibility and 5 points on social benefits). Specifically, the *Tax Registration* Subcategory has 1 indicator, the *Taxpayer Database and Taxpayer Identification Number (TIN)* has 1 indicator, the *Tax Deregistration* has 1 indicator, and the *Data Exchange and Usage* has 2 indicators. Under the *Data Management and System Integration* category, the points are allocated equally between firm flexibility and social benefits.
- 6.2.3** *Transparency* has 3 indicators with a total maximum score of 5 points (2 points on firm flexibility and 3 on social benefits). Specifically, the *Annual Performance and Gender Diversity in the Tax Administration* Subcategory has 2 indicators; and the *Public Accountability* Subcategory has 1 indicator. Transparency in tax administration benefits both firms (firm flexibility) and society (social benefits), except for the indicator of Annual Performance. Such performance does not directly affect firms and, thus points are assigned for social benefits only.

6.2.4 *Tax Audits and Related Disputes* has 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 points on social benefits). Specifically, both the *Tax Audits* and the *Dispute of Tax Audit Results* Subcategories has 2 indicators each. Under the *Tax Audits and Related Disputes* category, the score is allocated equally between firm flexibility and social benefits.

Table 36. Aggregate Scoring Pillar II

Pillar II—Public Services Provided by the Tax Administration		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Digital Services for Taxpayers	4	4	4	8	25.00
2.1.1	Online Service Taxpayer Portal	1	1	1	2	6.25
2.1.2	Electronic Filing of Taxes	1	1	1	2	6.25
2.1.3	Pre-Filled Tax Declarations	1	1	1	2	6.25
2.1.4	Electronic Payment of Taxes	1	1	1	2	6.25
2.2	Data Management and System Integration in the Tax Administration	5	5	5	10	25.00
2.2.1	Tax Registration	1	1	1	2	6.25
2.2.2	Taxpayer Database and Tax Identification Number (TIN)	1	1	1	2	6.25
2.2.3	Tax Deregistration	1	1	1	2	6.25
2.2.4	Data Exchange and Usage (includes gender)	2	2	2	4	6.25
2.3	Transparency	3	2	3	5	25.00
2.3.1	Annual Performance and Gender Diversity in the Tax Administration	2	1	2	3	12.50
2.3.2	Public Accountability	1	1	1	2	12.50
2.4	Tax Audits and Related Disputes	4	4	4	8	25.00
2.4.1	Tax Audits	2	2	2	4	12.50
2.4.2	Dispute of Tax Audit Results	2	2	2	4	12.50
Total		16	15	16	31	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; TIN = Taxpayer's Identification Number.

6.3 Pillar III—Operational Efficiency of Tax System in Practice

Pillar III covers 7 indicators with scores ranging from 0 to 100 (table 37). The points under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of firms' compliance with taxation requirements. For example, spending a 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. The scoring for each category under this pillar is as follows:

6.3.1 *Time and Functionality of Processes* has 5 indicators with a total maximum score of 50 points. Specifically, the *Time to File and Pay Taxes* Subcategory has 1 indicator, the *Use of Electronic Systems to File and Pay Taxes* Subcategory has 1 indicator, the *Duration of Generic Tax Audit* Subcategory has 1 indicator, the *Duration of a Tax Dispute* Subcategory has 1 indicator, and the *Use of VAT Refund* Subcategory has 1 indicator.

6.3.2 *Financial Burden on Firms* has 2 indicators with a total maximum score of 50 points. Specifically, the *Effective Tax Rate (ETR) for Profit Taxes* Subcategory has 1 indicator and the *Effective Tax Rate (ETR) for Employment Taxes and Social Contributions* Subcategory has 1 indicator.

Table 37. Aggregate Scoring Pillar III

Pillar III—Operational Efficiency of Tax System in Practice		No. of Indicators	Rescaled Points
3.1	Time and Functionality of Processes	5	50.00

3.1.1	Time to File and Pay Taxes	1	10.00
3.1.2	Use of Electronic Systems to File and Pay Taxes	1	10.00
3.1.3	Duration of Generic Tax Audit	1	10.00
3.1.4	Duration of a Tax Dispute	1	10.00
3.1.5	Use of VAT Refund*	1	10.00
3.2	Financial Burden on Firms	2	50.00
3.2.1	Effective Tax Rate (ETR) for Profit Taxes*	1	25.00
3.2.2	Effective Tax Rate (ETR) for Employment Taxes and Social Contributions*	1	25.00
	Total	7	100.00

Note: VAT = Value Added Tax; ETR= Effective Tax Rate.

*Economies that do not impose VAT/corporate profit-based taxes/ employment-based taxes and social contributions on companies are assigned maximum score on the respective subcategory.

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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 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 TAX REGULATIONS					
1.1 CLARITY AND TRANSPARENCY					
1.1.1 Clarity of Tax Regulations					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Availability of Tax Guidance	1	1	2	10.00	TADAT Secretariat (2019)
Binding Rulings and Post-Compliance Procedures	1	1	2	10.00	Waezegggers and Hiller (2016)
Total Points for Subcategory 1.1.1	2	2	4	20.00	
1.1.2 Transparency of Changes in Tax Regulations					
Broad Public Consultation	1	1	2	10.00	TADAT Secretariat (2019)
Future Tax Plans	1	1	2	10.00	TADAT Secretariat (2019)
Total Points for Subcategory 1.1.2	2	2	4	20.00	
Total Points for Category 1.1	4	4	8	40.00	
1.2 ADMINISTRATIVE PROCEDURES					
1.2.1 Simplified Tax Record Keeping and Reporting					
Simplified Record Keeping and Reporting	1	1	2	10.00	Kenny (2002)
Total Points for Subcategory 1.2.1	1	1	2	10.00	
1.2.2 General Tax Registration					
Transparency in the Tax Registration Process	1	1	2	10.00	USAID (2013)
Total Points for Subcategory 1.2.2	1	1	2	10.00	
1.2.3 VAT Registration*					

VAT Registration Threshold	1	1	2	10.00	World Bank (2007)
Total Points for Subcategory 1.2.3	1	1	2	10.00	
1.2.4 VAT Refund*					
VAT Refund	1	1	2	10.00	USAID (2013); Tadros (2009)
Total Points for Subcategory 1.2.4	1	1	2	10.00	
Total Points for Category 1.2	4	4	8	40.00	
1.3 ENVIRONMENTAL FISCAL INSTRUMENTS					
1.3.1 Existence of Environmental Fiscal Instruments					
Presence of Environmental Fiscal Instruments	n/a	1	1	1.67	EC (2021); OECD (2010); UN (2024)
Absence of Fossil Fuel Subsidy	n/a	1	1	1.67	EC (2021); UN (2024)
Additional Mechanisms	1	1	2	3.34	UN (2024)
Total Points for Subcategory 1.3.1	1	3	4	6.67	
1.3.2 Availability of Public Consultations					
Availability of Public Consultations	1	1	2	6.67	Deffains, Langlais, and Masclet (2019); EC (2019)
Total Points for Subcategory 1.3.2	1	1	2	6.67	
1.3.3 Transition Periods					
Transition Periods	1	1	2	6.67	EC (2021)
Total Points for Subcategory 1.3.3	1	1	2	6.67	
Total Points for Category 1.3	3	5	8	20.00	
Total Points for Pillar I	11	13	24	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; VAT= Value Added Tax.

*Economies that do not impose VAT are not scored for these subcategories. In such cases, points from these subcategories are proportionately redistributed amongst the other subcategories within the category “Administrative Procedures”.

PILLAR II–PUBLIC SERVICES PROVIDED BY THE TAX ADMINISTRATION					
2.1 DIGITAL SERVICES FOR TAXPAYERS					
2.1.1 Online Service Taxpayer Portal					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Online Service Taxpayer Portal	1	1	2	6.25	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.1	1	1	2	6.25	
2.1.2 Electronic Filing of Taxes					
Electronic Filing	1	1	2	6.25	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.2	1	1	2	6.25	
2.1.3 Pre-Filled Tax Declarations					
Pre-Filled Declarations	1	1	2	6.25	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.3	1	1	2	6.25	
2.1.4 Electronic Payment of Taxes					
Electronic Payment	1	1	2	6.25	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.4	1	1	2	6.25	
Total Points for Category 2.1	4	4	8	25.00	
2.2 DATA MANAGEMENT AND SYSTEM INTEGRATION IN THE TAX ADMINISTRATION					
2.2.1 Tax Registration					
Tax Registration Process	1	1	2	6.25	UNCITRAL (2019)
Total Points for Subcategory 2.2.1	1	1	2	6.25	
2.2.2 Taxpayer Database and Tax Identification Number (TIN)					
Taxpayer Database and TIN	1	1	2	6.25	TADAT Secretariat (2019); UNCITRAL (2019)
Total Points for Subcategory 2.2.2	1	1	2	6.25	
2.2.3 Tax Deregistration					
Tax Deregistration	1	1	2	6.25	Moore (2022)

Total Points for Subcategory 2.2.3	1	1	2	6.25	
2.2.4 Data Exchange and Usage (includes gender)					
Information Cross-Checking on Tax Portal	1	1	2	3.125	TADAT Secretariat (2019)
Availability of Sex-Disaggregated Data and Their Analysis	1	1	2	3.125	OECD (2022)
Total Points for Subcategory 2.2.4	2	2	4	6.25	
Total Points for Category 2.2	5	5	10	25.00	
2.3 TRANSPARENCY					
2.3.1 Annual Performance and Gender Diversity in the Tax Administration					
Annual Performance	n/a	1	1	4.17	TADAT Secretariat (2019); OECD (2022)
Gender Composition of the Staff in the Tax Administration	1	1	2	8.33	OECD (2022)
Total Points for Subcategory 2.3.1	1	2	3	12.50	
2.3.2 Public Accountability					
Public Accountability	1	1	2	12.50	TADAT Secretariat (2019)
Total Points for Subcategory 2.3.2	1	1	2	12.50	
Total Points for Category 2.3	2	3	5	25.00	
2.4 TAX AUDITS AND RELATED DISPUTES					
2.4.1 Tax Audits					
Annual National Tax Audit Plan	1	1	2	6.25	TADAT Secretariat (2019)
Tax Audit Framework	1	1	2	6.25	TADAT Secretariat (2019)
Total Points for Subcategory 2.4.1	2	2	4	12.50	
2.4.2 Dispute of Tax Audit Results					
First-Level Review Mechanism	1	1	2	6.25	IMF (2013); TADAT Secretariat (2019)
Second-Level Review Mechanism	1	1	2	6.25	TADAT Secretariat (2019)
Total Points for Subcategory 2.4.2	2	2	4	12.50	
Total Points for Category 2.4	4	4	8	25.00	
Total Points for Pillar II	15	16	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; TIN= Tax Identification Number.

PILLAR III—OPERATIONAL EFFICIENCY OF TAX SYSTEM IN PRACTICE					
3.1 TIME AND FUNCTIONALITY OF PROCESSES					
3.1.1 Time to File and Pay Taxes					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Total Time for Preparation, Filing and Payment	100	n/a	100	10.00	Braunerhjelm and Johan (2014)
Total Points for Subcategory 3.1.1	100	n/a	100	10.00	
3.1.2 Use of Electronic Systems to File and Pay Taxes					
The percentage of Firms Filing and Paying Taxes Electronically	100	n/a	100	10.00	Yilmaz and Coolidge (2013)
Total Points for Subcategory 3.1.2	100	n/a	100	10.00	
3.1.3 Duration of a Generic Tax Audit					
Total Time Needed to Complete the Audit	100	n/a	100	10.00	Eberhartinger et al. (2021); Kasper and Alm (2022); OECD (2004)
Total Points for Subcategory 3.1.3	100	n/a	100	10.00	
3.1.4 Duration of a Tax Dispute					
Time to Review a Tax Dispute	100	n/a	100	10.00	Fabbri (2010); Sanguinetti (2021)
Total Points for Subcategory 3.1.4	100	n/a	100	10.00	
3.1.5 Use of a VAT Refund*					
Obtaining a VAT Refund in Practice	100	n/a	100	10.00	Okello et al. (2021)
Total Points for Subcategory 3.1.5	100	n/a	100	10.00	
Total Points for Category 3.1	100	n/a	100	50.00	
3.2 FINANCIAL BURDEN ON FIRMS					
3.2.1 Effective Tax Rate (ETR) for Profit Taxes*					
Effective Tax Rate (ETR) for Profit Taxes	100	n/a	100	25.00	
Total Points for Subcategory 3.2.1	100	n/a	100	25.00	
3.2.2 Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions*					

Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions	100	n/a	100	25.00	
Total Points for Subcategory 3.2.2	100	n/a	100	25.00	
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). VAT= Value Added Tax; ETR = Effective Tax Rate; FFP = Firm Flexibility Point; SBP = Social Benefits Point.

* Economies that do not impose VAT/corporate profit-based taxes/ employment-based taxes and social contributions on companies are assigned maximum score on the respective subcategory.

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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

Appeal: 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.

Carbon pricing instruments (CPIs): Policy instruments that assign a cost to emitting carbon dioxide and other greenhouse gases to incentivize reduction in emissions. There are many types of CPIs. However, in the context of climate mitigation, it is generally understood that these refer to two principal instruments, carbon taxes and ETS also known as cap-and-trade.

Carbon taxes: Tax imposed on the carbon dioxide (CO₂) emissions or non-renewable fossil fuels based on the carbon content.

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.

Consumption-based taxes: Taxes typically levied on the purchase of goods or services and paid directly or indirectly by the final consumer. For the purposes of this questionnaire, it does not include excise taxes, import duties, or any taxes or levies that are specific to import. The most common consumption taxes are the value added tax (VAT)/goods and services tax (GST) and sales tax.

Core taxes: For the purposes of this questionnaire, core taxes refer to the following three groups: (1) corporate income tax, (2) consumption-based taxes (VAT/GST or similar consumption taxes), (3) social contributions and employment-based taxes.

Corporate income-based taxes: Taxes levied on the company's profit or turnover. The most common type is the corporate income tax (CIT).

Direct emission approach: An approach to carbon taxation where the tax is levied directly on the amount of carbon emissions.

Electronic filing: The process of submitting tax returns via the internet through a computer or mobile devices that doesn't require any additional physical interactions (with a bank, tax authority, or any other party) to complete. If there's a requirement to keep or submit any hard copies associated with the submission of tax returns, such filing is not deemed electronic.

Electronic payment: Payment request submitted electronically through a computer or mobile devices that doesn't require any additional physical interactions (with a bank, tax authority, or any other party) to complete. This can take form of online banking, direct payment on the tax authority website, etc. If there's a requirement to keep or submit any hard copies associated with the payment transaction in person to the tax authority, the payment is not deemed electronic.

Emission trading system (ETS): Carbon pricing mechanism where emitters are given emission allowances or permits that they can trade among themselves. It sets a cap on total emissions within a specific area and

allocates permits to emission sources, either through auctions, free allowances, or a combination of both. Emitters can use their permits or sell them to others who need more.

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 non-mandatory contributions (such as medical insurance). This does not include any personal income taxes, or any taxes and contributions withheld from employees' salaries.

Factsheets: Documents that provide key information and summaries about various tax-related topics. They are brief and to the point, designed to give clear and essential details on tax laws, regulations, filing requirements, and procedures in an easily understandable format. A tax factsheet might cover topics such as tax deductions and credits, changes in tax laws, how to file a tax return, etc. Their purpose is usually informational, not legally binding, designed for easy understanding.

Feedback from taxpayer: Communication with corporate taxpayers performed by independent third parties or by the tax administration itself. This can be in the form of focus groups, surveys, online feedback platforms, panels and forums.

Financial performance report: Document that provides a detailed overview of the financial activities, achievements, and overall efficiency of a tax administration agency within a specific period, usually annually. It evaluates key metrics such as revenue collection and expenditure details. In many cases, it also includes the financial statements of the tax administration, compliance, and enforcement statistics.

Fossil fuel subsidies: Policy instruments that target fuels directly, or the energy generated from it. These instruments lower the cost of fossil fuels and/or energy (for example, tax breaks on consumption, lower sales tax on natural gas for residential heating).

General tax guidance: Information and instructions provided by tax authorities to help taxpayers understand and comply with tax laws and regulations. These can come in various forms, including tax guides, tax notices, and factsheets and aim to clarify tax obligations, explain filing requirements, and provide practical advice for managing tax-related matters effectively. Their purpose is usually informational, not legally binding.

Independent complaint review mechanism: A separate unit within a tax administration that is operationally and organizationally independent of the audit unit. To be considered independent, staff or officers conducting the review should not have participated in the audit of the taxpayer, or the review should not be conducted by the head of the tax administration or any unit that reports directly to the audit unit.

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 for example.

Internal tax guidance: Technical advice issued internally for tax administration staff to help them understand and apply tax laws and regulations. These are used to ensure consistency in the interpretation and application of tax laws across different tax offices or units. Examples are Revenue Procedure, Internal Revenue Manuals, and Technical Advice memorandums.

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.

Measurement, Reporting, and Verification (MRV): System for carbon taxation involves four key components. First, the registry system identifies and registers facilities that are potentially liable for the tax, ensuring all relevant facilities are accounted for. Second, emissions measurement involves facilities tracking their fuel usage and estimating emissions based on carbon content. Third, facilities must report their emissions to the relevant government agency following specific guidelines. Finally, verification systems are established to validate reported emissions, ensuring accuracy and reliability.

Operational performance report: A comprehensive document that evaluates how efficiently and effectively a tax administration conducts its core functions and processes, usually on an annual basis. This report includes key performance metrics such as management and accountability, taxpayer services (for example, assistance programs, filing services, educational outreach), and enforcement activities. Additionally, the report may cover the organizational structure, leadership roles, and any strategic initiatives undertaken to enhance operational efficiency and effectiveness.

Pre-filled tax declaration: Preparation or pre-filing of a tax declaration by the tax administration using information gathered from third parties such as employers and financial institutions, as well as information from previously submitted tax declarations. Pre-filled declarations (also referred to as ‘pre-populated declarations’) are meant to substantially simplify or nearly eliminate all of the effort required by corporate taxpayers to prepare their annual tax declaration. Pre-filled information should include corporate taxpayers’ registration details, as well as additional calculation fields, for example estimated income and expenses, any taxes that were withheld or paid in advance, etc.

Private binding rulings: Binding statements written by the tax authority in response to specific requests from corporate taxpayers seeking clarification of how tax law would apply in relation to a proposed or completed transaction. Corporate taxpayers who rely on a ruling cannot later be penalized by the tax authority, even if the view expressed in the ruling is later found to be incorrect.

Private sector stakeholders: Private sector, business organizations, trade and consumer organizations, tax advisors, environmental experts, and technical experts; and others, if applicable.

Public binding rulings: Published statements describing how a tax authority will apply the tax code in particular situations. These public rulings are binding for both corporate taxpayers and tax authorities.

Revenue Procedures: Type of internal tax guidance that provides detailed instructions on how to comply with procedural matters within tax administration. These shall be issued by the tax authority to guide both tax administration staff and taxpayers.

Senior executives: Generally, refers to individuals in top management positions within a tax administration. In the specific context of a tax authority, senior executives would typically include high-ranking officials who hold administrative positions and have decision-making authority. This may include directors, commissioners, commissioners-general, or other equivalent administrative levels within the tax authority hierarchy. The term specifically denotes those at the apex of the organizational structure, responsible for overarching strategic decisions rather than day-to-day operational management.

Sex-disaggregated data on corporate taxpayers: The taxpayer information disaggregated by gender of the owner(s).

Single-entry bookkeeping: Bookkeeping method where each transaction is recorded as a single-entry in the tax journal. Single-entry bookkeeping is generally used for cash basis accounting.

Social contributions: Mandatory contributions paid at the expense of the employer 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 manual and guidelines: Detailed documents that are intended to be a comprehensive guide for auditors conducting audits of corporate taxpayers. It provides a framework for planning, preparation, carrying out an audit, preparing reports and reporting results. It also describes many of the standard techniques used to check or assess the correctness of a taxpayer's liability to direct and indirect taxes as well as the principles, standards, and code of ethics for auditors.

Tax audit plan: Strategic framework outlining the tax administration's plan and procedures for conducting audits annually. It typically includes information on the audit coverage of various taxes and key taxpayer segments, the selection of audit cases (i.e., by prioritizing high-risk areas and centrally selecting cases based on risk assessments), and the types of audits to be conducted. The plan also details the methodologies of audits and includes mechanisms to evaluate the impact of audits on compliance.

Tax guides: Comprehensive documents or booklets that provide detailed information and instructions on specific tax-related topics, offering practical advice and examples on how to comply with tax requirements and optimize tax outcomes. These guides are designed to help taxpayers understand and navigate tax obligations, often simplifying complex issues for easier comprehension. These documents do not have binding force; they are informative and educational resources aimed at the general public, including individuals and businesses with varying levels of tax knowledge.

Tax notice: An official communication from tax authority, notifying a taxpayer about an issue with their account, tax filing or obligations.

Tax ombudsman: An independent, non-judicial entity focused on recommending solutions for taxpayer complaints. This is different from judicial bodies, which provide formal judicial processes. Generally, the ombudsman has the authority to investigate service-related complaints, which may include mistakes, omissions, oversights, or other issues with administrative processes. The ombudsman can make suggestions to the tax administration. The tax ombudsman has to be independent from, and not part of the tax administration. Such ombudsman must be an expert in tax-related matters and review tax cases.

Tax record: Record created 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.). For example, tax records may include VAT invoices, tax books and records, tax returns and payment slips, and any other documentation required to verify income, expenses, credits, and deductions reported to tax authorities.

Taxpayer online service portal: An electronic gateway, using secure authentication, through which corporate taxpayers and their authorized agents gain online access to information, services, and functions. Typically, taxpayer portals allow corporate taxpayers and their agents to (a) update bank account and contact details (such as address and telephone number); (b) view, prepare, file, and adjust tax reporting documents; (c) make financial transactions (for example, pay taxes and request refunds); (d) communicate with the tax administration via secure channels; and (e) access historical files and communication.

Technical Advice Memorandums (TAMs): Written statements issued for tax administration staff. It typically includes a description of the factual situation, the relevant tax laws and regulations, the analysis of the issue, and the conclusion reached by the tax authority. It provides a clear and detailed explanation of

how the tax laws should be applied to the specific circumstances presented. Unlike private or public rulings, which offer binding advice, TAMs provide non-binding guidance on specific tax issues encountered during audits or appeals for tax officials.

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 is meant to eliminate the need for multiple identification numbers across different regulatory regimes.

Unified taxpayer database: A centralized system that stores and manages taxpayer information and records in an organized and standardized manner. For the purposes of this questionnaire, we look specifically at a database that captures all taxes and social contributions that a company should report and/or pay. Such database may consolidate information from different tax agencies, such as income tax, sales tax, and property tax, into a single platform.

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.

ANNEX B. TAXATION 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 “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.

Questions in the Administrative Framework section are labeled 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 rollout phase, 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 ‘Binding Rulings and Post-Compliance Procedures’ has a score of 1 on both firm flexibility (FFP) and social benefits (SBP) and has four components: (1) “availability and publishing of private binding rulings” 0.4 points; (2) “availability of public binding rulings” 0.2 points; (3) “Dispute resolution process codified in a single legislative act” 0.2 points; and (4) “Tax audit procedures codified in a single legislative act” 0.2 points.

ADMINISTRATIVE FRAMEWORK	
Parameters	
Business Location	The largest (most populous) city in the economy. Geographical location determines the tax administrative framework applicable to firms.
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.

ADMINISTRATIVE FRAMEWORK

- 1. Please indicate at what level the corporate income-based taxes are administered. *(not scored)***
 - 1a. One level (e.g., only at the national level)
 - 1b. Two levels (e.g., at the national and at the state levels)
 - 1c. Three levels (at the national, state, and municipal levels)
 - 1d. No corporate income-based taxes exist
- 2. Please list the corporate income-based taxes that exist in [Economy]. *(not scored)***

3. **Please indicate at what level the consumption-based taxes (e.g., value-added taxes or sales taxes) are administered. (not scored)**
 - 3a. One level (e.g., only at the national level)
 - 3b. Two levels (e.g., at the national and at the state levels)
 - 3c. Three levels (at the national, state, and municipal levels)
 - 3d. No consumption-based taxes exist
4. **Please list the consumption-based taxes (e.g., value-added taxes or sales taxes) that exist in [Economy]. (not scored)**
5. **Please indicate at what level the social contributions and employment-based taxes are administered. (not scored)**
 - 5a. One level (e.g., only at the national level)
 - 5b. Two levels (e.g., at the national and at the state levels)
 - 5c. Three levels (at the national, state, and municipal levels)
 - 5d. No social contributions or employment-based taxes exist
6. **Please list the social contributions and employment-based taxes that exist in [Economy]. (not scored)**

PILLAR I—QUALITY OF TAX REGULATIONS	
Parameters	
Business Location	The largest (most populous) city in the economy. 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

1.1.1 Clarity of Tax Regulations

7. **Does the tax administration issue tax guides that are available to the public? (Y/N)**
Y → provide response to questions 10-11.
8. **Does the tax administration issue tax notices that are available to the public? (Y/N)**
Y → provide response to questions 10-11.
9. **Does the tax administration issue factsheets that are available to the public? (Y/N)**
Y → provide response to questions 10-11.
10. **Are general tax guidance documents kept up-to-date?**
 - 10a. Yes, all
 - 10b. Yes, but not all
 - 10c. No

11. Are general tax guidance documents available online?

- 11a. Yes, all
- 11b. Yes, but not all
- 11c. No

12. Does the tax administration issue revenue procedures that are accessible to the public? (Y/N)

Y → provide response to questions 15-16.

13. Does the tax administration issue internal revenue manuals that are accessible to the public? (Y/N)

Y → provide response to questions 15-16.

14. Does the tax administration issue technical advice memorandums that are accessible to the public? (Y/N)

Y → provide response to questions 15-16.

15. Are internal tax guidance documents kept up-to-date?

- 15a. Yes, all
- 15b. Yes, but not all
- 15c. No

16. Are internal tax guidance documents available online?

- 16a. Yes, all
- 16b. Yes, but not all
- 16c. No

17. Does the tax administration in [Economy] issue private binding rulings for tax residents? (Y/N)

Y → provide response to question 18.

18. 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)

19. Does the tax administration in [Economy] issue public binding rulings? (Y/N)

20. Is the tax dispute resolution process codified in the single legislative act that has uniform application across all core taxes? (Y/N)

21. Is the tax audit procedure codified in the single legislative act that has uniform application across all core taxes? (Y/N)

1.1.2 Transparency of Changes in Tax Regulations

22. Do ministries/legislative/regulatory agencies in [City] systematically consult with the private sector stakeholders on proposed new tax legislation or changes to it? These consultations can take the form of in-person meetings, online meetings, surveys, and other methods.

- 22a. Yes, for the enactment of new tax laws and regulations
- 22b. Yes, for the changes to existing tax laws and regulations
- 22c. Yes, for both enactment of new laws and changes to existing laws
- 22d. No

Y → provide response to questions 23-25.

23. Are the consultations open to all interested private sector stakeholders or only include selected participants?

23a. All interested private sector stakeholders

23b. Only selected participants (including only informal meetings)

24. Do such consultations take place before the formulation/prioritization of tax legislative proposals?

24a. Yes, but only for primary tax laws

24b. Yes, but only for subordinate tax laws and regulations

24c. Yes, for both

24d. No

25. Do such consultations take place during the drafting of the tax legislative proposals and tax legislations?

25a. Yes, but only for primary tax laws

25b. Yes, but only for subordinate tax laws and regulations

25c. Yes, for both

25d. No

26. Do such consultations take place after the enactment of tax legislation (i.e., private sector provides feedback on practical challenges in the implementation)?

26a. Yes, but only for primary tax laws

26b. Yes, but only for subordinate tax laws and regulations

26c. Yes, for both

26d. No

27. Is the feedback received through consultations published online? (Y/N)

28. Does the tax administration in [Economy] systematically publish online future plans for major changes in the tax legislation including, for example, a multi-year strategic (or reform) plan? (Y/N)

Y → provide response to question 29.

29. Are the future plans published in advance of the period covered by the plans? (Y/N)

1.1 CLARITY AND TRANSPARENCY			
1.1.1 Clarity of Tax Regulations			
Indicators	FFP	SBP	Total Points
Availability of Tax Guidance	1	1	2
- Tax guides are available to the public (7)	0.1	0.1	0.2
- Tax notices are available to the public (8)	0.1	0.1	0.2
- Factsheets are available to the public (9)	0.1	0.1	0.2
- All types of general tax guidance are up-to-date (10a) OR	0.1 OR	0.1 OR	0.2 OR
- Some types of general tax guidance are up-to-date (10b)	0.05	0.05	0.1
- All types of general tax guidance are published online (11a) OR	0.1 OR	0.1 OR	0.2 OR
- Some types of general tax guidance are published online (11b)	0.05	0.05	0.1
- Revenue procedures are available to the public (12)	0.1	0.1	0.2

- Internal revenue manuals are available to the public (13)	0.1	0.1	0.2
- Technical advice memorandums are available to the public (14)	0.1	0.1	0.2
- All types of internal tax guidance are up-to-date (15a) OR	0.1 OR	0.1 OR	0.2 OR
- Some types of internal tax guidance are up-to-date (15b)	0.05	0.05	0.1
- All types of internal tax guidance are published online (16a) OR	0.1 OR	0.1 OR	0.2 OR
- Some types of internal tax guidance are published online (16b)	0.05	0.05	0.1
Binding Rulings and Post-Compliance Procedures	1	1	2
- Availability and publishing of private binding rulings (17 AND 18)	0.4	0.4	0.8
- Availability of public binding rulings (19)	0.2	0.2	0.4
- Dispute resolution process codified in a single legislative act (20)	0.2	0.2	0.4
- Tax audit procedures codified in a single legislative act (21)	0.2	0.2	0.4
Total Points	2	2	4
1.1.2 Transparency of Changes in Tax Regulations			
Indicators	FFP	SBP	Total Points
Broad Public Consultations	1	1	2
- Consultations for both the enactment of new laws and changes to existing laws (22c) OR	0.25 OR	0.25 OR	0.5 OR
- Consultations for only enactment of new laws or changes to existing laws (22a OR 22b)	0.125	0.125	0.25
- All interested private sector stakeholders can participate in consultations (23a)	0.15	0.15	0.3
- Consultations before the formulation of proposals for both primary and subordinate tax laws (24c) OR	0.15 OR	0.15 OR	0.3 OR
- Consultations before the formulation of proposals for primary tax laws only (24a) OR	0.1 OR	0.1 OR	0.2 OR
- Consultations before the formulation of proposals for subordinate tax laws only (24b)	0.05	0.05	0.1
- Consultations during the drafting of both primary and subordinate tax laws (25c) OR	0.15 OR	0.15 OR	0.3 OR
- Consultations during the drafting of primary tax laws only (25a) OR	0.1 OR	0.1 OR	0.2 OR
- Consultations during the drafting of subordinate tax laws only (25b)	0.05	0.05	0.1
- Consultations after the enactment of both primary and subordinate tax laws (26c) OR	0.15 OR	0.15 OR	0.3 OR
- Consultations after the enactment of primary tax laws only (26a) OR	0.1 OR	0.1 OR	0.2 OR
- Consultations after the enactment of subordinate tax laws only (26b)	0.05	0.05	0.1
- Online publication of feedback (27)	0.15	0.15	0.3
Future Tax Plans	1	1	2
- Online publication of future tax plans (28)	0.5	0.5	1
- Publication of future tax plans prior to implementation (29)	0.5	0.5	1
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.2 ADMINISTRATIVE PROCEDURES

1.2.1 Simplified Tax Record Keeping and Reporting

30. Is there a legal provision that allows corporate taxpayers to keep all tax records online?

30a. Yes

30b. Partially

30c. No

31. Is there a legal provision that allows small businesses to use simplified record-keeping methods, for example single-entry bookkeeping? (Y/N)

32. Is there a legal provision that allows small businesses to use simplified tax reporting, such as reduced filing frequency, elimination of filing requirements, or simplified tax returns? (Y/N)

1.2.2 General Tax Registration

33. Is the information on general tax registration available online? (Y/N)

34. Does the legislation define all registration fees for all taxes and social contributions that a company must report and pay? (Y/N)

35. Does the legislation define the registration timeframe for all taxes and social contributions that a company must report and pay? (Y/N)

36. Are corporate taxpayers legally required to notify the tax administration of changes to registration details?

36a. Yes, through the company registrar

36b. Yes, directly

36c. No

Y to option 36b → provide response to question 37.

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)

1.2.3 VAT Registration

38. If consumption-based taxes exist, does the legal framework provide a turnover threshold for mandatory registration for VAT or other consumption-based taxes? (Y/N)

Y → provide response to question 39.

39. Does the legal framework allow voluntary VAT or other consumption-based tax registration for businesses that are below the threshold? (Y/N)

1.2.4 VAT Refund

40. If consumption-based taxes exist, is the VAT refund mechanism available? (Y/N)

Y → provide response to question 41.

41. Do VAT refund restrictions exist (for example, specific types of corporate taxpayers, specific conditions, specific goods or services provided, a requirement to carry forward for a set period before being able to claim the refund)? (Y/N; N – good practice)

1.2 ADMINISTRATIVE PROCEDURES			
1.2.1 Simplified Tax Record Keeping and Reporting			
Indicators	FFP	SBP	Total Points

Simplified Record Keeping and Reporting	1	1	2
- Tax records can be kept online (30a) OR	0.5 OR	0.5 OR	1 OR
- Tax records can be partially kept online (30b)	0.25	0.25	0.5
- Simplified record keeping for small businesses (31)	0.25	0.25	0.5
- Simplified reporting for small businesses (32)	0.25	0.25	0.5
Total Points	1	1	2
1.2.2 General Tax Registration			
Indicators	FFP	SBP	Total Points
Transparency in the Tax Registration Process	1	1	2
- Online information on general tax registration (33)	0.25	0.25	0.5
- Clarity of fees (34)	0.25	0.25	0.5
- Clarity of timeline (35)	0.25	0.25	0.5
- Changes of registration details are notified through company registrar (36a) OR	0.25 OR	0.25 OR	0.5 OR
- Changes of registration details are notified directly and there is penalty for failure to comply (36b AND 37)	0.125	0.125	0.25
Total Points	1	1	2
1.2.3 VAT Registration*			
Indicators	FFP	SBP	Total Points
VAT Registration Threshold	1	1	2
- Existence of a VAT registration threshold (38)	0.5	0.5	1
- Availability of voluntary VAT registration (39)	0.5	0.5	1
Total Points	1	1	2
1.2.4 VAT Refund*			
Indicators	FFP	SBP	Total Points
VAT Refund*	1	1	2
- Availability of VAT cash refund (40)	0.5	0.5	1
- Restriction on VAT cash refund (41)	0.5	0.5	1
Total Points	1	1	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; VAT = Value Added Tax.

*Economies that do not impose VAT are not scored on these subcategories. In such cases, points from these subcategories are proportionally redistributed amongst other subcategories within this category.

1.3 ENVIRONMENTAL FISCAL INSTRUMENTS

1.3.1 Existence of Environmental Fiscal Instruments

42. Does a carbon tax exist in [Economy]?

42a. Yes, on non-renewable fossil fuels, which is proportionate to the carbon content of those fuels

42b. Yes, based on the direct emission approach

42c. Both

42d. No (doesn't exist or is not based on the carbon content)

Y to options 42b or 42c → provide response to question 44.

43. Does an Emission Trading System (ETS) exist in [Economy]? (Y/N)

Y → provide response to question 44.

44. Are there specific mechanisms in place for the measurement, reporting, and verification (MRV) of emissions at the facility level in [Economy]? (Y/N)

44a. Yes

44b. No

44c. Under Development

45. Has an explicit fossil fuel subsidy, that is applied to the sale price to the end consumer, been adopted in [Economy]? (Y/N; N – good practice)

46. Are there any tax incentives or tax credits in place to support the private sector in transitioning to a green economy, for example, renewable energy subsidies, tax incentives for green technologies, clean energy tax credits, etc.? (Y/N)

1.3.2 Availability of Public Consultations

47. Do ministries/legislative/regulatory agencies in [Economy] consult with the private sector stakeholders before introducing environmental fiscal instruments?

Note: Such consultations can be in the form of in-person, online meetings, surveys, etc.

47a. Yes, always

47b. Yes, sometimes

47c. No

Y → provide response to question 48

48. Are the results of the consultations published online? (Y/N)

1.3.3 Transition Periods

49. If environmental fiscal instruments exist, does the law establish a mechanism to inform businesses that the tax rate/price for environmental instrument may change over time?

49a. 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

49b. Yes, rates automatically increase only to match inflation, alongside ad hoc mechanisms (e.g., periodic reviews)

49c. No

50. Does the government in [Economy] communicate the transition periods for implementing new carbon taxes/Emission Trading System to the public? (Y/N)

Y → provide response to question 51.

51. Is information on the transition periods for implementing new carbon taxes/Emission Trading System published online? (Y/N)

1.3 ENVIRONMENTAL FISCAL INSTRUMENTS			
1.3.1 Existence of Environmental Fiscal Instruments			
Indicators	FFP	SBP	Total Points
Presence of Environmental Fiscal Instruments (42a OR (42b AND 44a) OR (42c AND 44a) OR (43 AND 44a))	n/a	1	1
Absence of Fossil Fuel Subsidy (45)	n/a	1	1

Additional Mechanisms (46)	1	1	2
Total Points	1	3	4
1.3.2 Availability of Public Consultations			
Indicators	FFP	SBP	Total Points
Availability of Public Consultations	1	1	2
- Public consultations conducted always (47a)	0.5	0.5	1
- Online publication of the public consultations' results (48)	0.5	0.5	1
Total Points	1	1	2
1.3.3 Transition Periods			
Indicators	FFP	SBP	Total Points
Transition Periods	1	1	2
- Adjustment mechanisms (49a)	0.5	0.5	1
- Communication of the transition period (50)	0.4	0.4	0.8
- Online publication of the information on the transition periods (51)	0.1	0.1	0.2
Total Points	1	1	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II—PUBLIC SERVICES PROVIDED BY THE TAX ADMINISTRATION	
Parameters	
Business Location	The largest (most populous) city in the economy. 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 DIGITAL SERVICES FOR TAXPAYERS

2.1.1 Online Service Taxpayer Portal

52. Does a taxpayer online service portal exist? (Y/N)

Y → provide response to questions 53-59.

53. Are there any obstacles to using the portal in practice? For example, portal is not fully functional or has frequent glitches, logging in is not easy, requires extreme high speed internet access, etc. (Y/N; N – good practice)

54. Does the portal cover all taxes and social contributions reported and/or paid by companies in a single digital space? (Y/N)

55. Can taxpayers update their bank account and contact details (such as address and telephone number) on the taxpayer online service portal? (Y/N)

- 56. Can taxpayers view, prepare, file, and adjust tax reporting documents on the taxpayer online service portal? (Y/N)**
56a. Yes, all options are available
56b. Yes, but not all options are available (e.g., adjustments are not allowed)
56c. No
- 57. Can taxpayers make financial transactions (for example, pay taxes and request refunds) on the taxpayer online service portal? (Y/N)**
- 58. Can taxpayers communicate with the tax administration via secure channels on the taxpayer online service portal? (Y/N)**
- 59. Can taxpayers access historical files and communication on the taxpayer online service portal? (Y/N)**

2.1.2 Electronic Filing of Taxes

- 60. If CIT exists, is an electronic filing arrangement on a tax portal available for all corporate income-based taxes (CIT or other profit-based taxes)? (Y/N)**
60a. Yes, for all
60b. Yes, but not for all
60c. No
- 61. If consumption-based taxes exist, is an electronic filing arrangement on a tax portal available for all VAT or other consumption taxes? (Y/N)**
61a. Yes, for all
61b. Yes, but not for all
61c. No
- 62. If social contributions and employment-based taxes exist, is an electronic filing arrangement on a tax portal available for all social contributions and employment-based taxes? (Y/N)**
62a. Yes, for all
62b. Yes, but not for all
62c. No

2.1.3 Pre-Filled Tax Declarations

- 63. If CIT exists, are pre-filled electronic declarations available for all the corporate income-based taxes? (Y/N)**
63a. Yes, for all
63b. Yes, but not for all
63c. No
- 64. If consumption-based taxes exist, are pre-filled electronic declarations available for all VAT or other consumption-based taxes? (Y/N)**
64a. Yes, for all
64b. Yes, but not for all
64c. No

65. If social contributions and employment-based taxes exist, are pre-filled electronic declarations available for all social contributions and employment-based taxes? (Y/N)

65a. Yes, for all

65b. Yes, but not for all

65c. No

2.1.4 Electronic Payment of Taxes

66. If CIT exists, is an electronic payment arrangement on a tax portal available for all corporate income-based taxes? (Y/N)

66a. Yes, for all

66b. Yes, but not for all

66c. No

67. If consumption-based taxes exist, is an electronic payment arrangement on a tax portal available for all VAT or other consumption-based taxes? (Y/N)

67a. Yes, for all

67b. Yes, but not for all

67c. No

68. If social contributions and employment-based taxes exist, is an electronic payment arrangement on a tax portal available for social contributions and employment-based taxes? (Y/N)

68a. Yes, for all

68b. Yes, but not for all

68c. No

2.1 DIGITAL SERVICES FOR TAXPAYERS			
2.1.1 Online Service Taxpayer Portal			
Indicators	FFP	SBP	Total Points
Online Service Taxpayer Portal	1	1	1
- Availability of a taxpayer online service portal (52)	0.125	0.125	0.25
- Absence of obstacles to using the portal in practice (53)	0.125	0.125	0.25
- Portal covers all taxes and social contributions (54)	0.125	0.125	0.25
- Taxpayers can update their bank account and contact details on the portal (55)	0.125	0.125	0.25
- Taxpayers can view, prepare, file AND adjust tax reporting documents on the portal OR (56a)	0.125 OR	0.125 OR	0.25 OR
- Taxpayers can view, prepare, file OR adjust tax reporting documents on the portal (56b)	0.0625	0.0625	0.125
- Taxpayers can make financial transactions on the portal (57)	0.125	0.125	0.25
- Taxpayers can communicate with the tax administration via secure channels on the portal (58)	0.125	0.125	0.25
- Taxpayers can access historical files and communication on the portal (59)	0.125	0.125	0.25
Total Points	1	1	2
2.1.2 Electronic Filing of Taxes*			
Indicators	FFP	SBP	Total Points

Electronic Filing	1	1	2
- All companies can file all corporate income-based taxes online (60a) OR	0.33 OR	0.33 OR	0.66 OR
- Some or all companies can file some or all corporate income-based taxes online (60b)	0.17	0.17	0.33
- All companies can file all VAT or other consumption taxes online (61a) OR	0.33 OR	0.33 OR	0.66 OR
- Some or all companies can file some or all VAT or other consumption taxes online (61b)	0.17	0.17	0.33
- All companies can file all employment-based taxes and social contributions online (62a) OR	0.33 OR	0.33 OR	0.66 OR
- Some or all companies can file some or all employment-based taxes and social contributions online (62b)	0.17	0.17	0.33
Total Points	1	1	2
2.1.3 Pre-Filled Tax Declarations*			
Indicators	FFP	SBP	Total Points
Pre-Filled Declarations	1	1	2
- Pre-filled declarations for all corporate income-based taxes for all companies (63a) OR	0.33 OR	0.33 OR	0.66 OR
- Pre-filled declarations for all or some corporate income-based taxes for all or some companies (63b)	0.17	0.17	0.33
- Pre-filled declarations for all VAT or other consumption taxes for all companies (64a) OR	0.33 OR	0.33 OR	0.66 OR
- Pre-filled declarations for all or some VAT or other consumption taxes for all or some companies (64b)	0.17	0.17	0.33
- Pre-filled declarations for all employment-based taxes and social contributions for all companies (65a) OR	0.33 OR	0.33 OR	0.66 OR
- Pre-filled declarations for all or some employment-based taxes and social contributions for all or some companies (65b)	0.17	0.17	0.33
Total Points	1	1	2
2.1.4 Electronic Payment of Taxes*			
Indicators	FFP	SBP	Total Points
Electronic Payment	1	1	2
- All companies can pay all corporate income-based taxes online (66a) OR	0.33 OR	0.33 OR	0.66 OR
- All or some companies can pay all or some corporate income-based taxes online (66b)	0.17	0.17	0.33
- All companies can pay all VAT or other consumption taxes online (67a) OR	0.33 OR	0.33 OR	0.66 OR
- All or some companies can pay all or some VAT or other consumption taxes online (67b)	0.17	0.17	0.33
- All companies can pay all employment-based taxes and social contributions online (68a) OR	0.33 OR	0.33 OR	0.66 OR
- All or some companies can pay all or some employment-based taxes and social contributions online (68b)	0.17	0.17	0.33
Total Points	1	1	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; VAT = Value Added Tax.

*Economies that do not impose one of the following taxes - corporate income-based taxes, VAT, other consumption taxes, or employment-based taxes and social contributions - are not assessed on the respective components. The points from these components are proportionately redistributed to other components within this indicator.

2.2 DATA MANAGEMENT AND SYSTEM INTEGRATION IN THE TAX ADMINISTRATION

2.2.1 Tax Registration

- 69. In practice, when a company is incorporated, are any separate/additional interactions required to complete registration for all taxes and social contributions with all levels of administrations? (Y/N; N – good practice)**
Y → provide response to question 70.
- 70. In practice, can registration for all taxes and social contributions be done fully online and without submitting any hard copies in person? (Y/N)**

2.2.2 Taxpayer Database and Tax Identification Number (TIN)

- 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. Is the taxpayer database computerized or paper-based?**
73a. Computerized
73b. Paper-based
73c. [If CIT are administered on several levels], Mixed, depending on the level of administration
- 74. Does the taxpayer database have full national coverage? (Y/N)**
- 75. Does the tax authority use the unified identification number for all of a company's taxes and social contributions? (Y/N)**
N → provide response to question 75.
- 76. Do registered companies have separate tax identification number(s) for corporate income-based taxes, or VAT or other consumption-based taxes, or employment-based taxes and social contributions? (Y/N; N – good practice)**

2.2.3 Tax Deregistration

- 77. In practice, after a company undergoes termination, and company deregistration is initiated, are any separate/ additional interactions between such company and public authorities required to complete deregistration for all taxes and social contributions? (Y/N; N – good practice)**
Y → provide response to question 78.
- 78. In practice, can deregistration for all taxes and social contributions be done fully online and without submitting any hard copies? (Y/N)**

2.2.4 Data Exchange and Usage (includes gender)

- 79. In practice, is information reported by corporate taxpayers crosschecked against third-party information sources (for example, databases of other agencies, publicly available information, etc.) (Y/N)**

80. Are the sex-disaggregated data on corporate taxpayers available to the tax authority? (Y/N)

Y → provide response to question 81.

81. Does the tax authority conduct sex-disaggregated analysis of taxpayer information? (Y/N)

Y → provide response to question 82.

82. Are the findings of sex-disaggregated analysis available online? (Y/N)

2.2 DATA MANAGEMENT AND SYSTEM INTEGRATION IN THE TAX ADMINISTRATION			
2.2.1 Tax Registration			
Indicators	FFP	SBP	Total Points
Tax Registration Process	1	1	2
- Fully automated (69) OR	1 OR	1 OR	2 OR
- Fully online (70)	0.5	0.5	1
Total Points	1	1	2
2.2.2 Taxpayer Database and Tax Identification Number (TIN)			
Indicators	FFP	SBP	Total Points
Taxpayer Database and TIN	1	1	2
- Unified taxpayer database (71 OR 72)	0.25	0.25	0.5
- Computerized taxpayer database (73a)	0.25	0.25	0.5
- Database with full national coverage (74)	0.25	0.25	0.5
- Single tax identification number for all company's taxes (75) OR	0.25 OR	0.25 OR	0.5 OR
- Single tax identification number for corporate income-based taxes, VAT/other consumption-based taxes and employment-based taxes and social contributions (76)	0.125	0.125	0.25
Total Points	1	1	2
2.2.3 Tax Deregistration			
Indicators	FFP	SBP	Total Points
Tax Deregistration	1	1	2
- Fully automated (77) OR	1 OR	1 OR	2 OR
- Fully online (78)	0.5	0.5	1
Total Points	1	1	2
2.2.4 Data Exchange and Usage (includes gender)			
Indicators	FFP	SBP	Total Points
Information Cross-Checking on Tax Portal (79)	1	1	2
Availability of Sex-Disaggregated Data and Their Analysis	1	1	2
- Availability of sex-disaggregated data (80)	0.33	0.33	0.66
- Tax authority conduct sex-disaggregated analysis (81)	0.33	0.33	0.66
- Publication of findings of the analysis (82)	0.33	0.33	0.66
Total Points	2	2	4

Note: TIN = Tax Identification Number; FFP = Firm Flexibility Point; SBP = Social Benefits Point; VAT = Value Added Tax.

2.3 TRANSPARENCY

2.3.1 Annual Performance and Gender Diversity in the Tax Administration

83. Is the recent annual report(s) outlining the performance of the tax administration available online?

83a. Yes, for financial performance

83b. Yes, for the operational performance

83c. Yes, for both

83d. No

84. Does an independent external review body (e.g., a government auditor or independent entity appointed in accordance with the economy's laws and regulations) perform periodical audits of the tax administration's financial and operational performance?

84a. Yes, for financial performance

84b. Yes, for the operational performance

84c. Yes, for both

84d. No

Y → provide response to question 85.

85. Are the findings and recommendations of the external review body available online? (Y/N)

86. Is up-to-date information on the gender composition of the tax authority's staff available online? (Y/N)

87. Is up-to-date information on the gender composition of the tax authority's senior executives available online? (Y/N)

2.3.2 Public Accountability

88. Within the past three years, did the tax administration in [City] conduct surveys focused on corporate taxpayers' perceptions of services and communication with the tax administration? For example, feedback from taxpayer on overall quality of service received from tax administration, ease of use of online services portal, call center assistance quality, features to be added on tax administration website, etc. (Y/N)

Y → provide response to question 89.

89. Are the results of the taxpayer perception surveys available online? (Y/N)

90. Is there a tax administration's code of ethics and professional conduct available online? (Y/N)

Y → provide response to question 91.

91. Does the code of ethics and professional conduct contain provisions outlining consequences, such as warning letter, temporary suspension, or dismissal, when the tax official does not abide by the code of ethics and professional conduct? (Y/N)

92. Does a tax ombudsman or equivalent authority (e.g., taxpayer advocate) investigate unresolved complaints from corporate taxpayers regarding the service and treatment they receive from the tax administration? (Y/N)

93. Is there an anti-corruption agency responsible for investigating allegations of corrupt conduct among tax officials? (Y/N)

2.3 TRANSPARENCY			
2.3.1 Annual Performance and Gender Diversity in the Tax Administration			
Indicators	FFP	SBP	Total Points
Annual Performance	n/a	1	1
- Online publication of the annual report on financial and operational performance (83c) OR	n/a	0.4 OR	0.4 OR
- Online publication of the annual report on financial or operational performance (83a OR 83b)	n/a	0.2	0.2
- Audits on the financial and operational performance of a tax administration (84c) OR	n/a	0.4 OR	0.4 OR
- Audits on the financial or operational performance of a tax administration (84a OR 84b)	n/a	0.2	0.2
- Online access to findings of an external review body (85)	n/a	0.2	0.2
Gender Composition of the Staff in the Tax Administration	1	1	2
- Public availability of gender composition of the staff (86)	0.5	0.5	1
- Public availability of gender composition of the senior executives (87)	0.5	0.5	1
Total Points	1	2	3
2.3.2 Public Accountability			
Indicators	FFP	SBP	Total Points
Public Accountability	1	1	2
- Taxpayer's perceptions surveys (88)	0.17	0.17	0.33
- Online publication of the surveys' results (89)	0.17	0.17	0.33
- Availability of the code of ethics (90)	0.17	0.17	0.33
- Consequences for misconduct (91)	0.17	0.17	0.33
- Presence of tax ombudsman or equivalent authority (92)	0.17	0.17	0.33
- Presence of an anti-corruption agency (93)	0.17	0.17	0.33
Total Points	1	1	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.4 TAX AUDITS AND RELATED DISPUTES

2.4.1 Tax Audits

94. Does the tax administration have an annual national tax audit plan, which is available online? (Y/N)

Y → provide response to question 95.

95. Does the annual national tax audit plan cover all core taxes that exist in the economy. (Y/N)

96. Do all main types of tax audits exist in [Economy] For the purpose of this questionnaire, main type of tax audits includes comprehensive (multiple tax and multiple years) audits, single-issue audits, inspections of books and records, examination of VAT refund claims (if applicable), and in-depth investigation of suspected tax frauds. Please respond "yes" only if all the above listed types of audits are available. (Y/N)

97. Are tax audit manuals and guidelines available online? (Y/N)

2.4.2 Dispute of Tax Audit Results

98. In practice, can a taxpayer appeal a tax audit assessment to an independent complaint review mechanism within a tax administration? For example, this could be a separate unit or a designated review officer within a tax administration that acts independently from the tax administration's audit department. (Y/N)

N → provide response to question 99.

99. In practice, in the majority of cases, what body would conduct a review of complaints on a tax audit assessment?

99a. Internal dispute resolution review body within a tax administration, which is not independent (i.e., same body conducts the audit and the review, or a head of tax administration)

99b. External review by an independent external specialist review board or committee (e.g., a unit within a Ministry of Finance), a tax tribunal, tax court, a specialized tax chamber within a regular court

99c. First instance court of general jurisdiction or administrative court

99d. Other (for example, external review mechanism that is not independent from the tax auditors in practice)

100. In practice, if the [independent complaint review mechanism/body selected in question 99] does not review a complaint on a tax audit assessment within a reasonable period of time or by the legal deadline, what happens next?

100a. The decision is automatically considered in favor of taxpayer (positive silence)

100b. The objection is automatically denied (negative silence)

100c. The taxpayer can escalate the dispute to the next stage (appeal level), even when the decision is pending

100d. No action can be taken until the decision is issued

101. In practice, what body provides the first avenue of appeal for a taxpayer dissatisfied with the decision of the [independent complaint review mechanism/body selected in question 99]? If multiple options exist, please select the one that will be used in most cases.

101a. A review board or committee within a tax administration (i.e., head of tax administration)

101b. Independent external specialist review board or committee (e.g., unit within Ministry of Finance), a tax tribunal, tax court, or specialized tax chamber within a regular court

101c. Court of general jurisdiction.

101d. Other (for example, external review mechanism that is not independent from the auditors in practice)

2.4 TAX AUDITS AND RELATED DISPUTES			
2.4.1 Tax Audits			
Indicators	FFP	SBP	Total Points
Annual National Tax Audit Plan	1	1	2
- Online availability of annual national tax audit plan (94)	0.5	0.5	1
- Annual national tax audit plan coverage (95)	0.5	0.5	1
Tax Audit Framework	1	1	2
- Tax audit types (96)	0.5	0.5	1
- Online availability of tax audit manuals and guidelines (97)	0.5	0.5	1

Total Points	2	2	4
2.4.2 Dispute of Tax Audit Results			
Indicators	FFP	SBP	Total Points
First-Level Review Mechanism	1	1	2
- Independent internal review (98) OR	1 OR	1 OR	2 OR
- Independent external review (99b)	0.5	0.5	1
Second-Level Review Mechanism	1	1	2
- Positive silence practice (100a) OR	0.5 OR	0.5 OR	1 OR
- Escalation of disputes to the next level (100c)	0.25	0.25	0.5
- Graduate complaint mechanism (101b)	0.5	0.5	1
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF TAX SYSTEM IN PRACTICE

The scores for Pillar III indicators that are based on firm-level data are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Operational Efficiency of Tax System in Practice are collected through firm-level surveys (questions 102-106 and 108-112) and expert consultations (question 107) using the following parameters:

PILLAR III – Operational Efficiency of Tax System in Practice	
Parameters	
Business Location	The largest (most populous) city in the economy. For Pillar III, if tax practice differ across locations within an economy, the experts will be asked to provide information regarding practice 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.

3.1 TIME AND FUNCTIONALITY OF PROCESSES

3.1.1 Time to File and Pay Taxes

102. 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]?

103. 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]?

3.1.2 Use of Electronic Systems to File and Pay Taxes

104. In fiscal year [Insert last complete fiscal year], did this establishment file its taxes electronically?

105. In fiscal year [Insert last complete fiscal year], did this establishment pay its taxes electronically?

3.1.3 Duration of Generic Tax Audit

106. How many weeks did it take between the first interaction with the auditors and when the final audit report was received?

3.1.4 Duration of a Tax Dispute

107. In practice, how many calendar days does it usually take for [independent complaint review mechanism / body selected in question 99] to review a complaint on tax audit assessment, from the time it is filed until the full decision is issued in writing?

3.1.5 Use of VAT Refund

108. In the last three years, has this establishment applied for a VAT cash refund?

N → provide response to question 109.

Y → provide response to question 110.

109. What was the main reason this establishment did not apply for a VAT cash refund?

109a. VAT cash refunds take too long to receive

109b. The application for a VAT cash refund is too complicated

109c. The establishment did not need to apply for a VAT cash refund

110. 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?

3.1 TIME AND FUNCTIONALITY OF PROCESSES			
3.1.1 Time to File and Pay Taxes			
Indicators	FFP	SBP	Total Points
Total Time for Preparation, Filing and Payment (102 OR 103)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Use of Electronic Systems to File and Pay Taxes			
Indicators	FFP	SBP	Total Points
Use of Electronic Systems to File and Pay Taxes	100 (100%)	n/a	100 (100%)
- The percentage of respondent firms that used electronic systems to file taxes in the previous calendar year (104)	50 (50%)		50 (50%)
- The percentage of respondent firms that used electronic systems to pay taxes in the previous calendar year (105)	50 (50%)		50 (50%)

Total Points for Subcategory 3.1.2	100	n/a	100
3.1.3 Duration of a Generic Tax Audit			
Indicators	FFP	SBP	Total Points
Total Time Needed to Complete the Audit (106)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.3	100	n/a	100
3.1.4 Duration of a Tax Dispute			
Indicators	FFP	SBP	Total Points
Time to Review a Tax Dispute (107)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.4	100	n/a	100
3.1.5 Use of VAT Refund*			
Indicators	FFP	SBP	Total Points
Use of VAT Refund	100 (100%)	n/a	100 (100%)
- The percentage of firms which did not apply for a VAT refund due to the process being too burdensome, even when they were eligible for such a refund (108 AND 109a AND 109b)	50 (50%)		50 (50%)
- The time to receive a VAT refund adjusted by the number of firms reporting issues with VAT refunds (109a AND 109b AND 110)	50 (50%)		50 (50%)
Total Points for Subcategory 3.1.5	100	n/a	100
Total Points for Category 3.1	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; VAT = Value Added Tax.

*Economies that do not impose VAT are assigned maximum score on this subcategory.

3.2 FINANCIAL BURDEN ON FIRMS

3.2.1 Effective Tax Rate (ETR) for Profit Taxes

111. 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.

3.2.2 Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions

112. From this establishment's Income Statement for fiscal year [Insert last complete fiscal year], please provide the following information:

112.1 Total annual cost of labor including wages, salaries, bonuses, social security payments.

112.2 Of which total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld.

3.2 FINANCIAL BURDEN ON FIRMS			
3.2.1 Effective Tax Rate (ETR) for Profit Taxes*			
Indicators	FFP	SBP	Total Points

Effective Tax Rate (ETR) for Profit Taxes (111)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions*			
Indicators	FFP	SBP	Total Points
Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions (112.1 AND 112.2)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.2	100	n/a	100
Total Points for Category 3.2	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.

*Economies that do not impose profit taxes or employment-based taxes and social contributions are assigned maximum score on the respective subcategory.

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.²

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 formal institutions, making them unattractive and unaffordable.³ In fact, correlations have been established between judicial efficiency and facilitated entrepreneurial activity.⁴ Evidence also suggests that under a more effective court system businesses are likely to have greater access to finance and borrow more.⁵ In addition, expeditious judiciaries are associated with higher levels of domestic and foreign investment.⁶ 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.⁷ Also, enhancing the efficiency of the judiciary may strengthen competition and foster innovation.⁸

The quality of the dispute resolution process also matters.⁹ Claims should be considered with due care by credible institutions capable of issuing sound judgments.¹⁰ In economies with low confidence in court systems, firms are less willing to expand their businesses and look for alternative trade partners.¹¹ To attract more investors, economies should ensure not only judiciaries' effectiveness but also their strength and reliability.¹² Limited enforceability of contracts is associated with the suboptimal distribution of resources, the use of inefficient technologies, and greater macroeconomic volatility.¹³ 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.¹⁴

Efficient and quality dispute resolution systems require a clear and up-to-date regulatory framework and enhanced public services.¹⁵ Robust laws and regulations are vital because they lay the foundation for resolving disputes in a timely and trustworthy manner.¹⁶ Well-designed regulatory frameworks must be put into effect through a sound public services system.¹⁷ Key elements of such a system include solid organizational structure, high degree of digitalization, increased transparency, and advanced services related to alternative dispute resolution (ADR).¹⁸ In light of this, the Dispute Resolution topic focuses on quality of regulations and public services, as well as the operational 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 focuses on judicial organizational structure, courts' digitalization and transparency, as well as ADR-related services, thus capturing 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. All subcategories are

composed of specific 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 summarizes all three pillars and their respective categories.

Table 1. Summary Table of all Three Pillars for the Dispute Resolution Topic

Pillar I—Quality of Regulations for Dispute Resolution (26 indicators)	
1.1	Court Litigation (16 indicators)
1.1.1	Procedural Certainty (includes environment) (10 indicators)
1.1.2	Judicial Integrity (includes gender) (6 indicators)
1.2	Alternative Dispute Resolution (ADR) (10 indicators)
1.2.1	Legal Safeguards in Arbitration (6 indicators)
1.2.2	Legal Safeguards in Mediation (4 indicators)
Pillar II—Public Services for Dispute Resolution (29 indicators)	
2.1	Court Litigation (20 indicators)
2.1.1	Organizational Structure of Courts (5 indicators)
2.1.2	Digitalization of Court Processes (8 indicators)
2.1.3	Transparency of Courts (includes gender) (7 indicators)
2.2	Alternative Dispute Resolution (ADR) (9 indicators)
2.2.1	Public Services for Arbitration (includes gender) (5 indicators)
2.2.2	Public Services for Mediation (includes gender) (4 indicators)
Pillar III—Ease of Resolving a Commercial Dispute (14 indicators)	
3.1	Court Litigation (8 indicators)
3.1.1	Reliability of Courts (2 indicators)
3.1.2	Operational Efficiency of Court Processes (6 indicators)
3.2	Alternative Dispute Resolution (ADR) (6 indicators)
3.2.1	Reliability of ADR (2 indicators)
3.2.2	Operational Efficiency of Arbitration Processes (4 indicators)

1. PILLAR I. QUALITY OF REGULATIONS FOR DISPUTE RESOLUTION

Table 2 shows the structure for Pillar I, Quality of Regulations 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—Quality of Regulations for Dispute Resolution

1.1	Court Litigation
1.1.1	Procedural Certainty (includes environment)
1.1.2	Judicial Integrity (includes gender)
1.2	Alternative Dispute Resolution (ADR)
1.2.1	Legal Safeguards in Arbitration
1.2.2	Legal Safeguards in Mediation

1.1 Court Litigation

Category 1.1 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Procedural Certainty (includes environment)

Increasing procedural certainty in dispute resolution tends to facilitate the conduct of proceedings and prevent deadlocks.¹⁹ For example, time standards for specific key processes may address some of the most common inefficiencies in litigation, such as the ones related to serving a complaint on the defendant or preparing an expert opinion.²⁰ In a similar vein, specifying a time limit, after which evidence can no longer be generally submitted, is likely to speed up the consideration of cases.²¹ Another important procedural

safeguard is to have limitations for adjournments that the judge can grant.²² Crucially, holding a pre-trial conference is equally associated with procedural certainty.²³ 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.²⁴

To streamline international dispute resolution, it is important to lay down clear and straightforward rules on the process of recognizing foreign judgments. For example, such rules eliminate the requirement for the creditor to provide a security and ensure that the local court is not allowed to review foreign judgments on the merits.²⁵ 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).²⁶

Last but not least, considering the growing importance of environmental sustainability for the private sector, it is critical to ensure that relevant environmental disputes are also settled promptly and thoroughly. Efficiency gains in this area can be achieved through making it easier to file a lawsuit against a polluting firm, requiring businesses to consider the impact of their operations on the environment, and allowing the courts to issue additional dispute-specific remedies.²⁷ Therefore, Subcategory 1.1.1–Procedural Certainty (includes environment) comprises ten indicators (table 3).

Table 3. Subcategory 1.1.1–Procedural Certainty (includes environment)

	Indicators	Components
1	Time Standards	i) Serving a complaint on the defendant ii) Filing a statement of defense iii) Issuing an expert opinion iv) Submitting a judgment
2	Deadline to Consider a Request for Interim Measures	Existence of a deadline to consider a request for interim measures
3	Time Limit on Suggesting Evidence	Existence of a time limit on suggesting evidence
4	Limitations on Adjournments	i) Restricted grounds for adjournments ii) Maximum number of adjournments
5	Holding a Pre-Trial Conference	Holding a pre-trial conference
6	Availability of a Default Judgment	Availability of a default judgment
7	Recognition and Enforcement of Foreign Judgments	i) Allowing the use of apostilles ii) Not requiring a security from a foreign judgment creditor iii) Grounds for denying recognition and enforcement of foreign judgments
8	Time Limit for Enforcing a Judgment	Existence of a time limit for enforcing a judgment
9	Powers of Enforcement Agents to Seize Extra Types of Assets	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)
10	Environmental Sustainability	i) Expanded legal standing in environmental disputes ii) Holding polluting firms accountable for environmental damage caused abroad iii) Obligation for businesses to consider the impact of operations on the environment iv) Expanded range of remedies in environmental disputes

1.1.2 Judicial Integrity (includes gender)

Judicial integrity is key to ensuring public trust in the dispute resolution system. Businesses may avoid courts altogether if they perceive them as unreliable, biased, or corrupt.²⁸ Incorporating good practices that strengthen the independence and impartiality of judges into the law is essential for judicial integrity.²⁹ For

example, protections should be put in place to protect judges from interference with the adjudication of their cases by the chairperson of a court, as well as from subjecting them to disciplinary proceedings for reasons solely related to how they apply and interpret the law.³⁰ Requiring judges to disclose their assets may contribute positively to their accountability.³¹

Codified targeted instruments—such as the code of ethics for judges or the code of ethics for enforcement agents—also help promote integrity.³² Economies may further enhance courts’ reliability through enacting a judicial whistleblowing policy.³³ To ensure equal justice under the law, the dispute resolution system should serve as an example in the area of gender inclusion. This implies making it possible for women to participate in proceedings on equal footing with men.³⁴ Therefore, Subcategory 1.1.2–Judicial Integrity (includes gender) has six indicators (table 4).

Table 4. Subcategory 1.1.2–Judicial Integrity (includes gender)

	Indicators	Components
1	Protections against Interference with Judges’ Work	i) Preventing the chairperson of a court from interfering with the adjudication by other judges ii) Precluding the commencement of disciplinary proceedings against judges for the reasons solely related to how they apply and interpret the law
2	Disclosure of Assets by Judges	i) Obligation for judges to disclose their assets on an annual basis ii) Making judges’ disclosures of assets available for the public scrutiny
3	Code of Ethics for Judges	Code of ethics for judges
4	Code of Ethics for Enforcement Agents	Code of ethics for enforcement agents
5	Existence of a Judicial Whistleblowing Policy	Existence of a judicial whistleblowing policy
6	Equal Rights for Men and Women in Commercial Litigation	Equal rights for men and women in commercial litigation

1.2 Alternative Dispute Resolution (ADR)

Category 1.2 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Legal Safeguards in Arbitration

Arbitration is an alternative dispute resolution mechanism that is widely used by firms to resolve their commercial disputes.³⁵ To benefit fully from arbitration, consideration should be given to respecting the parties’ autonomy, in particular by lifting restrictions that limit the freedom to choose arbitrators and legal counsel.³⁶ It is equally important to provide broad access to arbitration. For example, the law can tackle this issue by removing restrictions for state-owned enterprises and public bodies to use arbitration in resolving commercial disputes or expressly authorizing third-party funding to help smaller businesses cover their legal costs.³⁷ As in other types of dispute resolution, safeguards of independence and impartiality are critical 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.³⁸

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 its own jurisdiction and requires domestic courts to defer to the arbitral tribunal on this question.³⁹ Considering that the judiciary performs the primary role in any dispute resolution system, court support is crucial for making arbitration truly attractive. In particular, courts may render such support by assisting arbitral tribunals with interim measures and facilitating the collection of evidence.⁴⁰ Moreover, the attractiveness of arbitration can be further enhanced if the legislation sets out a straightforward, up-to-date, and predictable regime for recognizing and enforcing arbitral awards. Such a regime allows for recognition and enforcement of interim and partial

awards as well as ensures that domestic and foreign awards may not be reviewed on the grounds of error of law or fact.⁴¹ Therefore, Subcategory 1.2.1–Legal Safeguards in Arbitration comprises six indicators (table 5).

Table 5. Subcategory 1.2.1–Legal Safeguards in Arbitration

	Indicators	Components
1	Parties' Autonomy in Arbitration	i) Allowing the parties to freely select arbitrators ii) Allowing the parties to freely select a legal counsel
2	Access to Arbitration	i) Arbitration in disputes with state-owned enterprises and public bodies ii) Provision of third-party funding
3	Independence and Impartiality of Arbitrators	i) Disclosure of conflict of interest by arbitrators ii) Parties' right to call into question arbitrators' independence and impartiality
4	Incorporation of the Principle " <i>Kompetenz-Kompetenz</i> "	Incorporation of the principle " <i>kompetenz-kompetenz</i> "
5	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
6	Recognition and Enforcement of Arbitral Awards	i) Recognition and enforcement of interim awards ii) Recognition and enforcement of partial awards iii) Grounds for setting aside, annulling, or vacating a domestic arbitral award iv) Grounds for denying recognition and enforcement of a foreign arbitral award

1.2.2 Legal Safeguards in 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. As in arbitration, it is essential to guarantee respect for parties' autonomy in mediation. Prescribing that commercial mediation is voluntary, for example, helps arrange that only parties interested in an amicable settlement resort to it.⁴² Safeguards of independence and impartiality are also relevant for mediation. In particular, these include establishing rules on the 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 relates to ensuring that suggestions and statements made 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 of international mediation agreements.⁴⁵ Therefore, Subcategory 1.2.2–Legal Safeguards in Mediation comprises four indicators (table 6).

Table 6. Subcategory 1.2.2–Legal Safeguards in Mediation

	Indicators	Components
1	Parties' Autonomy in Mediation	i) Voluntary nature of commercial mediation ii) Allowing the parties to freely select mediators
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 Using Suggestions and Statements Made for the Purpose of Mediation in Other Proceedings	Inadmissibility of using suggestions and statements made 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 FOR DISPUTE RESOLUTION

Table 7 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 7. Pillar II–Public Services for Dispute Resolution

2.1	Court Litigation
2.1.1	Organizational Structure of Courts
2.1.2	Digitalization of Court Processes
2.1.3	Transparency of Courts (includes gender)
2.2	Alternative Dispute Resolution (ADR)
2.2.1	Public Services for Arbitration (includes gender)
2.2.2	Public Services for Mediation (includes gender)

2.1 Court Litigation

Category 2.1 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 Organizational Structure of Courts

Effective and reliable dispute resolution processes are conditional upon having a robust organizational structure. Within such a framework, aspects of court specialization, access to justice, and integrity play an essential role.⁴⁶ Ensuring that commercial cases are handled by specialized courts or divisions at the level of first instance may have a positive impact on the efficiency and quality of dispute resolution.⁴⁷ Due to their unique nature, international cases may benefit from increased specialization too. This can be ensured by establishing a court or division of a court dedicated to hearing international commercial matters and setting up a public agency or government unit tasked specifically with the prevention and early resolution of investor-state disputes.⁴⁸

Access to justice matters in commercial litigation too, with micro and small businesses being particularly vulnerable in this regard.⁴⁹ To ensure access to justice for all market participants, economies may establish small claims courts or procedures, as well as create legal aid programs targeting entrepreneurs who cannot afford legal costs.⁵⁰ Furthermore, in administering justice, complaints may often arise with respect 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 specific and independent review mechanisms that would allow aggrieved parties to submit their complaints, especially in areas such as judicial appointments (and promotions, where applicable), judges' misconduct, as well as misconduct of enforcement agents.⁵¹ Therefore, Subcategory 2.1.1–Organizational Structure of Courts comprises five indicators (table 8).

Table 8. Subcategory 2.1.1–Organizational Structure of Courts

	Indicators	Components
1	Existence of a Commercial Court or Division	Existence of a commercial court or division
2	Automated Random Assignment of Cases	Automated random assignment of cases
3	Access to Justice for Micro and Small Businesses	i) Establishment of a small claims court or procedure ii) Self-representation before a small claims court or procedure iii) Existence of a legal aid program for micro and small businesses
4	Facilitated International Dispute Resolution	i) Existence of an international court or division ii) Setting up a mechanism for prevention and early resolution of investor-state disputes

5	Special Review Mechanisms to Support Judicial Integrity	i) Review mechanism for complaints filed against decisions on appointment (and promotion, where applicable) of judges ii) Review mechanism for complaints filed against judges' misconduct iii) Review mechanism for complaints filed against the misconduct of enforcement agents
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2.1.2 Digitalization of Court Processes

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

Digitalization of dispute resolution can be further promoted by providing for the admissibility of electronic evidence and introducing virtual hearings.⁵⁴ Other important aspects of digital proceedings include electronic payment of court fees, electronic tracking of cases, electronic access to court schedules, and electronic issuing and verifying of apostilles.⁵⁵ When it comes to enforcement, its digitalization is particularly associated with online auctions.⁵⁶ Therefore, Subcategory 2.1.2–Digitalization of Court Processes comprises eight indicators (table 9).

Table 9. Subcategory 2.1.2–Digitalization of Court Processes

	Indicators	Components
1	Electronic Initiation of a Case	i) Electronic filing of the initial complaint ii) Electronic service of process for the initial complaint
2	Electronic Flow of Documents during the Proceedings	Electronic flow of documents during the proceedings
3	Issuing an Electronic Judgment	Issuing an electronic judgment
4	Electronic Communication with Courts and Enforcement Agents	i) Electronic communication with courts ii) Electronic communication with enforcement agents
5	Admissibility of Digital Evidence	Admissibility of digital evidence
6	Virtual Hearings	Virtual hearings
7	Auxiliary Electronic Services	i) Electronic payment of court fees ii) Electronic tracking of cases iii) Electronic access to court schedule iv) Electronic issuance and verification of apostilles
8	Online Auctions	Online auctions

2.1.3 Transparency of Courts (includes gender)

Transparency is fundamental for building trust in the judiciary. A transparent 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. This starts with ensuring that all legal instruments (laws, regulations, directives, orders, and so on) are published free of charge.⁵⁷ Apart from laws and regulations, it is also vital to publish judgments of both first instance and higher courts.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

The credibility of the judiciary may further grow if the dispute resolution system demonstrates a commitment to collecting and publishing information about its organization and performance. To begin with, it is important to make publicly available the statistics on the number of judges, providing for disaggregation by the individual court, the level of the court, as well as by the sex of the judges.⁶⁰ Related

to this is the need to ensure that information on the process of appointment (and promotion, where applicable) of judges is published in a timely manner.⁶¹ Further, it is essential to produce and release key statistics about performance, such as data on the time it takes to adjudicate different categories of cases and the number of cases resolved versus the number of incoming cases.⁶² Publication of information is of no less significance in enforcement, where data on the average length of proceedings and number of resolved and unresolved cases represents a particular interest.⁶³ Therefore, Subcategory 2.1.3–Transparency of Courts (includes gender) comprises seven indicators (table 10).

Table 10. Subcategory 2.1.3–Transparency of Courts (includes gender)

	Indicators	Components
1	Public Database for Acts of Legislation	Public database for acts of legislation
2	Public Access to Court Hearings Held in Person	Public access to court hearings held in person
3	Public Access to Court Hearings Held Online	Public access to court hearings held online
4	Publication of Judgments of Higher Courts	Publication of judgments of higher courts
5	Publication of Judgments of First Instance Courts	Publication of judgments of first instance courts
6	Publication of Information on Courts' Composition	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 iii) Publication of information on appointment (and promotion, where applicable) of judges
7	Publication of Information on Performance of Courts and Enforcement Agents	i) Time to disposition report ii) Clearance rate report iii) Statistics on the average length of enforcement proceedings iv) Statistics on the number of resolved cases and the number of unresolved cases (turnover rate)

2.2 Alternative Dispute Resolution (ADR)

Category 2.2 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Public Services for Arbitration (includes gender)

In commercial dispute resolution, businesses can benefit from having 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—for both domestic and international cases—stand out as particularly important.⁶⁴ Arbitration can be made more attractive if the arbitration institution provides for special procedures intended to make the process more efficient. These include emergency arbitration, early dismissal, expedited (fast-track) arbitration, and consolidation of related arbitral proceedings and joinder of additional parties.⁶⁵

To further promote arbitration, a roster of qualified arbitrators may be set up, while also ensuring that choosing arbitrators outside the roster is not prohibited.⁶⁶ According to a different good practice, arbitration institutions can check the quality of draft arbitral awards prior to their formal issuance.⁶⁷ 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.⁶⁸ Moreover, transparency is critical for the credibility of arbitration. This fosters arbitration institutions to collect and disclose statistics on the number of handled cases, time to resolve disputes, number of appointments of

arbitrators disaggregated by sex, as well as to publish summaries of arbitral awards.⁶⁹ Therefore, Subcategory 2.2.1–Public Services for Arbitration (includes gender) comprises five indicators (table 11).

Table 11. Subcategory 2.2.1–Public Services for Arbitration (includes gender)

	Indicators	Components
1	Availability of Commercial Arbitration Services	i) Availability of domestic arbitration ii) Availability of international arbitration
2	Special Procedures in Arbitration	i) Emergency arbitration procedure ii) Early dismissal procedure iii) Expedited (fast-track) procedure iv) Consolidation of related arbitral proceedings and joinder of additional parties
3	Promotion of Arbitration	i) Setting up a roster of arbitrators ii) Checking the quality of draft arbitral awards
4	Digitalization of Arbitration	i) Online platform for arbitration ii) Virtual conferences and hearings in arbitration iii) Electronic signing of an arbitral award
5	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 appointments of arbitrators disaggregated by sex

2.2.2 Public Services for Mediation (includes gender)

Mediation is another common type of ADR. The provision of mediation services—by both courts and private practitioners—is central to helping the parties to resolve disputes in an amicable manner.⁷⁰ As in arbitration, mediation institutions may facilitate the commencement process by creating a roster of qualified mediators, while also ensuring that choosing mediators outside the roster is not prohibited.⁷¹ To promote an amicable resolution of disputes through mediation, it can be essential to introduce relevant financial incentives in practice.⁷² 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.⁷³ Mediation benefits from transparency too, and collecting and publishing statistics on the number of resolved cases and the number of appointments of mediators disaggregated by sex can further increase its attractiveness.⁷⁴ Therefore, Subcategory 2.2.2–Public Services for Mediation (includes gender) comprises four indicators (table 12).

Table 12. Subcategory 2.2.2–Public Services for Mediation (includes gender)

	Indicators	Components
1	Availability of Commercial Mediation Services	i) Availability of court-annexed mediation ii) Availability of private mediation
2	Promotion of Mediation	i) Setting up a roster of mediators ii) Financial incentives to use mediation
3	Digitalization of Mediation	i) Electronic submission of a request to mediate ii) Virtual meetings in mediation iii) Electronic signing of a mediation agreement
4	Transparency of Mediation	i) Statistics on the number of cases resolved through mediation ii) Statistics on the number of appointments of mediators disaggregated by sex

3. PILLAR III. EASE OF RESOLVING A COMMERCIAL DISPUTE

Table 13 shows the structure for Pillar III, Ease of Resolving a Commercial Dispute. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 13. Pillar III–Ease of Resolving a Commercial Dispute

3.1	Court Litigation
3.1.1	Reliability of Courts
3.1.2	Operational Efficiency of Court Processes

3.2	Alternative Dispute Resolution (ADR)
3.2.1	Reliability of ADR
3.2.2	Operational Efficiency of Arbitration Processes

3.1 Court Litigation

Category 3.1 is divided into two subcategories consisting of several indicators, each of which may, in turn, have 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.⁷⁵ Therefore, Subcategory 3.1.1–Reliability of Courts comprises two indicators (table 14).

Table 14. Subcategory 3.1.1–Reliability of Courts

	Indicator	Component
1	In Resolving Commercial Disputes, Courts are Independent and Impartial	Perceptions of courts being independent and impartial in resolving commercial disputes
2	Courts are Not an Obstacle to Business Operations	Perceptions index of courts as a constraint

3.1.2 Operational Efficiency of Court Processes

Considerations of efficiency play a critical role in dispute resolution.⁷⁶ 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.⁷⁷ Businesses, therefore, have a direct interest in courts resolving commercial disputes in a timely and cost-effective manner.⁷⁸ 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. In cross-border litigation, it is equally important to guarantee that the process of recognition of foreign judgments before domestic courts is conducted effectively.⁷⁹ Specifically, this may depend on the time it takes for a local court to consider such a request and on related attorney and court fees.

Dispute resolution does not always end with the issuance of a final verdict. The creditor may be required to initiate enforcement proceedings should the losing party refuse to comply voluntarily with the judgment.⁸⁰ To ensure that businesses are not deprived of justice, such proceedings should also be handled in an efficient manner. In fact, it is in the creditor’s best interests to complete the enforcement 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, seize them, and complete their transfer to the creditor. Associated costs may include attorney fees and institutional charges. Therefore, Subcategory 3.1.2–Operational Efficiency of Court Processes comprises six indicators (table 15).

Table 15. Subcategory 3.1.2–Operational Efficiency of Court Processes

	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	Time to Recognize a Foreign Judgment	Includes the time for the local court to consider a request for recognizing a foreign judgment
4	Cost to Recognize a Foreign Judgment	Includes attorney and court fees incurred by the plaintiff in the process of recognizing a foreign judgment
5	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
6	Cost to Enforce a Final Judgment	Includes attorney and institutional fees incurred by the creditor (when applicable)

3.2 Alternative Dispute Resolution (ADR)

Category 3.2 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

3.2.1 Reliability of ADR

Reliability equally matters in alternative dispute resolution (ADR), such as arbitration and mediation. When businesses have sufficient confidence in ADR mechanisms, they are more likely to resort to them in practice.⁸¹ In contrast, when there is a lack of credibility in arbitration and mediation, such mechanisms may remain barely used, contributing to the backlog of cases in the judiciary and depriving firms of efficient and flexible alternatives. Therefore, Subcategory 3.2.1–Reliability of ADR has two indicators (table 16).

Table 16. Subcategory 3.2.1–Reliability of ADR

	Indicators	Components
1	Arbitration is a Reliable Mechanism to Resolve Commercial Disputes	Perceptions of arbitration being a reliable mechanism to resolve commercial disputes
2	Mediation is a Reliable Mechanism to Resolve Commercial Disputes	Perceptions of mediation being a reliable mechanism to resolve commercial disputes

3.2.2 Operational Efficiency of Arbitration Processes

Given that arbitration represents another type of dispute resolution in which a binding decision is imposed on the parties, considerations of time and cost play in this process a crucial role.⁸² The time for arbitration represents the time to resolve a commercial dispute at a domestic arbitration institution. The cost for arbitration is comprised of attorney, arbitrators', and administrative fees incurred by the claimant in this process. Similar to foreign judgments, foreign arbitral awards are, as a rule, subject to the process of recognition before domestic courts.⁸³ The efficiency of this process is conditional upon the time it takes for a local court to consider a request for recognizing a foreign arbitral award as well as upon associated attorney and court fees. Therefore, Subcategory 3.2.2–Operational Efficiency of Arbitration Processes comprises four indicators (table 17).

Table 17. Subcategory 3.2.2–Operational Efficiency of Arbitration Processes

	Indicators	Components
1	Time for Arbitration	Includes the time to resolve a commercial dispute at the domestic arbitration institution
2	Cost for Arbitration	Includes attorney fees, arbitrators' fees, and administrative fees incurred by claimant at the domestic arbitration institution

3	Time to Recognize a Foreign Arbitral Award	Includes the time for the local court to consider a request for recognizing a foreign arbitral award
4	Cost to Recognize a Foreign Arbitral Award	Includes attorney and court fees incurred by the claimant in the process of recognizing a foreign arbitral award

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 through expert consultations and Enterprise Surveys. In particular, the data on Operational Efficiency of Court Processes and Operational Efficiency of Arbitration Processes are collected through private sector experts, while the data on Reliability of Courts and Reliability of ADR are collected by way of Enterprise Surveys.

Enterprise Surveys provide representative data on the reliability of dispute resolution, 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

The Dispute Resolution topic has one questionnaire. A screener questionnaire is used to assist the selection of experts receiving the Dispute Resolution topic questionnaire based on a set of criteria (table 18).

Table 18. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions
Private sector lawyers/attorneys, arbitrators, and mediators
Relevant 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 foreign judgments and arbitral awards; and undertaking compulsory proceedings to enforce final commercial judgments.

Thus, the information provided in the screener questionnaire allows the team to better understand the experts' professions, areas of specialization, and knowledge or experience related to dispute resolution processes.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Dispute Resolution topic uses general and 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). Questionnaire respondents are presented with these parameters and asked to evaluate a standardized scenario that permits comparability across locations, jurisdictions, and economies.

5.1 General Parameters

Dispute Resolution employs one general parameter, business location. It applies across all pillars and to both court litigation and ADR. Many economies have subnational jurisdictions, which require a business location to be specified in order for experts to identify the relevant regulatory framework to be assessed.

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. 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 operational 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. The largest city is chosen based on the population size, as detailed in the Overview chapter of this Methodology Handbook.

Application:

In Pillar I and Pillar II, the parameter of business location is used to determine the specific city in which the quality of regulations and public services for dispute resolution are assessed. 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 Operational Efficiency of Court Processes and Operational Efficiency of Arbitration Processes.

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 the 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 applies only to Pillar II and solely as regards its category of Court Litigation. Within this category, it is relevant to all three subcategories as they specifically assess judicial services: Organizational Structure of Courts, Digitalization of Court Processes, and Transparency of Courts (includes gender). The parameter does not apply to the Alternative Dispute Resolution (ADR) 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 proceedings related to recognition of foreign judgments and arbitral awards. To ensure comparability of the data, it is therefore essential 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 across all economies 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–Quality of Regulations for Dispute Resolution; Pillar II–Public Services for Dispute Resolution; and Pillar III–Ease of Resolving a Commercial Dispute. 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 19 shows the scoring for the Dispute Resolution 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 Dispute Resolution	26	25	26	51	100	0.33
II	Public Services for Dispute Resolution	29	29	29	58	100	0.33
III	Ease of Resolving a Commercial Dispute	14	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 Dispute Resolution

Pillar I covers 26 indicators with a total score of 51 points (25 points on firm flexibility and 26 points on social benefits) (table 20). The scoring for each category under this pillar is as follows:

- 6.1.1** *Court Litigation* has 16 indicators with a total maximum score of 31 points (15 points on firm flexibility and 16 points on social benefits). Specifically, the *Procedural Certainty (includes environment)* subcategory has 10 indicators, while the *Judicial Integrity (includes gender)* subcategory has 6 indicators. Both businesses (firm flexibility) and society at large (social benefits) benefit from a regulatory framework that ensures the efficiency and quality of court litigation. Hence, in most cases, equal points are assigned to both categories. The only exception is environmental sustainability, where points are not assigned to firm flexibility. This stems from the fact that once the legal framework makes it easier to lodge 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** *Alternative Dispute Resolution (ADR)* has 10 indicators with a total maximum score of 20 points (10 points on firm flexibility and 10 on social benefits). In particular, the *Legal Safeguards in Arbitration* subcategory has 6 indicators, and the *Legal Safeguards in Mediation* subcategory 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 points are assigned to both categories.

Table 20. Aggregate Scoring Pillar I

Pillar I—Quality of Regulations for Dispute Resolution		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Court Litigation	16	15	16	31	66.67
1.1.1	Procedural Certainty (includes environment)	10	9	10	19	40.00
1.1.2	Judicial Integrity (includes gender)	6	6	6	12	26.67
1.2	Alternative Dispute Resolution (ADR)	10	10	10	20	33.33
1.2.1	Legal Safeguards in Arbitration	6	6	6	12	16.67
1.2.2	Legal Safeguards in Mediation	4	4	4	8	16.67
	Total	26	25	26	51	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.2 Pillar II—Public Services for Dispute Resolution

Pillar II covers 29 indicators with a total score of 58 points (29 points on firm flexibility and 29 points on social benefits) (table 21). The scoring for each category under the pillar is as follows:

- 6.2.1** *Court Litigation* has 20 indicators with a total maximum score of 40 points (20 points on firm flexibility and 20 points on social benefits). The *Organizational Structure of Courts* subcategory has 5 indicators, while *Digitalization of Court Processes*—8, and *Transparency of Courts (includes gender)*—7. Both businesses (firm flexibility) and the general public (social benefits) have a direct interest in having a robust organizational structure of courts, accompanied with high degrees of digitalization and transparency. As a result, equal points are assigned to these categories.
- 6.2.2** *Alternative Dispute Resolution (ADR)* has 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 on social benefits). The subcategory on *Public Services for Arbitration (includes gender)* has 5 indicators, and the subcategory on *Public Services for*

Mediation (includes gender) has 4 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 points are assigned to these categories.

Table 21. Aggregate Scoring Pillar II

Pillar II–Public Services for Dispute Resolution		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Court Litigation	20	20	20	40	66.67
2.1.1	Organizational Structure of Courts	5	5	5	10	22.22
2.1.2	Digitalization of Court Processes	8	8	8	16	22.22
2.1.3	Transparency of Courts (includes gender)	7	7	7	14	22.22
2.2	Alternative Dispute Resolution (ADR)	9	9	9	18	33.33
2.2.1	Public Services for Arbitration (includes gender)	5	5	5	10	16.67
2.2.2	Public Services for Mediation (includes gender)	4	4	4	8	16.67
Total		29	29	29	58	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.3 Pillar III–Ease of Resolving a Commercial Dispute

Pillar III covers 14 indicators with points ranging from 0 to 100 on firm flexibility (table 22). The points under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of service provision to businesses. 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 *Court Litigation* has 8 indicators with a total maximum score of 66.67 points. Specifically, the *Reliability of Courts* subcategory has 2 indicators, and the *Operational Efficiency of Court Processes* subcategory has 6 indicators.

6.3.2 *Alternative Dispute Resolution (ADR)* has 6 indicators with a total maximum score of 33.33 points. Specifically, the *Reliability of ADR* subcategory has 2 indicators, and the *Operational Efficiency of Arbitration Processes* subcategory has 4 indicators.

Table 22. Aggregate Scoring Pillar III

Pillar III–Ease of Resolving a Commercial Dispute		No. of Indicators	Rescaled Points
3.1	Court Litigation	8	66.67
3.1.1	Reliability of Courts	2	26.67
3.1.2	Operational Efficiency of Court Processes	6	40.00
3.2	Alternative Dispute Resolution (ADR)	6	33.33
3.2.1	Reliability of ADR	2	13.33
3.2.2	Operational Efficiency of Arbitration Processes	4	20.00
Total		14	100.00

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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 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 FOR DISPUTE RESOLUTION					
1.1 COURT LITIGATION					
1.1.1 Procedural Certainty (includes environment)					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Time Standards	1	1	2	4.21	CEPEJ (2021a); Jean and Gurbanov (2015); World Bank Group (2016)
Deadline to Consider a Request for Interim Measures	1	1	2	4.21	ECHR (2024); Jean and Gurbanov (2015)
Time Limit on Suggesting Evidence	1	1	2	4.21	CEPEJ (2018); Steelman (2008)
Limitations on Adjournments	1	1	2	4.21	UNODC (2011); World Bank Group (2016)
Holding a Pre-Trial Conference	1	1	2	4.21	CEPEJ (2016); NAPCO (2016)
Availability of a Default Judgment	1	1	2	4.21	EU (2006); World Bank Group (2016)
Recognition and Enforcement of Foreign Judgments	1	1	2	4.21	Browne, Watret, and Blears (2021); HCCH (1961, 2019)
Time Limit for Enforcing a Judgment	1	1	2	4.21	World Bank Group (2012, 2016)
Powers of Enforcement Agents to Seize Extra Types of Assets	1	1	2	4.21	CECL and UIHJ (2021)
Environmental Sustainability	n/a	1	1	2.11	Ellis (2012); Murase (1995); UNEP (2016)
Total Points for Subcategory 1.1.1	9	10	19	40.00	
1.1.2 Judicial Integrity (includes gender)					
Protections against Interference with Judges' Work	1	1	2	4.45	OSCE (2010)
Disclosure of Assets by Judges	1	1	2	4.45	Transparency International (2007); UNODC (2011); USAID (2002, 2009)
Code of Ethics for Judges	1	1	2	4.45	UNODC (2011)
Code of Ethics for Enforcement Agents	1	1	2	4.45	GIZ (2020)
Existence of a Judicial Whistleblowing Policy	1	1	2	4.45	Council of Europe (2014); ICC (2014)

Equal Rights for Men and Women in Commercial Litigation	1	1	2	4.45	Feenan (2008); IDLO (2018); Samaha (2021); UN General Assembly (1979)
Total Points for Subcategory 1.1.2	6	6	12	26.67	
Total Points for Category 1.1	15	16	31	66.67	
1.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)					
1.2.1 Legal Safeguards in Arbitration					
Parties' Autonomy in Arbitration	1	1	2	2.78	ArbitralWomen (2016); ICCA (2020); UNCITRAL (2008)
Access to Arbitration	1	1	2	2.78	CAM (2020); ICC (2012); European Parliament (2022); UNCITRAL (2022)
Independence and Impartiality of Arbitrators	1	1	2	2.78	UNCITRAL (2008)
Incorporation of the Principle “ <i>Kompetenz-Kompetenz</i> ”	1	1	2	2.78	UNCITRAL (2008)
Court Support of Arbitration	1	1	2	2.78	UNCITRAL (2008)
Recognition and Enforcement of Arbitral Awards	1	1	2	2.78	UNCITRAL (1958, 2008)
Total Points for Subcategory 1.2.1	6	6	12	16.67	
1.2.2 Legal Safeguards in Mediation					
Parties' Autonomy in Mediation	1	1	2	4.17	Decker (2013); Quek Anderson (2010); Reuben (2007); Streeter-Schaefer (2001); UNCITRAL (2018); World Bank Group (2016)
Independence and Impartiality of Mediators	1	1	2	4.17	UNCITRAL (2018)
Inadmissibility of Using Suggestions and Statements Made for the Purpose of Mediation in Other Proceedings	1	1	2	4.17	UNCITRAL (2018)
Recognition and Enforcement of Mediation Agreements	1	1	2	4.17	EU (2008); UN (2014); UNCITRAL (2018)
Total Points for Subcategory 1.2.2	4	4	8	16.67	
Total Points for Category 1.2	10	10	20	33.33	
Total Points for Pillar I	25	26	51	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 FOR DISPUTE RESOLUTION					
2.1 COURT LITIGATION					
2.1.1 Organizational Structure of Courts					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Existence of a Commercial Court or Division	1	1	2	4.44	Blair (2019); OECD (2013a)
Automated Random Assignment of Cases	1	1	2	4.44	Cordella and Contini (2020); Gramckow and Nussenblatt (2013)
Access to Justice for Micro and Small Businesses	1	1	2	4.44	CEPEJ (2022); World Bank Group (2016, 2020)
Facilitated International Dispute Resolution	1	1	2	4.44	Brekoulakis and Dimitropoulos (2022); Johnson, Sachs, and Merrill (2021); UNCTAD (2010); World Bank Group (2019)
Special Review Mechanisms to Support Judicial Integrity	1	1	2	4.44	CEPEJ (2021); Council of Europe (1998, 2007); UNODC (2011); USAID (2002); World Bank Group (2021)
Total Points for Subcategory 2.1.1	5	5	10	22.22	
2.1.2 Digitalization of Court Processes					
Electronic Initiation of a Case	1	1	2	2.78	ABA (2006); Cabral et al. (2012); CEPEJ (2021); Cordella and Contini (2020); EBRD (2020); Gramckow and Nussenblatt (2013); Greacen (2018)
Electronic Flow of Documents during the Proceedings	1	1	2	2.78	CEPEJ (2021); Cordella and Contini (2020); Gramckow and Nussenblatt (2013)
Issuing an Electronic Judgment	1	1	2	2.78	Cordella and Contini (2020)
Electronic Communication with Courts and Enforcement Agents	1	1	2	2.78	CEPEJ (2017); Cordella and Contini (2020); EU (2021); Gramckow and Nussenblatt (2013)
Admissibility of Digital Evidence	1	1	2	2.78	Council of Europe (2019); JTC (2016)
Virtual Hearings	1	1	2	2.78	CEPEJ (2020a, 2021d); Greacen (2018); OECD (2020)
Auxiliary Electronic Services	1	1	2	2.78	Cabral et al. (2012); CEPEJ (2008b, 2021c); CJEU (n.d.); Cordella and Contini (2020); EBRD (2020); Gramckow and Nussenblatt (2013); HCCH (2024); UNODC (2011)
Online Auctions	1	1	2	2.78	CEPEJ (2015); EBRD (2020)
Total Points for Subcategory 2.1.2	8	8	16	22.22	

2.1.3 Transparency of Courts (includes gender)					
Public Database for Acts of Legislation	1	1	2	3.17	CEPEJ (2008c); World Bank Group (2016)
Public Access to Court Hearings Held in Person	1	1	2	3.17	ABA (2019); ECHR (2010); OHCHR (1966); UN (1948)
Public Access to Court Hearings Held Online	1	1	2	3.17	CEPEJ (2021)
Publication of Judgments of Higher Courts	1	1	2	3.17	CEPEJ (2008c); EU (2021); OSCE (2010); World Bank Group (2016, 2021)
Publication of Judgments of First Instance Courts	1	1	2	3.17	CEPEJ (2008c); EU (2021); OSCE (2010); World Bank Group (2016, 2021)
Publication of Information on Courts' Composition	1	1	2	3.17	CEPEJ (2020d); CEPEJ (2020b, 2020c); ECPR (2017); Transparency International (2021); UN (2016); UNODC (2011); UNODC (n.d.); USAID (2002)
Publication of Information on Performance of Courts and Enforcement Agents	1	1	2	3.17	CEPEJ (2008, 2020d); CEPEJ (2009, 2015, 2021); EU (2021); Gramckow (2014)
Total Points for Subcategory 2.1.3	7	7	14	22.22	
Total Points for Category 2.1	20	20	40	66.67	
2.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)					
2.2.1 Public Services for Arbitration (includes gender)					
Availability of Commercial Arbitration Services	1	1	2	3.33	Pouget (2013); World Bank (2011); Yin (2021)
Special Procedures in Arbitration	1	1	2	3.33	Ashford (2021) ICC (2021b), UNCITRAL (2021), Wallach (2023)
Promotion of Arbitration	1	1	2	3.33	CIArb (2021); Schimmel et al. (2018)
Digitalization of Arbitration	1	1	2	3.33	Ongenaë (2023); Piers and Aschauer (2018)
Transparency of Arbitration	1	1	2	3.33	Baetens (2020); CAM (2015); World Bank (2016); ICCA (2022); New York City Bar (2014); UN (2016); Zlatanska (2015)
Total Points for Subcategory 2.2.1	5	5	10	16.67	
2.2.2 Public Services for Mediation (includes gender)					
Availability of Mediation Services	1	1	2	4.17	European Parliament (2011); Pouget (2013); World Bank (2011)
Promotion of Mediation	1	1	2	4.17	European Parliament (2011); UNCITRAL (2018)
Digitalization of Mediation	1	1	2	4.17	Cordella and Contini (2020); Cortés (2011); EBRD (2021); Greacen (2018); OECD (2020); UNCITRAL (2017); Van den Heuvel (2000)

Transparency of Mediation	1	1	2	4.17	Gramckow et al. (2016); Kessedjian (2022); UN (2016, 2019)
Total Points for Subcategory 2.2.2	4	4	8	16.67	
Total Points for Category 2.2	9	9	18	33.33	
Total Points for Pillar II	29	29	58	100.00	

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					
3.1 COURT LITIGATION					
3.1.1 Reliability of Courts					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
In Resolving Commercial Disputes, Courts are Independent and Impartial	50	n/a	50	13.33	Council of Europe (2020); Feld, Gutmann and Voigt (2015)
Courts are Not an Obstacle to Business Operations	50	n/a	50	13.33	Esposito, Lanau, and Pompe (2014); Garcia-Posada and Mora-Sanguinetti (2015); Giacomelli and Menon (2017); Staats and Biglaiser (2011); World Bank (2004, 2019)
Total Points for Subcategory 3.1.1	100	n/a	100	26.67	
3.1.2 Operational Efficiency of Court Processes					
Time for Court Litigation	29.2	n/a	29.2	11.67	Chemin (2009); Dejuan-Bitria and Mora-Sanguinetti (2021); Fabbri (2010); Moro, Maresch, and Ferrando (2018); Ramos Maqueda and Chen (2021)
Cost for Court Litigation	29.2	n/a	29.2	11.67	Garcia-Posada and Mora-Sanguinetti (2015); Lee III (2015); OECD (2013b)
Time to Recognize a Foreign Judgment	4.2	n/a	4.2	1.67	Garcimartin and Saumier (2020); Hulbert (2008).
Cost to Recognize a Foreign Judgment	4.2	n/a	4.2	1.67	Baker McKenzie (2020); Bluestone (2006); Garcimartin and Saumier (2020)
Time to Enforce a Final Judgment	16.7	n/a	16.7	6.67	Gramckow (2014)
Cost to Enforce a Final Judgment	16.7	n/a	16.7	6.67	Gramckow (2014)
Total Points for Subcategory 3.1.2	100	n/a	100	40.00	
Total Points for Category 3.1	100	n/a	100	66.67	
3.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)					
3.2.1 Reliability of ADR					
Arbitration is a Reliable Mechanism to Resolve Commercial Disputes	50	n/a	50	6.67	Pouget (2013); World Bank (2011)
Mediation is a Reliable Mechanism to Resolve Commercial Disputes	50	n/a	50	6.67	Pouget (2013); World Bank (2011)
Total Points for Subcategory 3.2.1	100	n/a	100	13.33	

3.2.2 Operational Efficiency of Arbitration Processes					
Time for Arbitration	25	n/a	25	5.00	AAA (2013); Dejuan-Bitria and Mora-Sanguinetti (2021); Fry (2011); Slate II (2010); Waxman, Bleemer, and Hershenberg (2022); Weinstein (2017)
Cost for Arbitration	25	n/a	25	5.00	Garcia-Posada and Mora-Sanguinetti (2015); Lee III (2015); OECD (2013b); Slate II (2010)
Time to Recognize a Foreign Arbitral Award	25	n/a	25	5.00	IBA (2015); Mistelis and Baltag (2008)
Cost to Recognize a Foreign Arbitral Award	25	n/a	25	5.00	IBA (2015); Mistelis and Baltag (2008)
Total Points for Subcategory 3.2.2	100	n/a	100	20.00	
Total Points for Category 3.2	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. 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 in a commercial dispute of [CLAIM VALUE] that involves two business entities located in [CITY NAME]. 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 over a commercial dispute of [CLAIM VALUE] that involves two business entities located in [CITY NAME]. 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 (for example, a judicial officer as court enforcement agent or civil servant under the executive department) or a private status (for example, 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 as well as regulations and decrees made by the executive. Case law is equally considered part of the legal framework, along with comprehensive sets of rules adopted by the highest judicial bodies (*for example, Supreme Court Mediation Rules or Supreme Court General Guidance on Extensions and Adjournments*). Furthermore, legal framework also includes international treaties to which a country is a party.

Local institutions: All institutions that are involved in the process of commercial dispute resolution in [CITY NAME].

Mediation: An alternative dispute resolution process, irrespective of the expression used or the basis upon which the process is carried out, whereby parties request an independent third person or persons (such as the mediator) to assist them in their attempt to reach an amicable settlement of a legal dispute. In contrast to court litigation or arbitration, the mediator does not have the authority to impose a solution on the parties to the dispute.

Private mediation: Mediation that is completely independent from the court and requires no court approval of a mediator or mediators 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.

The 1958 New York Convention: The United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, June 10, 1958).

The 1961 Apostille Convention: The Convention Abolishing the Requirement of Legalisation for Foreign Public Documents (The Hague, October 5, 1961).

The 2018 Singapore Convention: The United Nations Convention on International Settlement Agreements Resulting from Mediation (New York, December 20, 2018).

The 2019 Judgments Convention: The Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters (The Hague, July 2, 2019).

DISPUTE RESOLUTION 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 “Y/N; N – good practice”.

Certain questions are labeled 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS FOR DISPUTE RESOLUTION	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where regulations may not be applicable at a national level and vary across states or regions. In Pillar I, the parameter of business location is used to determine the specific city, in which the quality of regulations 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 Procedural Certainty (includes environment)

1. Please indicate the name of the first instance court that will have jurisdiction over the following commercial case: (not scored)

- The dispute involves two business entities located in [CITY NAME].
- The case relates solely to the conduct of their business.
- The value of the claim is [CLAIM VALUE].

Note: If several courts may have jurisdiction over this case at the first instance level, then please provide a response that would apply to the majority of commercial disputes in [CITY NAME].

2. Please indicate the name of the appellate court that will have jurisdiction over the same case at the appellate level. (not scored)

Note: If several courts may have jurisdiction over this case at the first instance level, then please provide a response that would apply to the majority of commercial disputes in [CITY NAME].

3. Does the legal framework provide for a time frame within which the defendant must be served with a copy of the initial complaint in a commercial case? (Y/N)

4. Does the legal framework provide for a time frame within which the defendant must file its statement of defense in a commercial case? (Y/N)

- 5. Does the legal framework provide for a time frame 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.

- 6. Does the legal framework provide for a time frame within which the judge must submit a complete written judgement after all hearings have been held? (Y/N)**

- 7. Does the legal framework provide for the time frame 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.

- 8. 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)**

Note: The allowable exception to this rule covers instances when relevant evidence could not have been obtained with reasonable diligence prior to the indicated period of time or court event.

- 9. In commercial cases, are adjournments limited to unforeseen and exceptional circumstances (for example, serious illness of a party, willingness of the parties to attempt to reach a settlement, etc.)? (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: “Pre-trial hearing” (also preparatory) 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 outright issue a judgment in favor of the plaintiff (default judgment)? (Y/N)**

- 13. Does the legal framework allow for using apostille in the process of recognition and enforcement of a foreign judgment? (Y/N)**

Note: “Apostille” means a certificate issued in accordance with the 1961 Apostille Convention by the competent authority of the country from which the document emanates that certifies the authenticity of the signature, the capacity in which the person signing the document has acted and, where appropriate, the identity of the seal or stamp which it bears.

Y → provide response to question 73.

- 14. 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)**

Note: Please respond based on the assumption that the foreign judgment emanates from a country, which is solely bound by the 2019 Judgments Convention on this subject.

- 15. 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)**

Note: Please respond based on the assumption that the foreign judgment emanates from a country, which is solely bound by the 2019 Judgments Convention on this subject.

16. Does the legal framework provide for a time frame within which the enforcement agent must complete enforcing of a final judgment following the receipt of a request by the creditor? (Y/N)

Note: Please answer Yes only if this time frame covers the period from the receipt of a request for enforcing a final judgment until the completion of the enforcement proceedings.

17. Does the legal framework provide the enforcement agent with the right to seize the debtor's monetary claims toward a third party? (Y/N)

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

18. 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)

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

19. Does the legal framework provide the enforcement agent with the right to seize the debtor's electronic assets (for example, cryptocurrency)? (Y/N)

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

20. Does the legal framework allow any party, including business entities, non-governmental 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)

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

21. 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)

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

22. Does the legal framework impose on business entities an obligation to consider the impact of their operations on the environment? (Y/N)

Note: Please answer Yes even if the legal framework imposes this obligation only on larger firms.

23. 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 harm? (Y/N)

Note: Please answer Yes only if the legal framework allows the court to issue both restraining (for example, an order to stop a harmful activity) and restorative measures (for example, an order to restore the polluted land).

1.1.2 Judicial Integrity (includes gender)

24. Does the legal framework prevent the chairperson of a court from interfering with the adjudication by other judges? (Y/N)

25. Does the legal framework preclude commencing disciplinary proceedings against judges for the reasons solely related to how they apply and interpret the law? (Y/N)

26. Does the legal framework require judges to disclose their assets on an annual basis? (Y/N)

Y → provide response to question 27.

27. Does the legal framework require these disclosures to be available for the public scrutiny? (Y/N)

28. 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.

29. In your jurisdiction, is there a code of ethics that specifically regulates the activity of enforcement agents (which is different from a generic code of ethics for civil servants)? (Y/N)

Note: Please answer Yes only if the code covers all or most of the following: conflict of interest; independence and impartiality; diligent performance of official duties; enforcement of defined procedures; disciplinary sanctions; transparency and predictability of costs.

30. In your jurisdiction, is there a judicial whistleblowing policy? (Y/N)

Note: “Judicial whistleblowing policy” means a set of rules that allows employees of the judiciary (whistleblowers) to confidentially report suspected wrongdoing in the administration of justice and protects them from retaliation.

31. 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.

1.1 COURT LITIGATION			
1.1.1 Procedural Certainty (includes environment)			
Indicators	FFP	SBP	Total Points
Time Standards	1	1	2
- Serving a complaint on the defendant (3)	0.25	0.25	0.5
- Filing a statement of defense (4)	0.25	0.25	0.5
- Issuing an expert opinion (5)	0.25	0.25	0.5
- Submitting a judgment (6)	0.25	0.25	0.5
Deadline to Consider a Request for Interim Measures (7)	1	1	2
Time Limit on Suggesting Evidence (8)	1	1	2
Limitations on Adjournments	1	1	2
- Restricted ground on adjournments (9)	0.5	0.5	1
- Maximum number of adjournments (10)	0.5	0.5	1
Holding a Pre-Trial Conference (11)	1	1	2
Availability of a Default Judgment (12)	1	1	2
Recognition and Enforcement of Foreign Judgments	1	1	2
- Allowing the use of apostilles (13)	0.33	0.33	0.66
- Not requiring a security from a foreign judgment creditor (14)	0.33	0.33	0.66

- Grounds for denying recognition and enforcement of foreign judgments (15)	0.33	0.33	0.66
Time Limit for Enforcing a Judgment (16)	1	1	2
Powers of Enforcement Agents to Seize Extra Types of Assets	1	1	2
- Powers of enforcement agents to seize the debtor's monetary claims toward a third party (17)	0.33	0.33	0.66
- Powers of enforcement agents to seize the debtor's financial instruments, such as bonds and stocks (18)	0.33	0.33	0.66
- Powers of enforcement agents to seize the debtor's electronic assets, such as cryptocurrency (19)	0.33	0.33	0.66
Environmental Sustainability	0	1	1
- Expanded legal standing in environmental disputes (20)	0	0.25	0.25
- Holding polluting firms accountable for environmental damage caused abroad (21)	0	0.25	0.25
- Obligation for businesses to consider the impact of operations on the environment (22)	0	0.25	0.25
- Expanded range of remedies in environmental disputes (23)	0	0.25	0.25
Total Points	9	10	19
1.1.2 Judicial Integrity (includes gender)			
Indicators	FFP	SBP	Total Points
Protection Against Interference with Judges' Work	1	1	2
- Preventing the chairperson of a court from interfering with the adjudication by other judges (24)	0.5	0.5	1
- Precluding the commencement of disciplinary proceedings against judges for reasons solely related to how they apply and interpret the law (25)	0.5	0.5	1
Disclosure of Assets by Judges	1	1	2
- Obligation for judges to disclose their assets on an annual basis (26)	0.5	0.5	1
- Making judges' disclosures of assets available for public scrutiny (27)	0.5	0.5	1
Code of Ethics for Judges (28)	1	1	2
Code of Ethics for Enforcement Agents (29)	1	1	2
Existence of a Judicial Whistleblowing Policy (30)	1	1	2
Equal Rights for Men and Women in Commercial Litigation (31)	1	1	2
Total Points	6	6	12

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)

In all questions that relate to arbitration, please answer Yes only when a specific good practice is available in both domestic and international arbitration.

However, with respect to questions on mediation, please answer Yes whenever a specific good practice exists in any type of mediation, that is court-annexed mediation, private mediation, or both.

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 Legal Safeguards in Arbitration

- 32. Does the legal framework allow the parties to freely select arbitrators regardless of their nationality and profession (that is, not only lawyers)? (Y/N)**
- 33. 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 a specific bar association? (Y/N)**
- 34. Does the legal framework allow privately owned business entities to arbitrate commercial disputes with public bodies and state-owned enterprises? (Y/N)**
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.
- 35. Does the legal framework explicitly allow the provision of third-party funding in 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.
- 36. 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? (Y/N)**
- 37. Does the legal framework allow parties to challenge an arbitrator if circumstances exist that may impact the arbitrator's independence or impartiality? (Y/N)**
- 38. 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? (Y/N)**
- 39. Does the legal framework allow courts to order interim measures in support of arbitration? (Y/N)**
Note: "Interim measures" (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 ensure a meaningful final adjudication on the merits.
- 40. Does the legal framework allow courts to order the production of documents or the appearance of witnesses in support of arbitration? (Y/N)**
- 41. Does the legal framework provide that courts may recognize as binding and enforce interim awards? (Y/N)**
Note: Interim awards are different from interim measures. Specifically, "interim award" (also provisional) 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.
- 42. Does the legal framework provide that courts may recognize as binding and enforce partial awards? (Y/N)**
Note: Partial awards are different from interim measures. Specifically, "partial award" means an arbitral award that finally determines only part of the claims in dispute between the parties.

43. 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 domestic arbitral award on the merits (“révision au fond”)? (Y/N; N – good practice)

44. 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)

Note: Please respond based on the assumption that the foreign arbitral award emanates from a country, which is solely bound by the 1958 New York Convention on this subject.

1.2.2 Legal Safeguards in Mediation

45. Does the legal framework establish that mediation is mandatory: that is, parties are required to attempt mediation in typical (not small claims) commercial cases—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 if 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 118 and 120.

46. Does the legal framework allow the parties to freely select mediators regardless of their nationality and profession (that is, not only lawyers)? (Y/N)

47. 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)

48. 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)

49. Does the legal framework preclude the parties to mediation proceedings, mediator and any involved third person from relying on or testifying regarding suggestions and statements made during the mediation proceedings in arbitration, court litigation, or other types of dispute resolution? (Y/N)

Note: These 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.

50. 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? (Y/N)

Note: Examples of such a regime include making mediation agreements subject to a simplified court procedure (for example, expedited conversion to a court judgment, etc.), rendering them enforceable upon notarization, granting them the status of an arbitral award, etc.

51. 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)

Note: Please respond based on the assumption that the international mediation settlement agreement emanates from a country, which is solely bound by the 2018 Singapore Convention on this subject.

1.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)			
1.2.1 Legal Safeguards in Arbitration			
Indicators	FFP	SBP	Total Points
Parties' Autonomy in Arbitration	1	1	2
- Allowing the parties to freely select arbitrators (32)	0.5	0.5	1
- Allowing the parties to freely select a legal counsel (33)	0.5	0.5	1
Access to Arbitration	1	1	2
- Arbitration in disputes with state-owned enterprises and public bodies (34)	0.5	0.5	1
- Provision of third-party funding (35)	0.5	0.5	1
Independence and Impartiality of Arbitrators	1	1	2
- Disclosure of conflict of interest by arbitrators (36)	0.5	0.5	1
- Parties' right to question arbitrators' independence and impartiality (37)	0.5	0.5	1
Incorporation of the Principle "Kompetenz-Kompetenz" (38)	1	1	2
Court Support of Arbitration	1	1	2
- Support by courts in ordering interim measures in arbitration (39)	0.5	0.5	1
- Support by courts in the collection of evidence in arbitration (40)	0.5	0.5	1
Recognition and Enforcement of Arbitral Awards	1	1	2
- Recognition and enforcement of interim awards (41)	0.25	0.25	0.5
- Recognition and enforcement of partial awards (42)	0.25	0.25	0.5
- Grounds for setting aside, annulment, or vacating a domestic arbitral award (43)	0.25	0.25	0.5
- Grounds for denying recognition and enforcement a foreign arbitral award (44)	0.25	0.25	0.5
Total Points	6	6	12
1.2.2 Legal Safeguards in Mediation			
Indicators	FFP	SBP	Total Points
Parties' Autonomy in Mediation	1	1	2
- Voluntary nature of commercial mediation (45)	0.5	0.5	1
- Allowing the parties to freely select mediators (46)	0.5	0.5	1
Independence and Impartiality of Mediators	1	1	2
- Disclosure of conflict of interest by the mediator (47)	0.5	0.5	1
- Restriction for a mediator to act as an arbitrator in the same or related dispute (48)	0.5	0.5	1
Inadmissibility of Using Suggestions and Statements Made for the Purpose of Mediation in Other Proceedings (49)	1	1	2
Recognition and Enforcement of Mediation Agreements	1	1	2
- Streamlined enforcement regime for mediation settlement agreements (50)	0.5	0.5	1
- Recognition and enforcement of international mediation agreements (51)	0.5	0.5	1
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II–PUBLIC SERVICES FOR DISPUTE RESOLUTION	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used as provision of public services may vary across different parts of an economy. In Pillar II, it is applied to determine the specific city, in which public services for dispute resolution will be measured.
First Instance Court	In Pillar II, category on Court Litigation, the Dispute Resolution topic focuses specifically on public services provided in first instance courts. The parameter does not apply to the category on Alternative Dispute Resolution (ADR).

2.1 COURT LITIGATION

In this part of the Questionnaire, please respond specifically based on the [FIRST INSTANCE COURT], unless instructions for a particular question indicate or imply otherwise.

In all questions that relate to digitalization, please answer Yes whenever a particular electronic feature is fully implemented in practice, regardless of whether it is used by most litigants or not. Please answer Yes only if this electronic feature 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.

2.1.1 Organizational Structure of Courts

52. Is there a court or division 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 division 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).

53. 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.

54. Is there a small claims court and/or a fast-track procedure for small claims? (Y/N)

Note: The question is about mechanisms for contested claims, not uncontested ones such as payment order procedure, etc. 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 (shorter time frames, relaxed evidence rules, etc.).

Y → provide response to question 55.

55. As far as the small claims court and/or a fast-track procedure for small claims is concerned, can parties self-represent themselves before it without an attorney? (Y/N)

56. Is there a functioning legal aid program aimed at improving access to justice for micro and small businesses? (Y/N)

Note: Legal aid means the provision of legal advice, assistance, and representation in court, ADR, and enforcement proceedings to businesses that cannot afford it. Legal aid is mainly provided by lawyers and paralegals, and is funded, in whole or part, by the government. At the very least, legal aid programs should include legal services and court fee waivers. Please answer Yes only if such a legal aid program is accessible for micro and small businesses (not just individuals).

57. Is there a court or division of a court dedicated to hearing international commercial matters? (Y/N)

Note: Such court or division typically adjudicates international commercial cases and may also hear requests to recognize foreign arbitral awards.

58. Is there an established public agency or government unit tasked specifically with prevention and early resolution of investor-state disputes? (Y/N)

Note: Examples of such mechanisms include establishing a public agency or government unit to flag in advance a potential investor-state dispute, empowering an existing agency or unit to proactively negotiate with the investor, appointing an ombudsman to resolve such disputes, etc.

59. Is there an independent review mechanism (for example, Judicial Ombudsman) established specifically to hear complaints filed by candidates for judicial appointments (and promotions, where applicable) about how their applications have been handled? (Y/N)

Note: Please answer Yes only if such hearings and subsequent decisions are open to the public. "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.

60. Is there an independent review mechanism (for example, Judicial Disciplinary Committee) established specifically to hear 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: Please answer Yes only if such hearings and subsequent decisions are open to the public. "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' misconduct.

61. Is there an independent review mechanism (for example, Bailiffs Disciplinary Committee) established specifically to hear 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: Please answer Yes only if such hearings and subsequent decisions are open to the public. "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 complaints filed against the misconduct of enforcement agents.

2.1.2 Digitalization of Court Processes

62. 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 would be required from the plaintiff, including at the first hearing. Filing by email is not considered an electronic submission for this question.

63. 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 would be 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.

64. 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 the case is under consideration? (Y/N)

Note: Email exchanges are not considered an electronic submission/receipt for this question.

65. 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 would be required for enforcement.

66. 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.

67. 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.

68. Is digital evidence, including contracts in an electronic format, 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.

69. In practice, 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 a party submits a justified request? (Y/N)

Y → provide response to question 77.

70. 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) would be required from the plaintiff to complete the payment.

71. Can a party track the status of its commercial case online (for example, through a court's platform or ECMS)? (Y/N)

72. Is the court's schedule of all its hearings made publicly available online (for example, on the court's website)? (Y/N)

73. In your jurisdiction, can an apostille be issued and verified electronically? (Y/N)

Note: Please answer Yes only if both electronic issuance (e-Apostille) and verification (e-Register) of apostilles are available.

74. During the enforcement of commercial judgments, in practice, can auctions be conducted online? (Y/N)

Note: Please answer Yes if online auctions are conducted in a secure and transparent manner, irrespective of whether the enforcement institution has developed its own application or uses third-party platforms to this end.

2.1.3 Transparency of Courts (includes gender)

75. 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? (Y/N)

Note: Please answer Yes only if acts of secondary legislation (ministerial acts, bylaws, etc.) are published as outlined above, not only main laws and regulations. “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.

76. Are in-person court hearings of commercial cases open to the public, including independent media, 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.

77. Are online court hearings of commercial cases open to the public, including independent media, 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.

78. Are all commercial judgments at the supreme and appellate levels published in a searchable database accessible to the public free of charge? (Y/N)

Note: Please answer Yes only if judgements at both the supreme and appellate levels are published as outlined above. “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.

79. Are all commercial judgments at the first instance level published in a searchable database accessible to the public 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.

80. 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 publicly available.

Y → provide response to question 81.

81. Are these statistics on the number of judges sex-disaggregated? (Y/N)

82. 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 1 month prior to the deadline for candidates to apply and the information on the outcome of the selection process is published no later than 1 month 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.

83. Does the judiciary, or other relevant body, publish a time to disposition report for commercial cases, at least once a year? (Y/N)

Note: "Time to disposition report" means a report that measures for each court the time it takes to adjudicate commercial cases. Please answer Yes only if the data for the year [20YY] are publicly available.

84. Does the judiciary, or other relevant body, publish a clearance rate report for commercial cases, at least once a year? (Y/N)

Note: "Clearance rate report" means a report that measures for each court the number of commercial cases resolved versus the number of incoming cases. Please answer Yes only if the data for the year [20YY] are publicly available.

85. Does the enforcement institution, or other relevant body, publish statistics on the average length of enforcement proceedings, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are publicly available.

86. Does the enforcement institution, or other relevant body, publish statistics on the number of resolved enforcement cases and the number of unresolved cases, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are publicly available.

2.1 COURT LITIGATION			
2.1.1 Organizational Structure of Courts			
Indicators	FFP	SBP	Total Points
Existence of a Commercial Court or Division (52)	1	1	2
Automated Random Assignment of Cases (53)	1	1	2
Access to Justice for Micro and Small Businesses	1	1	2
- Establishment of a small claims court or procedure (54)	0.33	0.33	0.66
- Self-representation before a small claims court or procedure (55)	0.33	0.33	0.66
- Existence of a legal aid program for micro and small businesses (56)	0.33	0.33	0.66
Facilitated International Dispute Resolution	1	1	2
- Existence of an international court or division (57)	0.5	0.5	1
- Setting up a mechanism for prevention and early resolution of investor-state disputes (58)	0.5	0.5	1
Special Review Mechanisms to Support Judicial Integrity	1	1	2
- Review mechanism for complaints filed against decisions on appointment (and promotion, where applicable) of judges (59)	0.33	0.33	0.66
	0.33	0.33	0.66

- Review mechanism for complaints filed against judges' misconduct (60)	0.33	0.33	0.66
- Review mechanism for complaints filed against the misconduct of enforcement agents (61)			
Total Points	5	5	10
2.1.2 Digitalization of Court Processes			
Indicators	FFP	SBP	Total Points
Electronic Initiation of a Case	1	1	2
- Electronic filing of the initial complaint (62)	0.5	0.5	1
- Electronic service of process for the initial complaint (63)	0.5	0.5	1
Electronic Flow of Documents during the Proceedings (64)	1	1	2
Issuing an Electronic Judgment (65)	1	1	2
Electronic Communication with Courts and Enforcement Agents	1	1	2
- Electronic communication with courts (66)	0.5	0.5	1
- Electronic communication with enforcement agents (67)	0.5	0.5	1
Admissibility of Digital Evidence (68)	1	1	2
Virtual Hearings (69)	1	1	2
Auxiliary Electronic Services	1	1	2
- Electronic payment of court fees (70)	0.25	0.25	0.5
- Electronic tracking of cases (71)	0.25	0.25	0.5
- Electronic access to court schedule (72)	0.25	0.25	0.5
- Electronic issuance and verification of apostilles (73)	0.25	0.25	0.5
Online Auctions (74)	1	1	2
Total Points	8	8	16
2.1.3 Transparency of Courts (includes gender)			
Indicators	FFP	SBP	Total Points
Public Database for Acts of Legislation (75)	1	1	2
Public Access to Court Hearings Held in Person (76)	1	1	2
Public Access to Court Hearings Held Online (77)	1	1	2
Publication of Judgments of Higher Courts (78)	1	1	2
Publication of Judgments of First Instance Courts (79)	1	1	2
Publication of Information on Courts' Composition	1	1	2
- Statistics on the number of judges disaggregated by individual court and by level of court (80)	0.33	0.33	0.66
- Statistics on the number of judges disaggregated by sex (81)	0.33	0.33	0.66
- Publication of information on appointment (and promotion, where applicable) of judges (82)	0.33	0.33	0.66
Publication of Information on Performance of Courts and Enforcement Agents	1	1	2
- Time to disposition report (83)	0.25	0.25	0.5
- Clearance rate report (84)	0.25	0.25	0.5
- Statistics on the average length of enforcement proceedings (85)	0.25	0.25	0.5
- Statistics on the number of resolved enforcement cases and the number of unresolved cases (turnover rate) (86)	0.25	0.25	0.5
Total Points	7	7	14

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)

In all questions that relate to arbitration, please answer Yes only when a specific good practice is available in both domestic and international arbitration.

However, with respect to questions on mediation, please answer Yes whenever a specific good practice exists in any type of mediation, that is court-annexed mediation, private mediation, or both.

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 Public Services for Arbitration (includes gender)

87. In your jurisdiction, is domestic arbitration available for resolving commercial disputes? (Y/N)

Note: Please answer Yes only if the relevant arbitration institution is fully operational, that is, it considers cases in practice, and has its specific arbitration rules formally adopted.

Y to questions 87 and 88 → provide response to questions 89-102 and 137-141.

88. In your jurisdiction, is international arbitration available for resolving commercial disputes? (Y/N)

Note: Please answer Yes only if the relevant arbitration institution is fully operational, that is, it considers cases in practice, and has its arbitration rules formally adopted.

Y to questions 87 and 88 → provide response to questions 89-102 and 137-141.

89. Please estimate how many commercial cases in total (both domestic and international) have approximately been resolved by the arbitration institution(s) in your jurisdiction over the last year. (not scored)

89a. 0-10

89b. 11-25

89c. 26-100

89d. More than 100

90. In practice, does the local arbitration institution provide for the emergency arbitration procedure? (Y/N)

Note: “Emergency arbitration procedure” means a special procedure that allows the parties to seek an emergency measure before an arbitral tribunal is constituted.

91. In practice, does the local arbitration institution provide for the early dismissal procedure? (Y/N)

Note: “Early dismissal procedure” means a special procedure permitting an arbitral tribunal to dismiss a claim at the outset if it is manifestly without legal merit.

92. In practice, does the local arbitration institution provide for the expedited (fast-track) procedure? (Y/N)

Note: “Expedited (fast-track)” procedure means a streamlined procedure that applies simplified procedural rules and has a shortened time frame.

93. In practice, does the local arbitration institution provide for consolidation of related arbitral proceedings and joinder of additional parties? (Y/N)

Note: Please answer Yes only if both consolidation and joinder are available in practice.

94. Does the local arbitration institution maintain an up-to-date publicly accessible roster of all qualified arbitrators? (Y/N)

Note: Please answer Yes only if the rules of the local arbitration institution also do not preclude parties from choosing arbitrators outside the roster.

95. In practice, does your local arbitration institution check the quality of draft arbitral awards in terms of form or substance? (Y/N)

Note: Please answer Yes if either comprehensive or light checks are conducted in practice.

96. In commercial arbitration, can parties file, view, and download all submitted documents in an arbitration proceeding through a secure online platform of the local arbitration institution? (Y/N)

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.

97. In commercial arbitration, in practice, can virtual conferences and hearings be securely held through an online platform or via videoconferencing? (Y/N)

98. In commercial arbitration, in practice, can an arbitral award be securely signed electronically by all involved arbitrators? (Y/N)

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.

99. Does the domestic arbitration institution(s), or other relevant body, publish statistics on the number of commercial cases resolved through arbitration, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are publicly available.

100. 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? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are publicly available.

101. Does the domestic arbitration institution(s), or other relevant body, regularly publish summaries of commercial arbitral awards, access to which is public and free of charge? (Y/N)

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.

102. Does the local arbitration institution, or other relevant body, publish statistics on the number of appointments of arbitrators disaggregated by sex, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are publicly available.

2.2.2 Public Services for Mediation (includes gender)

103. In your jurisdiction, is court-annexed mediation available for resolving commercial disputes? (Y/N)

Note: Please answer Yes only if the relevant court provides mediation services to resolve commercial cases in practice.

Y to questions 103 or 104 → provide response to questions 105-112.

104. In your jurisdiction, is private mediation available for resolving commercial disputes? (Y/N)

Note: Please answer Yes only if the relevant court provides mediation services to resolve commercial cases in practice.

Y to questions 103 or 104 → provide response to questions 105-112.

105. Please estimate how many commercial cases have approximately been resolved through mediation in your jurisdiction over the last year.

105a. 0-25

105b. 26-100

105c. 101-1000

105d. More than 1000

106. Does the local court or mediation institution maintain an up-to-date publicly accessible roster of all qualified mediators? (Y/N)

Note: Please answer Yes only if the applicable rules also do not preclude parties from choosing mediators outside the roster.

107. In your jurisdiction, are there any financial incentives available in practice for the parties to resolve their commercial cases through mediation? (Y/N)

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.

108. In commercial mediation, in practice, can parties file a request to mediate electronically, either through a secure online platform or by email? (Y/N)

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.

109. In commercial mediation, in practice, can virtual meetings between parties and the mediator be securely held through an online platform or via videoconferencing? (Y/N)

110. In commercial mediation, in practice, can a mediation settlement agreement be securely signed electronically by all parties and the mediator? (Y/N)

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.

111. Does the local court or mediation institution, or other relevant body, publish statistics on the number of commercial cases resolved through mediation, at least once a year? (Y/N)

Note: Please answer Yes only if the data for the year [20YY] are publicly available.

112. Does the local court or mediation institution, or other relevant body, publish statistics on the number of appointments 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 publicly available.

2.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)			
2.2.1 Public Services for Arbitration (includes gender)			
Indicators	FFP	SBP	Total Points

Availability of Commercial Arbitration Services	1	1	2
- Availability of domestic arbitration (87)	0.5	0.5	1
- Availability of international arbitration (88)	0.5	0.5	1
Special Procedures in Arbitration	1	1	2
- Emergency arbitration procedure (90)	0.25	0.25	0.5
- Early dismissal procedure (91)	0.25	0.25	0.5
- Expedited (fast-track) procedure (92)	0.25	0.25	0.5
- Consolidation of related arbitral proceedings and joinder of additional parties (93)	0.25	0.25	0.5
Promotion of Arbitration	1	1	2
- Setting up a roster of arbitrators (94)	0.5	0.5	1
- Checking the quality of draft arbitral awards (95)	0.5	0.5	1
Digitalization of Arbitration	1	1	2
- Online platform for arbitration (96)	0.33	0.33	0.66
- Virtual conferences and hearings in arbitration (97)	0.33	0.33	0.66
- Electronic signing of an arbitral award (98)	0.33	0.33	0.66
Transparency of Arbitration	1	1	2
- Statistics on the number of cases resolved through arbitration (99)	0.25	0.25	0.5
- Statistics on the time to resolve cases through arbitration (100)	0.25	0.25	0.5
- Publication of summaries of arbitral awards (101)	0.25	0.25	0.5
- Statistics on the number of arbitrators disaggregated by sex (102)	0.25	0.25	0.5
Total Points	5	5	10
2.2.2 Public Services for Mediation (includes gender)			
Indicators	FFP	SBP	Total Points
Availability of Commercial Mediation Services	1	1	2
- Availability of Court-Annexed Mediation (103)	0.5	0.5	1
- Availability of Private Mediation (104)	0.5	0.5	1
Promotion of Mediation	1	1	2
- Setting up a roster of mediators (106)	0.5	0.5	1
- Financial incentives to use mediation (107)	0.5	0.5	1
Digitalization of Mediation	1	1	2
- Electronic submission of a request to mediate (108)	0.33	0.33	0.66
- Virtual meetings in mediation (109)	0.33	0.33	0.66
- Electronic signing of a mediation agreement (110)	0.33	0.33	0.66
Transparency of Mediation	1	1	2
- Statistics on the number of cases resolved through mediation (111)	0.5	0.5	1
- Statistics on the number of appointments of mediators disaggregated by sex (112)	0.5	0.5	1
Total Points	4	4	8

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—EASE OF RESOLVING A COMMERCIAL DISPUTE

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data, except for the indicators on time for court litigation and time for arbitration. In the latter case, to identify the best performance, the topic draws on relevant international standards and academic literature. The worst performance for both indicators, however, is identified based on the 95th percentiles of the collected data—same as with the rest of indicators under Pillar III.

3.1 COURT LITIGATION

3.1.1 Reliability of Courts

The data for the Subcategory on Reliability of Courts are collected through firm-level surveys, using the following questions:

113. 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)

Y → provide response to question 114.

114. Did this establishment use courts, arbitration, or mediation to resolve or attempt to resolve its commercial disputes? (Y/N) (not scored)

115. Please respond if you strongly disagree, tend to disagree, tend to agree, or strongly agree with the statement: “In resolving commercial disputes, courts are independent and impartial”.

115a. Strongly disagree

115b. Tend to disagree

115c. Tend to agree

115d. Strongly agree

116. Please respond to what degree courts are an obstacle to the current operations of this establishment.

116a. No obstacle

116b. Minor obstacle

116c. Moderate obstacle

116d. Major obstacle

116e. Very severe obstacle

3.1.2 Operational Efficiency of Court Processes

The data for the Subcategory on Operational Efficiency of Court Processes are collected through expert consultations, as detailed below:

Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used as operational efficiency of courts is prone to subnational differences. In Pillar III, it 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 for court litigation, time and cost to recognize a foreign judgment, and time and cost to enforce a final judgment.
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?

It is assumed that the case involves a commercial dispute that occurred between two business entities. The case 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.

- 117. 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.**
- 118. Please estimate the time, in calendar days, that the procedure of mandatory mediation would further add to the time to resolve this dispute.**
- 119. 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.**
- 120. Please estimate fees incurred by the plaintiff in the procedure of mandatory mediation, in percentage (%) to the claim value.**
- 121. Please estimate fees of the first instance court incurred by the plaintiff, in percentage (%) to the claim value.**
- 122. Please estimate the total time, in calendar days, that it would take for the appellate court to review the case, starting at the appellate level, starting from the time of filing an appeal until a formal written ruling is delivered to the parties.**
- 123. 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.**
- 124. 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 for a local court to consider a request to recognize a foreign judgment?

It is assumed that the case involves a commercial dispute that occurred between two business entities, and that the defendant is resisting recognition.

- 125. As far as a foreign judgment is concerned, please indicate the name of the court that will have jurisdiction over this case. *(not scored)***
- 126. Please estimate the time, in calendar days, that it would take for the local court to consider a request for recognizing a foreign judgment, starting from the time of filing the request until a formal written decision is delivered to the parties.**
- 127. Please estimate attorney fees, incurred by the plaintiff, in the process of recognizing a foreign judgment, in percentage (%) to the claim value.**
- 128. Please estimate court fees, incurred by the plaintiff, for the process of recognizing a foreign judgment, 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?

It is assumed that the case involves a commercial dispute that occurred between 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.

129. 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)

130. Please estimate the total time, in calendar days, that it would take for the enforcement 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.

131. Would attorneys be typically involved in this case of compulsory enforcement? (Y/N)
Y → provide response to question 132.

132. Please estimate attorney fees incurred by the creditor, in percentage (%) to the claim value.

133. Please estimate the enforcement institution's fees, incurred by the creditor, in percentage (%) to the claim value.

134. In practice, are the enforcement institution's fees typically paid out of the debtor's seized funds? (Y/N)

3.1 COURT LITIGATION			
3.1.1 Reliability of Courts			
Indicators	FFP	SBP	Total Points
In Resolving Commercial Disputes, Courts are Independent and Impartial (115)	100 (50%)	n/a	100 (50%)
Courts are Not an Obstacle to Business Operations (116)	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Operational Efficiency of Court Processes			
Indicators	FFP	SBP	Total Points
Time for Court Litigation (117-118, 122)	100 (29.2%)	n/a	100 (29.2%)
Cost for Court Litigation (119-121, 123-124)	100 (29.2%)	n/a	100 (29.2%)
Time to Recognize a Foreign Judgment (126)	100 (4.2%)	n/a	100 (4.2%)
Cost to Recognize a Foreign Judgment (127-128)	100 (4.2%)	n/a	100 (4.2%)
Time to Enforce a Final Judgment (130)	100 (16.7%)	n/a	100 (16.7%)
Cost to Enforce a Final Judgment (131-134)	100 (16.7%)	n/a	100 (16.7%)
Total Points for Subcategory 3.1.2	100	n/a	100
Total Points for Category 3.1	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.

3.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)

3.2.1 Reliability of ADR

The data for the Subcategory on Reliability of ADR are collected through firm-level surveys, using the following questions:

135. Please indicate to what extent you agree with the following statement in relation to commercial disputes: “In [economy], arbitration is a reliable mechanism to resolve commercial disputes”.

135a. Strongly disagree

135b. Tend to disagree

135c. Tend to agree

135d. Strongly agree

136. Please indicate to what extent you agree with the following statement in relation to commercial disputes: “In [economy], mediation is a reliable mechanism to resolve commercial disputes”.

136a. Strongly disagree

136b. Tend to disagree

136c. Tend to agree

136d. Strongly agree

3.2.2 Operational Efficiency of Arbitration Processes

The data for the Subcategory on Operational Efficiency of Arbitration Processes are collected through expert consultations, as detailed below:

Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used as operational efficiency of arbitration processes is prone to subnational differences. In Pillar III, it 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 for arbitration and time and cost to recognize a foreign arbitral award.
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 domestic arbitration?

If the case can be submitted to several domestic arbitration institutions, then please provide responses that would apply to the majority of commercial cases in [CITY NAME].

137. Please indicate the name of the local arbitration institution that will have jurisdiction over this case. (not scored)

138. Please estimate the total time, in calendar days, that it would take for the 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.

139. Please estimate total attorney fees for preparing and filing the claim as well as representing the claimant before the arbitration institution, in percentage (%) to the claim value.

140. Please estimate arbitrators' fees incurred by the claimant, in percentage (%) to the claim value.

141. Please estimate administrative fees of the arbitration institution incurred by the claimant, in percentage (%) to the claim value.

According to the current practice, how much time and cost would it take for a local court to consider a request to recognize a foreign arbitral award?

It is assumed that the case involves a commercial dispute that occurred between two business entities, and that the defendant is resisting recognition.

142. 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)*

143. Please estimate the time, in calendar days, that it would take for the local court to consider a request for recognizing a foreign arbitral award, starting from the time of filing the request until a formal written decision is delivered to the parties.

144. Please estimate attorney fees, incurred by the claimant, for the process of recognizing a foreign arbitral award, in percentage (%) to the claim value.

145. Please estimate court fees, incurred by the claimant, for the process of recognizing a foreign arbitral award, in percentage (%) to the claim value.

3.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)			
3.2.1 Reliability of ADR			
Indicators	FFP	SBP	Total Points
Arbitration is a Reliable Mechanism to Resolve Commercial Disputes (135)	100 (50%)	n/a	100 (50%)
Mediation is a Reliable Mechanism to Resolve Commercial Disputes (136)	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Operational Efficiency of Arbitration Processes			
Indicators	FFP	SBP	Total Points
Time for Arbitration (138)	100 (25%)	n/a	100 (25%)
Cost for Arbitration (139-141)	100 (25%)	n/a	100 (25%)
Time to Recognize a Foreign Arbitral Award (143)	100 (25%)	n/a	100 (25%)
Cost to Recognize a Foreign Arbitral Award (144-145)	100 (25%)	n/a	100 (25%)
Total Points for Subcategory 3.2.2	100	n/a	100
Total Points for Category 3.2	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.

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 the 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 the operational efficiency in the implementation of key services promoting market competition (reflecting both the ease of compliance with the regulatory framework and the effective provision of public services directly relevant to firms that 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 Market Competition Topic

Pillar I—Quality of Regulations that Promote Market Competition (93 indicators)	
1.1	Competition (38 indicators)
1.1.1	Antitrust (12 indicators)
1.1.2	Merger Control (11 indicators)
1.1.3	State-Owned Enterprises Framework and Scope of Competition Law (8 indicators)
1.1.4	Enforcement of Competition Regulations (7 indicators)
1.2	Innovation and Technology Transfer (31 indicators)
1.2.1	Strength of Intellectual Property Rights Protection (11 indicators)
1.2.2	Licensing and Technology Transfer (5 indicators)
1.2.3	Fair Access to Innovation (includes environment) (9 indicators)
1.2.4	University-Industry Collaboration (6 indicators)
1.3	Bidding for Public Contracts (24 indicators)
1.3.1	Access and Firm's Participation (includes gender) (8 indicators)
1.3.2	Best Value for Money (includes gender and environment) (8 indicators)
1.3.3	Fairness of the Procurement Process (6 indicators)
1.3.4	Transparency of Key Procurement Documents (2 indicators)
Pillar II—Public Services that Promote Market Competition (61 indicators)	
2.1	Competition Authority (21 indicators)
2.1.1	Institutional Framework (9 indicators)
2.1.2	Advocacy and Transparency (12 indicators)
2.2	Innovation in Firms (18 indicators)
2.2.1	Institutional Framework to Support Innovation (4 indicators)
2.2.2	Digitalization of Intellectual Property Services (includes environment) (5 indicators)
2.2.3	Innovation Systems (includes gender) (9 indicators)
2.3	E-Procurement (22 indicators)
2.3.1	Digitalization of Procurement Procedures (includes environment) (15 indicators)
2.3.2	Transparency of Key Procurement Documents (includes gender) (7 indicators)
Pillar III—Implementation of Key Services Promoting Market Competition (19 indicators)	
3.1	Competition (9 indicators)
3.1.1	Simplified Merger Review (3 indicators)
3.1.2	Market Dynamism and Competitive Behaviors (6 indicators)
3.2	Innovation (2 indicators)
3.2.1	Proportion of Highly Innovative Firms (1 indicator)
3.2.2	Use of International Quality Certifications (1 indicator)
3.3	Public Procurement (8 indicators)
3.3.1	Time to Award Public Contracts (5 indicators)
3.3.2	Time to Receive a Payment from a Government Contract (1 indicator)
3.3.3	Firms' Perceptions on the Ease of Bidding (1 indicator)
3.3.4	Gender Gap in Government Suppliers (1 indicator)

1. PILLAR I. QUALITY OF REGULATIONS FOR MARKET COMPETITION

Table 2 shows the structure for Pillar I, Quality of Regulations 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 2. Pillar I—Quality of Regulations that Promote Market Competition

1.1	Competition
1.1.1	Antitrust

1.1.2	Merger Control
1.1.3	State-Owned Enterprises Framework and Scope of Competition Law
1.1.4	Enforcement of Competition Regulations
1.2	Innovation and Technology Transfer
1.2.1	Strength of Intellectual Property Rights Protection
1.2.2	Licensing and Technology Transfer
1.2.3	Fair Access to Innovation (includes environment)
1.2.4	University-Industry Collaboration
1.3	Bidding for Public Contracts
1.3.1	Access and Firm's Participation (includes gender)
1.3.2	Best Value for Money (includes gender and environment)
1.3.3	Fairness of the Procurement Process
1.3.4	Transparency of Key Procurement Documents

1.1 Competition

Category 1.1 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Antitrust

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.⁸ Therefore, Subcategory 1.1.1–Antitrust comprises twelve indicators (table 3).

Table 3. Subcategory 1.1.1–Antitrust

	Indicators	Components
1	Legal Framework Prohibits Anticompetitive Agreements	Framework forbids anticompetitive agreements
2	Legal Framework Distinguishes between which Agreements Restrict Competition by Object or Effect	Framework specifies which agreements are forbidden in and of themselves
3	Exemptions for Non-Competitive Agreements Must be Justified Based on Public Interest or Efficiency	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
4	Exemption Regulations Require to Identify 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
5	Exemptions are Granted for a Certain Period of Time and Renewals are Reviewed	i) Exemptions are granted contingent upon a certain time period ii) Renewals are subject to review, including the original circumstances for which the exemption was originally granted
6	Cartels are Forbidden, and Firms are not Allowed to Use Efficiency Defense for Cartels	i) Framework specifically prohibits cartels per se ii) Firms are not allowed to justify cartels that are being investigated on the basis of efficiency
7	Legal Framework Prohibits Abuse of Dominance	Framework prohibits abuse of dominant position
8	Definition of Market Dominance and Abuse of Dominant Position	i) Framework defines market dominance ii) Framework defines when firms are abusing market dominance
9	Availability of Leniency Programs with Procedural Guarantees	i) Framework provides leniency program ii) Framework provides procedural guarantees to organizations that cooperate with Competition Authorities during an investigation for

		evaluating an organization's cooperation and determining the benefits they will receive
10	Cooperation with Competition Authorities Offers Confidentiality, Anonymity, and Whistleblower Protection	<ul style="list-style-type: none"> i) Framework provides confidentiality to firms that cooperate with the Competition Authority during an investigation ii) Framework provides anonymity to organizations that cooperate with the Competition Authority during an investigation iii) Framework provides whistleblower protection to individuals that cooperate with the Competition Authority during an investigation
11	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 reductions in financial sanctions or other forms of leniency for firms that are not the first to self-report but do subsequently admit the anticompetitive behavior
12	Incentives for Voluntary Compliance	Framework offers incentives for firms in cases of voluntary compliance

1.1.2 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.⁹ 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 1.1.2–Merger Control comprises eleven indicators (table 4).

Table 4. Subcategory 1.1.2–Merger Control

	Indicators	Components
1	Scope of Merger Control Regulations	Framework does not exclude sectors or firms from merger control regulations
2	Legal Framework Establishes the Economic Criteria Used to Identify which Transactions Fall under Merger Control Regime	Framework provides economic quantitative and qualitative criteria for identifying which transactions fall under merger control regulations
3	Legal framework Establishes a Merger Control Procedure to Assess Competition Distortions	Framework specifies when a transaction must be notified and whether that notification is ex ante or ex post
4	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
5	Existence of a Multi-phased Merger Review Procedure with Specific Statutory Time Limits	<ul style="list-style-type: none"> i) Multi-phased merger review procedure available in the economy ii) Framework mandates procedure to be completed within set statutory time limits
6	Existence of a Simplified Merger Procedure	Framework provides for a simplified merger review procedure for transactions that are unlikely to create competition distortions
7	Existence of Pre-Merger Consultation with Competition Authority Regarding Transaction Notification	Framework Provides Pre-Merger Consultation with Competition Authority Regarding Transaction Notification
8	Requirement to Conduct a Substantive Economic Assessment on the Competitive Effects of a Transaction Submitted for a Merger Control Review	Framework requires the Competition Authority to conduct a substantive economic assessment on competitive effects of a merger transaction
9	Availability of Legitimate Justifications for Increases in Market Power Resulting from a Merger or Acquisition	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
10	Merger Remedies Should be Effective, and the Competition Authority Should	<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

	have the Authority to Ensure Compliance	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) Competition Authority has the jurisdictional power to enforce a remedy order directly or indirectly iv) Parties involved in a merger are allowed to propose alternative solutions during the process of adopting remedies
11	Powers to Block Mergers that May Otherwise Adversely Impact Competition	Framework confers Competition Authority the power to block mergers

1.1.3 State-Owned Enterprises Framework and Scope of Competition Law

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.¹⁰ 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, and would allow SOEs to justify their anticompetitive behavior.¹¹ In order to ensure competitive neutrality within an economy, the regulatory framework must ensure SOEs are subject to competition law enforcement in the same way as other actors in the market. Therefore, Subcategory 1.1.3–State-Owned Enterprises Framework and Score of Competition Law comprises eight indicators (table 5).

Table 5. Subcategory 1.1.3–State-Owned Enterprises Framework and Scope of Competition Law

	Indicators	Components
1	Requirement to Justify Creation of SOEs Based on Economic, Social, and/or Sustainability Criteria	Need to justify the creation of SOEs based on economic, social, and sustainability criteria
2	Competition Law Applies to All SOEs and Sectors of the Economy	i) Exclusion of certain sectors of the economy from competition regulations ii) Exclusion of certain SOEs or legal monopolies from competition regulations
3	New SOEs Are Assessed from a Competition Perspective	Establishment of a SOE is contingent upon a positive assessment of its potential impact on market competition.
4	Requirement to Carry out an Evaluation Assessment to Justify SOE Commercial Activities	Requirement that evaluation assessments are carried out throughout the life cycle of the SOE to ensure activities are competitively neutral
5	Regulatory Oversight of SOE Preferential Treatment	Requirement that any preferential treatment or exemptions for SOEs undergo scrutiny and approval by the Competition Authority
6	Presence of Barriers to Competition Authority’s Investigations of SOEs	Absence of specific legal or procedural barriers that hinder the Competition Authority’s ability to investigate anti-competitive practices by the SOEs
7	Existence of Procedure to Exclude Sectors from the Application of Competition Law and Merger Control is Based on Economic, Social or Sustainability Criteria	i) Framework provides for an exclusion regime from the application of competition law ii) Exclusion regime requires a decision to be justified on economic, social, or sustainability grounds
8	Existence of Procedure to Exempt Agreements From the Application of Competition Law	i) Procedure to exempt individual agreements from antitrust or merger control regulations under specified conditions ii) Procedure to exempt category of agreements from antitrust or merger control regulations under specified conditions

Note: SOEs = State-Owned Enterprises.

1.1.4 Enforcement of Competition Regulations

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 balance 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.¹³ At the same time, procedural guarantees in

investigations should be present in order to allow parties to exercise their rights of defense. Therefore, Subcategory 1.1.4–Enforcement of Competition Regulations comprises seven indicators (table 6).

Table 6. Subcategory 1.1.4–Enforcement of Competition Regulations

	Indicators	Components
1	Procedural and Fairness Guarantees During Investigation	<p>Framework provides for the following procedural fairness guarantees:</p> <ul style="list-style-type: none"> i) At the beginning of an investigation, the Competition Authority issues a notice of the reasons and concerns leading to the investigation ii) Investigation procedures are written iii) The investigation phase of the Competition Authority must be completed within a set amount of time iv) Parties are provided a reasonable opportunity to consult with the Competition Authority v) 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) vi) Parties are provided with an opportunity to settle or to reach a consent agreement
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 the Competition Authority	<ul style="list-style-type: none"> i) Framework provides the Competition Authority with the power to conduct unsolicited inspections of firm's premises to investigate illegal anticompetitive practices ii) Framework grants the Competition Authority with powers to investigate whether firms have concluded a transaction that might raise competition concerns iii) Framework provides for penalties to firms which fail to comply with information requests from the Competition Authority
4	Competition Authorities Have the Powers to Collect Monetary Sanctions and to Enforce Non-monetary Sanctions	<ul style="list-style-type: none"> i) Framework confers the Competition Authority with the power to collect monetary sanctions ii) Framework confers the Competition Authority with the power to enforce non-monetary sanctions
5	Competition Authority Can Investigate a Failure to Notify Transactions and Impose Sanctions Based on the Firm's Turnover	<ul style="list-style-type: none"> i) Framework confers the Competition Authority with the power to investigate a failure to notify transactions ii) Framework confers the Competition Authority with the power to impose sanctions based on the firm's turnover
6	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	<ul style="list-style-type: none"> i) Framework considers the Competition Authority's decisions as binding and enforceable ii) Framework designates an independent body to review decisions of the Competition Authority iii) Framework allows firms to file for an action for damages resulting from infringement of competition law
7	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 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 determines the confidence in IP systems.¹⁴ Therefore, Subcategory 1.2.1–Strength of Intellectual Property Rights Protection comprises eleven indicators (table 7).

Table 7. Subcategory 1.2.1–Strength of Intellectual Property Rights Protection

	Indicators	Components
1	Provisions for Establishment of Collective Management Organizations	Provisions for establishment of Collective Management Organizations
2	Patentability Requirements (Novelty, Inventive Step, Industrial Applicability) for Inventions and Experimental Use Exception or Research Exemption for Patents	i) Patentability requirements (novelty, inventive step, industrial applicability) for inventions ii) Experimental use exception or research exemption for patents
3	Patent Protection Valid from the Filing Date	Patent protection valid from the filing date of the application
4	Duration of Patent and Trademark Protection	i) Duration of patent protection ii) Duration of trademark protection
5	Opposition Mechanisms for Patents and Trademarks	i) Opposition mechanisms for patents ii) Opposition mechanisms for trademarks
6	Provisions for Information Submission System for Patents	Provisions for Information Submission System for patents
7	Public Disclosure of Patent	Public disclosure of patent
8	Trademark use Obligation, Related Grace Period	i) Trademark use obligation ii) Grace period
9	Protection for Well-Known Marks	Protection for well-known marks
10	Actions or Remedies to Enforce Copyright, Patent, and Trademark Protection	i) Actions or remedies to enforce copyright protection ii) Actions or remedies to enforce patent protection iii) Actions or remedies to enforce trademark protection
11	Arbitration of Copyright, Patent, and Trademark Disputes	i) Arbitration of copyright disputes ii) Arbitration of patent disputes iii) Arbitration of 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–Licensing and Technology Transfer comprises five indicators (table 8).

Table 8. Subcategory 1.2.2–Licensing and Technology Transfer

	Indicators	Components
1	Provisions on Copyright, Patent, Trademark Licensing Procedures	i) Provisions on copyright licensing procedures ii) Provisions on patent licensing procedures iii) Provisions on trademark licensing procedures
2	Guidelines for Setting Fair and Non-Discriminatory Royalties	Guidelines for setting fair and non-discriminatory royalties
3	Recordal of Change of Patent Owner and Related Timeframe	i) Recordal of change of patent owner ii) Timeframe for recordal of change of patent owner
4	Temporary Licenses/Waivers for Patents	Temporary licenses/waivers for patents
5	Disclosure of Patent and Trademark Licensing Agreements to IPO	i) Disclosure of patent licensing agreements to IPO ii) Disclosure of trademark licensing agreements to IPO

Note: IPO = Intellectual Property Office.

1.2.3 Fair Access to Innovation (includes environment)

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–Fair Access to Innovation (includes environment) comprises nine indicators (table 9).

Table 9. Subcategory 1.2.3– Fair Access to Innovation (includes environment)

	Indicators	Components
1	Open Access and Open-Source Definition	i) Open access definition ii) Open-source definition
2	Scope of Permissible Open Access Research Activities	Scope of permissible open access research activities
3	Provisions Enabling Open Science	Provisions enabling open science
4	Risk-Based Approach to AI Regulation	Risk-based approach to AI regulation
5	Guidelines on an Ethical Impact Assessment of AI Systems	Guidelines on an ethical impact assessment of AI systems
6	Provisions Safeguarding Public Interest	Provisions safeguarding public interest
7	Guidelines for IP-Based Financing	Guidelines for IP-based financing
8	Provisions on IP Relevant for Environmental Sustainability	Provisions on IP relevant for environmental sustainability
9	Provisions on the Environmentally Safe Disposal and Destruction of IPRs Infringing Goods	Provisions on the environmentally safe disposal and destruction of IPRs infringing goods

Note: AI=Artificial Intelligence; IP = Intellectual Property; IPRs = Intellectual Property Rights.

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–University-Industry Collaboration comprises six indicators (table 10).

Table 10. 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 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 Access and Firm's Participation (includes gender)

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–Access and Firm's Participation (includes gender) comprises eight indicators (table 11).

Table 11. Subcategory 1.3.1–Access and Firm’s Participation (includes gender)

	Indicators	Components
1	Open and Competitive Procurement as the Default	Open procurement is the default method for tendering a contract
2	Restrictions on Foreign Firms’ Participation in Public Procurement	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 iv) Framework does not reserve specific contracts exclusively for local firms and citizens
3	SOEs and Independent Authorities Are Not Excluded from Application of Procurement Regulations	State-Owned Enterprises and Independent Authorities are mandated to adhere to the general public procurement regulatory framework
4	Ability to Divide Contracts into Lots	Framework provides for division of contracts in lots
5	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
6	Procurement Procedures for Framework Agreements are Established	i) Framework outlines a designated procedure for awarding contracts based on a framework agreement where contracts are awarded following a competitive two-stage process ii) Framework allows addition of new suppliers to initial parties during duration of framework agreement
7	Promoting Gender Equality in Public Procurement	Framework includes gender-specific provisions that promote gender equality in public procurement
8	Tender and Contractual Mechanisms 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 (includes gender and environment)

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–Best Value for Money (includes gender and environment) comprises eight indicators (table 12).

Table 12. Subcategory 1.3.2–Best Value for Money (includes gender and environment)

	Indicators	Components
1	Existence of Procedure and Criteria for Identifying Abnormally Low Bids are Established	i) Framework established a procedure for identifying abnormally low bids ii) Framework establishes criteria for identifying abnormally low bids
2	Designation of Specialized Tendering Methods for Innovation Procurement	Framework designates specific tendering procedures for innovation procurement
3	Incorporation of Sustainability Clauses in Standard Bidding Documents	Framework establishes that standard bidding documents must contain sustainability clauses for all or some model documents
4	Incentives to Include Environmental Considerations in Tenders	i) Framework provides incentive for preparing bids with environmentally friendly components ii) Framework establishes quantifiable environmental targets for public procurement entities iii) Framework compels the inclusion of specific environmental standards in the specifications for goods, services, and works procured by the government iv) Framework recognizes and provides a list of eco labels that can be utilized in bid documents for public procurement
5	Mechanisms to Introduce Gender-Responsive Public Procurement	Framework includes the following mechanisms: gender analysis in needs assessment, the principle of equal pay and non-discrimination and/or

		exclusion grounds for firms that have violated gender equality obligations, and award criteria with gender dimension
6	Market-Based Tools to Estimate Contract Value	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
7	Total Cost of Ownership and Life Cycle Cost Considerations are Used in Bid Evaluation	i) Framework defines project life cycle cost ii) Framework defines total cost of ownership
8	Most Economically Advantageous Tender is the Preferred Evaluation Criteria	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–Fairness of the Procurement Process comprises six indicators (table 13).

Table 13. 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	Framework sets a minimum timeframe between advertisement of a tender notice and a submission deadline for all procurement procedures
3	Prohibition of Dividing Contracts to Circumvent Open Tendering Thresholds	Framework prohibits the splitting of contracts for the purpose of circumventing thresholds for open tendering
4	Obligation to Notify Firms of Procurement Decisions and Legal Framework Establishes How Clarification Requests from Potential Bidders should be Addressed	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
5	Availability of Specialized Procurement Tribunals and of the Right to Appeal its 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
6	Time Limits to Resolve Appeals and Legal Recourses Granted to Firms When there are 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 of Key Procurement Documents

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. As a result, this calls for a continuous and effective publication at every stage of the procurement procedure. Therefore, Subcategory 1.3.4–Transparency of Key Procurement Documents comprises two indicators (table 14).

Table 14. Subcategory 1.3.4–Transparency of Key Procurement Documents

	Indicators	Components
1	Publication of Procurement Plans, Notices, Tender Documents, and Award Decisions	<ul style="list-style-type: none"> i) Framework establishes that procurement plans should be made publicly available ii) Framework establishes that tender notices should be made publicly available iii) Framework establishes that tender documents should be made publicly available iv) Framework establishes that award decisions should be made publicly available
2	Publication of Contracts and Contract Amendments	Framework establishes that contracts and contract amendments should be made publicly available

2. PILLAR II. PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION

Table 15 shows the structure for Pillar II, 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 15. Pillar II–Public Services that Promote Market Competition

2.1	Competition Authority
2.1.1	Institutional Framework
2.1.2	Advocacy and Transparency
2.2	Innovation in Firms
2.2.1	Institutional Framework to Support Innovation
2.2.2	Digitalization of Intellectual Property Services (includes environment)
2.2.3	Innovation Systems (includes gender)
2.3	E-Procurement
2.3.1	Digitalization of Procurement Procedures (includes environment)
2.3.2	Transparency of Key Procurement Documents (includes gender)

2.1 Competition Authority

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

Having a Competition Authority is key to effectively enforcing competition regulations and signaling a level playing field in the market. Competition authorities must operate within a clear and independent framework to investigate firm behaviors and implement sanctions to deter anticompetitive practices. 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–Institutional Framework comprises nine indicators (table 16).

Table 16. Subcategory 2.1.1–Institutional Framework

	Indicators	Components
1	Competition Authority is Operationally Independent	Competition Authority is operationally independent

2	Competition Authority has a Clear and Non-Overlapping Mandate	Co-existing authorities that are responsible for protecting and fostering competition do not have uncoordinated overlapping mandates
3	Establishment of a 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	i) Framework sets out an official office term for board members of the Competition Authority ii) Framework sets a cap on the number of terms a board member of the Competition Authority can serve
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 Period after Term Limits for Board Members of Competition Authority for Private Sector Jobs in Previously Investigated Companies	Cooling-off period during which board members 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	Competition Authority opinions are binding

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–Advocacy and Transparency comprises twelve indicators (table 17).

Table 17. Subcategory 2.1.2–Advocacy and Transparency

	Indicators	Components
1	Issuance of Guidance Documents on Horizontal and Vertical Agreements	i) Competition Authority issues guidance documents on horizontal agreements ii) Competition Authority issues guidance on vertical agreements iii) Competition Authority issues guidance on cooperation agreements
2	Issuance of Guidance Documents on Abuse of Dominance	Competition Authority issues guidance documents on abuse of dominance
3	Issuance of Guidance Documents on Leniency Programs	Competition Authority issues guidance documents on leniency programs
4	Issuance of Guidance on Market Definition	Competition Authority issues guidance documents on market definition
5	Issuance of Guidance Documents on Competition-Related Issues in Digital Platforms	Competition Authority issues guidance documents on competition-related issues in digital platforms
6	Issuance of Guidance on Merger Control	Competition Authority issues guidance documents on merger control
7	Issuance of Guidance on Labor Markets	Competition Authority issues guidance documents on antitrust enforcement as it pertains to labor markets
8	Issuance of Analytical Reports on Competition	Competition Authority may issue analytical reports on markets, behaviors, or practices from the perspective of competition policy
9	Organization of Workshops to Disseminate Competition Policy	Competition Authority organizes workshops or webinars to disseminate competition policy to firms

10	Online Publication of all Antitrust and Merger Control Decisions and Exemptions	i) Competition Authority publishes all antitrust and merger control decisions online ii) Competition Authority must publish decision on exemption of SOE from antitrust and merger control regulations online
11	Online Publication of all Opinions of the Competition Authority on Government Policies	Competition Authority publishes all opinions on government policies online
12	Electronic Notification of Transaction for Merger Control	Firms may file notification of a transaction subject to merger control regulations electronically

2.2 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 Institutional Framework to Support Innovation

Strong institutional mechanisms are important to support innovation.²⁰ Therefore, Subcategory 2.2.1–Institutional Framework to Support Innovation comprises four indicators (table 18).

Table 18. Subcategory 2.2.1–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 Development of Technical Standards	Public body responsible for participation of firms in development of technical standards

Note: IP = Intellectual Property; IPO = Intellectual Property Office.

2.2.2 Digitalization of Intellectual Property Services (includes environment)

Digitalization of intellectual property services promotes access to IP rights and facilitates IPR protection and technology transfer, for instance through license of rights databases.²¹ Therefore, Subcategory 2.2.2–Digitalization of Intellectual Property Services (includes environment) comprises five indicators (table 19).

Table 19. Subcategory 2.2.2–Digitalization of Intellectual Property Services (includes environment)

	Indicators	Components
1	Availability of License of Rights Database or IP Marketplace	Availability of license of rights database or IP marketplace
2	Availability of Green Technology Identifier	Availability of green technology identifier in license of rights database or IP marketplace
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	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.

2.2.3 Innovation Systems (includes gender)

Innovation systems contribute to the diffusion of innovation through increased collaboration, technical assistance, or financial incentives.²² Therefore, Subcategory 2.2.3–Innovation Systems (includes gender) comprises nine indicators (table 20).

Table 20. Subcategory 2.2.3–Innovation Systems (includes gender)

	Indicators	Components
1	Availability of Technology Transfer Offices	Availability of technology transfer offices
2	Availability of Regulatory Sandboxes	Availability of regulatory sandboxes
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

2.3 E-Procurement

Category 2.3 is divided into two subcategories consisting of several indicators, each of which, in turn, have several components.

2.3.1 Digitalization of Procurement Procedures (includes environment)

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. In addition, 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.²³ Web-based platforms for making online payments for public procurement services prove to enhance efficiency and cost effectiveness. Therefore, Subcategory 2.3.1–Digitalization of Procurement Procedures (includes environment) comprises fifteen indicators (table 21).

Table 21. Subcategory 2.3.1 Digitalization of Procurement Procedures (includes environment)

	Indicators	Components
1	Availability of Central E-Procurement Platform	Existence of an operational central electronic public procurement (e-procurement) platform
2	Registering as a Vendor	E-procurement platform includes registering as a vendor
3	Asking the Procuring Entity for Clarifications and Notification of Decisions Electronically	i) E-procurement platform includes asking the procuring entity for clarifications ii) E-procurement platform includes notification of decisions
4	Submitting Tenders Electronically	E-procurement platform includes submitting tenders electronically
5	Open Bids Electronically and Virtual Workspace to Manage the Tender Procedure	i) E-procurement platform includes opening bids electronically ii) E-procurement platform includes a virtual workspace to manage the tender procedure
6	Submitting Bid Security Electronically and Performance Guarantee with Electronic Validation	i) E-procurement platform includes submitting bid guarantee electronically with electronic validation ii) E-procurement platform includes submitting performance guarantee electronically with electronic validation
7	Contract Signing Electronically	E-procurement platform includes contract signing electronically
8	E-contract Management and Implementation Module	E-procurement platform includes an e-contract management and implementation module

9	Submitting Invoices to the Procuring Entity	E-procurement platform includes submitting invoices to the procuring entity
10	Receiving Payments from the Procuring Entity Electronically	E-procurement platform includes receiving payments from the procuring entity electronically
11	Module for Framework Agreement Management	E-procurement platform includes a module for framework agreement
12	E-Reverse Auction Module	E-procurement platform includes an e-reverse auction module
13	E-Catalogue of Approved Suppliers	E-procurement platform includes an e-catalogue of approved suppliers
14	Electronic Green Catalogues	E-procurement platform includes electronic green catalogues
15	Applying for Vendor Eco-Certifications or Eco/Labels Electronically	E-procurement platform includes applying for vendor eco-certifications or eco/labels electronically

2.3.2 Transparency of Key Procurement Documents (includes gender)

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. Therefore, Subcategory 2.3.2–Transparency of Key Procurement Documents (includes gender) comprises seven indicators (table 22).

Table 22. Subcategory 2.3.2–Transparency of Key Procurement Documents (includes gender)

	Indicators	Components
1	Accessing Notices on Procurement Opportunities Electronically	E-procurement platform includes tender notices
2	Accessing Bidding Documents Electronically	E-procurement platform includes tender documents
3	Accessing Award Decisions (Including Their Rationale) Electronically	E-procurement platform includes awards and their rationale
4	Accessing Contracts and Contract Amendments Electronically	i) E-procurement platform includes contracts ii) E-procurement platform includes contract amendments
5	Access to Specifications, Standards, or Criteria for Eco-labels and Environmentally Preferable Goods and Services Electronically	E-procurement platform includes sustainability standards, eco-labels and environmentally preferable foods and services
6	Publication of Open Data in Machine Readable Format on Suppliers Contracts and Tenders	i) Existence of data platform that provides open access to data on tenders ii) Existence of data platform that provides open access to data on suppliers
7	Gender - Publication of Open Data on Tenders and Contracts Disaggregated by Sex	E-procurement platform collects and publishes data on sex-disaggregated data on firms that have participated in tenders

3. PILLAR III. IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION

Table 23 shows the structure for Pillar III, Implementation of Key Services Promoting Market Competition. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 23. Pillar III–Implementation of Key Services Promoting Market Competition

3.1	Competition
3.1.1	Simplified Merger Review
3.1.2	Market Dynamism and Competitive Behaviors
3.2	Innovation
3.2.1	Proportion of Highly Innovative Firms
3.2.2	Use of International Quality Certifications
3.3	Public Procurement
3.3.1	Time to Award Public Contracts

3.3.2	Time to Receive a Payment from a Government Contract
3.3.3	Firm's Perceptions on the Ease of Bidding
3.3.4	Gender Gap in Government Suppliers

3.1 Competition

Category 3.1 is divided into three subcategories consisting of several indicators, each of which, in turn, have several components.

3.1.1 Simplified Merger Review

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). 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.²⁴ 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 subcategory is that the merger at stake does not raise competition concerns. Therefore, Subcategory 3.1–Simplified Merger Review comprises three indicators (table 24).

Table 24. Subcategory 3.1.1–Simplified Merger Review

	Indicators	Components
1	Use of the Simplified Merger Review Procedure	Use of simplified merger review procedure under a specific scenario with fixed parameters
2	Time to File a Simplified Merger Review	Time in days to comply with the documentary requirements and file a notification to the Competition Authority for the transaction with set parameters
3	Time to Clear a Simplified Merger Review	Time in days for the Competition Authority to review and clear a transaction with set parameters

3.1.2 Market Dynamism and Competitive Behaviors

This subcategory provides an overall measure of competition in the markets. It assesses market dynamics and competitive behaviors through proxy questions addressed directly to businesses about certain characteristics of their markets and their ability to compete horizontally and vertically without restraints from anticompetitive practices or government regulations (for instance, constraints in their ability to set prices or the ease of changing a utility provider). Therefore, Subcategory 3.1.2–Market Dynamism and Competitive Behaviors comprises six indicators (table 25).

Table 25. Subcategory 3.1.2–Market Dynamism and Competitive Behaviors

	Indicators	Components
1	Market Structure (Number of Firms that Compete in the Market)	i) Percentage of firms that compete with less than two competitors. ii) Percentage of firms that compete with more than two firms and less than five firms iii) Percentage of firms that compete with more than five firms
2	Market Concentration (Market Share of Largest Competitor)	Percentage of market share of the largest competitor
3	Changes in the Level of Competition	Index of change of level of competition over last year
4	Pricing Power (Ability to Change Prices Without Losing Customers)	Percentage of firms that can increase prices for its main product or service more than its competitors without losing customers
5	Easiness to Switch Internet Provider	Index of difficulty to switch internet providers
6	Government Intervention in Prices	Percentage of firms reporting that their main product or service price is regulated

3.2 Innovation

Category 3.2 is divided into two subcategories consisting of one indicator, each of which may, in turn, have several components.

3.2.1 Proportion of Highly Innovative Firms

This subcategory assesses super innovative firms. Therefore, Subcategory 3.2.1–Proportion of Highly Innovative Firms comprises one indicator (table 26).

Table 26. Subcategory 3.2.1–Proportion of Highly Innovative Firms

	Indicators	Components
1	Proportion of Highly Innovative Firms	i) Percentage of firms that introduced a new product ii) Percentage of firms that introduced a new process iii) Percentage of firms spending in R&D

Note: R&D = research and development.

3.2.2 Use of International Quality Certifications

This subcategory assesses use of international quality certifications. Therefore, Subcategory 3.2.2–Use of International Quality Certifications comprises one indicator (table 27).

Table 27. Subcategory 3.2.2–Use of International Quality Certifications

	Indicators	Components
1	Use of International Quality Certifications	Percentage of firms with international quality certifications

3.3 Public Procurement

Category 3.3 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

3.3.1 Time to Award Public Contracts

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. Therefore, Subcategory 3.3.1–Time to Award Public Contracts comprises five indicators (table 28).

Table 28. Subcategory 3.3.1–Time to Award Public Contracts

	Indicators	Components
1	Time to Award a Large Works Contract in Open Competitive Bidding	Time that would usually pass between bid opening and contract signing for a large works contract procured under open competitive bidding in calendar days
2	Time to Award a Small Service Contract in Selective Bidding	Time that would usually pass between bid opening and contract signing for a small service contract procured under selective or restricted bidding calendar in days
3	Time to Prequalify Suppliers	Time that would usually pass between publication of the prequalification notice until the moment when all bidders are informed of the prequalification decision in calendar days
4	Time to Award a Contract through Electronic Auction	Time that would usually pass between bid opening and contract signing for a contract procured under electronic auction in calendar days
5	Time to Award a Contract in a Framework Agreement	Time that would usually pass to complete the first stage and the second stage of a framework agreement in calendar days

3.3.2 Time to Receive a Payment from a Government Contract

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.²⁵ Therefore, Subcategory 3.3.2–Time to Receive a Payment from a Government Contract comprises one indicator (table 29).

Table 29. Subcategory 3.3.2–Time to Receive a Payment from a Government Contract

	Indicators	Components
1	Time to Receive a Payment from a Government Contract	Time to receive payment from a government contract after submitting an invoice in days

3.3.3 Firms' Perceptions on the Ease of Bidding

Administrative burden and high technical and financial capacity requirements can hinder competition in government markets, which are likely to disproportionately affect small and medium sized firm's participation in them.²⁶ This subcategory contains a measure of the ease of bidding by asking firms how difficult they find meeting the administrative requirements to participate in tenders. Therefore, Subcategory 3.3.3–Firm's Perceptions on the Ease of Bidding comprises one indicator (table 30).

Table 30. Subcategory 3.3.3–Firm's Perceptions on the Ease of Bidding

	Indicators	Components
1	Firms' Perceptions on the Difficulty to Meet the Administrative Requirements to Participate in Tenders	Perceptions of the degree of difficulty to comply with the administrative requirements to participate in tenders

3.3.4 Gender Gap in Government Suppliers

By promoting supplier diversity in their public procurement policies, governments can address inequities in the marketplace, foster the growth potential of women-owned businesses and introduce qualified women-owned businesses into the supply chain, which increases competition and potentially leads to cost savings.²⁷ Therefore, Subcategory 3.3.4–Gender Gap in Government Suppliers comprises one indicator (table 31).

Table 31. Subcategory 3.3.4–Gender Gap in Government Suppliers

	Indicators	Components
1	Gender Gap in Government Suppliers	Percent of firms owned or managed by women among those that held a government contract in last 3 years (%)

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 Competition category of indicators, this includes corporate lawyers and consultants with expertise in competition law, and legal professionals acting in competition law. For Innovation, lawyers and consultants specialized in intellectual property rights, chartered patent and trademark attorneys are the main contributors. Finally, for the Public Procurement category of indicators, experts include lawyers with expertise in public procurement, consultants who assist in the preparation of tenders, and in-house procurement officers.

Part of the data for Pillar III is collected through Enterprise Surveys, including all indicators in the Market Dynamism and Competitive Behaviors subcategory, all indicators in the Innovation category, and all indicators in the Time to Receive a Payment from a Government Contract subcategory, Firms' Perceptions

on the Ease of Bidding subcategory, and Gender Gap in Government Suppliers subcategory. These surveys provide representative data on innovation in firms as well as practices on government contracts.

4.2 Screening and Selection of Experts

The Market Competition topic has three questionnaires, one for each area: Competition, Innovation, and Public Procurement. Each questionnaire targets experts in their respective areas of expertise. A screener questionnaire is used to assist the selection of experts receiving the Market Competition topic questionnaires based on a set of criteria (table 32).

Table 32. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions	
Competition	Corporate lawyers, legal consultants, 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, technology transfer, research commercialization, 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 and research commercialization.
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 public procurement.

IV. PARAMETERS

To ensure comparability of the data from expert consultations across economies, the Market Competition topic uses specific parameters for public procurement indicators. However, it does not have a general parameter applicable to all three thematic areas of the topic (Competition, Innovation, and Public 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 employ general parameters that are applicable to all pillars. 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 to 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 of Regulations that Promote Market Competition; Pillar II–Public Services that Promote Market Competition; and Pillar III– 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 33 shows the scoring for the Market Competition topic. For further scoring details, please see Annex A, which complements this section.

Table 33. Aggregate Scoring Overview

Pillar Number	Pillar	Number of Indicators	Score			Rescaled Points (0–100)	Weight
			Firm Flexibility Points	Social Benefits Points	Total Points		
I	Quality of Regulations that Promote Market Competition	93	93	93	186	100	0.33
II	Public Services that Promote Market Competition	61	61	61	122	100	0.33
III	Implementation of Key Services Promoting Market Competition	19	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 93 indicators with a total score of 186 points (93 points on firm flexibility and 93 points on social benefits) (table 34). The scoring for each category under this pillar is as follows:

- 6.1.1** *Competition* has 38 indicators with a total maximum score of 76 points (38 points on firm flexibility and 38 points on social benefits). Specifically, the *Antitrust* Subcategory has 12 indicators; *Merger Control* has 11 indicators; *State-Owned Enterprises Framework and Scope of Competition Law* has 8 indicators; and *Enforcement of competition regulations* has 7 indicators. 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** *Innovation and Technology Transfer* has 31 indicators with a total maximum score of 62 points (31 points on firm flexibility and 31 on social benefits). Specifically, the *Strength of Intellectual Property Rights Protection* Subcategory has 11 indicators; the *Licensing and Technology Transfer* has 5 indicators, the *Fair Access to Innovation (includes environment)* has 9 indicators, and the *University-Industry Collaboration* Subcategories has 6 indicators. 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** *Bidding for Public Contracts* has 24 indicators with a total maximum score of 48 points (24 points on firm flexibility and 24 points on social benefits). Specifically, the *Access and Firm's Participation (includes gender)* Subcategory has 8 indicators; the *Best Value for Money (includes gender and environment)* Subcategory has 8 indicators; the *Fairness of the Procurement Process* Subcategory has 6 indicators; and the *Transparency of Key Procurement Documents* Subcategory has 2 indicators. 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 34. Aggregate Scoring Pillar I

Pillar I– Quality of Regulations that Promote Market Competition		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Competition	38	38	38	76	33.33
1.1.1	Antitrust	12	12	12	24	10.00
1.1.2	Merger Control	11	11	11	22	10.00
1.1.3	State-Owned Enterprises Framework and Scope of Competition Law	8	8	8	16	6.67
1.1.4	Enforcement of Competition Regulations	7	7	7	14	6.67
1.2	Innovation and Technology Transfer	31	31	31	62	33.33
1.2.1	Strength of IPR Protection	11	11	11	22	8.33
1.2.2	Licensing and Technology Transfer	5	5	5	10	8.33
1.2.3	Fair Access to Innovation (includes environment)	9	9	9	18	8.33
1.2.4	University-Industry Collaboration	6	6	6	12	8.33
1.3	Bidding for Public Contracts	24	24	24	48	33.33
1.3.1	Access and Firm's Participation (includes gender)	8	8	8	16	11.67
1.3.2	Best Value for Money (includes gender and environment)	8	8	8	16	11.67
1.3.3	Fairness of the Procurement Process	6	6	6	12	5.00
1.3.4	Transparency of Key Procurement Documents	2	2	2	4	5.00
Total		93	93	93	186	100.00

Note: FFP = Firm Flexibility Point; IPR = Intellectual Property Rights; SBP = Social Benefits Point.

6.2 Pillar II–Public Services that Promote Market Competition

Pillar II includes 61 indicators with a total score of 122 points (61 points on firm flexibility and 61 points on social benefits) (table 35). The scoring for each category under this pillar is as follows:

6.2.1 *Competition Authority* has 21 indicators with a total maximum score of 42 points (21 points on firm flexibility and 21 points on social benefits). Specifically, the *Institutional Framework* Subcategory has 9 indicators, and the *Advocacy and Transparency* Subcategory has 12 indicators. 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 *Innovation in Firms* has 18 indicators with a total maximum score of 36 points (18 points on firm flexibility and 18 on social benefits). Specifically, the *Institutional Framework to Support Innovation* Subcategory has 4 indicators; the *Digitalization of Intellectual Property Services (includes environment)* Subcategory has 5 indicators; and the *Innovation Systems (includes gender)* Subcategory has 9 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 *E-Procurement* has 22 indicators with a total maximum score of 44 points (22 points on firm flexibility and 22 points on social benefits). Specifically, the *Digitalization of Procurement Procedures (includes environment)* Subcategory has 15 indicators; and the *Transparency of Key Procurement Documents (includes gender)* Subcategory has 7 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 35. Aggregate Scoring Pillar II

Pillar II– Public Services that Promote Market Competition		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Competition Authority	21	21	21	42	33.33
2.1.1	Institutional Framework	9	9	9	18	16.67
2.1.2	Advocacy and Transparency	12	12	12	24	16.67
2.2	Innovation in Firms	18	18	18	36	33.33
2.2.1	Institutional Framework to Support Innovation	4	4	4	8	11.11
2.2.2	Digitalization of Intellectual Property Services (includes environment)	5	5	5	10	11.11
2.2.3	Innovation Systems (includes gender)	9	9	9	18	11.11
2.3	E-Procurement	22	22	22	44	33.33
2.3.1	Digitalization of Procurement Procedures (includes environment)	15	15	15	30	22.22
2.3.2	Transparency of Key Procurement Documents (includes gender)	7	7	7	14	11.11
Total		61	61	61	122	100.00

Note: IP = Intellectual Property.

6.3 Pillar III–Implementation of Key Services Promoting Market Competition

Pillar III covers 19 indicators with a score ranging from 0 to 100 (table 36). The points under this pillar are assigned to firm flexibility only, as the indicators measure the outcomes of service provision to firms. For

example, a 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** *Competition* has 9 indicators with a total maximum score of 33.33 points. Specifically, the *Simplified Merger Review* Subcategory has 3 indicators, and the *Market Dynamism and Competitive Behaviors* Subcategory has 6 indicators.
- 6.3.2** *Innovation* has 2 indicators with a total maximum score of 33.33 points. The *Proportion of Highly Innovative Firms* Subcategory has 1 indicator, and the *Use of International Quality Certifications* Subcategory has 1 indicator.
- 6.3.3** *Public Procurement* has 8 indicators with a total maximum score of 33.33 points. The *Time to Award Public Contracts* Subcategory has 5 indicators, the *Time to Receive a Payment from a Government Contract* Subcategory has 1 indicator, the *Firm's Perceptions on the Ease of Bidding* Subcategory has 1 indicator, and the *Gender Gap in Government Suppliers* Subcategory has 1 indicator.

Table 36. Aggregate Scoring Pillar III

Pillar III– Implementation of Key Services Promoting Market Competition		No. of Indicators	Rescaled Points
3.1	Competition	9	33.33
3.1.1	Simplified Merger Review	3	6.67
3.1.2	Market Dynamism and Competitive Behaviors	6	26.67
3.2	Innovation	2	33.33
3.2.1	Proportion of Highly Innovative Firms	1	16.67
3.2.2	Use of International Quality Certifications	1	16.67
3.3	Public Procurement	8	33.33
3.3.1	Time to Award Public Contracts	5	8.33
3.3.2	Time to Receive a Payment from a Government Contract	1	8.33
3.3.3	Firms' Perceptions on the Ease of Bidding	1	8.33
3.3.4	Gender Gap in Government Suppliers	1	8.33
Total		19	100.00

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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 COMPETITION					
1.1.1 Antitrust					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Legal Framework Prohibits Anticompetitive Agreements	1	1	2	0.83	UNCTAD (2007)
Legal Framework Distinguishes between which Agreements Restrict Competition by Object or Effect	1	1	2	0.83	UNCTAD (2007)
Exemptions for Non-competitive Agreements Must be Justified Based on Public Interest or Efficiency	1	1	2	0.83	UNCTAD (2007)
Exemption Regulations Require to Identify the Efficiency, Harm and Consumer's Impact of the Exempted Agreement	1	1	2	0.83	UNCTAD (2007)
Exemptions are Granted for a Certain Time Period and Renewals are Reviewed	1	1	2	0.83	UNCTAD (2007)
Cartels are Forbidden, and Firms are not Allowed to Use Efficiency Defense for Cartels	1	1	2	0.83	UNCTAD (2007)
Legal Framework Prohibits Abuse of Dominance	1	1	2	0.83	UNCTAD (2007)
Definition of Market Dominance and Abuse of Dominant Position	1	1	2	0.83	UNCTAD (2007)
Availability of Leniency Programs with Procedural Guarantees	1	1	2	0.83	ICN (2019)
Cooperation with Competition Authorities Offers Confidentiality, Anonymity, and Whistleblower Protection	1	1	2	0.83	ICN (2019)
Leniency Programs Establish Clear Immunity Regimes	1	1	2	0.83	ICN (2019)
Incentives for Voluntary Compliance	1	1	2	0.83	OECD (2021b)
Total Points for Subcategory 1.1.1	12	12	24	10.00	
1.1.2 Merger Control					
Scope of Merger Control Regulations	1	1	2	0.91	ICN (2018); OECD (2005)

Legal Framework Establishes the Economic Criteria used to Identify which Transactions Fall under the Merger Control Regime	1	1	2	0.91	ICN (2018)
Legal Framework Establishes a Merger Control Procedure to Assess Competition Distortions	1	1	2	0.91	ICN (2018)
Legal Framework Establishes Clear Guidelines and Thresholds for Merger Notifications including Individual and Aggregate Thresholds	1	1	2	0.91	ICN (2018)
Existence of a Multi-phased Merger Review Procedure with Specific Statutory Time Limits	1	1	2	0.91	OECD (2005)
Existence of a Simplified Merger Procedure	1	1	2	0.91	OECD (2005)
Existence of Pre-Merger Consultation with Competition Authority Regarding Transaction Notification	1	1	2	0.91	OECD (2018b); OECD (2022b)
Requirement to Conduct a Substantive Economic Assessment on the Competitive Effects of a Transaction Submitted for a Merger Control Review	1	1	2	0.91	Bradford and Chilton (2018); ICN (2018)
Availability of Legitimate Justifications for Increases in Market Power Resulting from a Merger or Acquisition	1	1	2	0.91	ICN (2018); OECD (2018b)
Merger Remedies should be Effective, and the Competition Authority Should have the Authority to Ensure Compliance	1	1	2	0.91	Bradford and Chilton (2018); ICN (2018)
Powers to Block Mergers that May Otherwise Adversely Impact Competition	1	1	2	0.91	ICN (2018); OECD (2018b)
Total Points for Subcategory 1.1.2	11	11	22	10.00	
1.1.3 State-Owned Enterprises Framework and Scope of Competition Law					
Requirement to Justify the Creation of SOEs Based on Economic, Social and/or Sustainability Criteria	1	1	2	0.83	OECD (2015a), Recommendation I & III
Competition Law Applies to All SOEs and Sectors of the Economy	1	1	2	0.83	OECD (2015a), Recommendation I & III
New SOEs Are Assessed from a Competition Perspective	1	1	2	0.83	OECD (2015a), OECD (2021f)
Requirement to Carry Out an Evaluation Assessment to Justify SOE Commercial Activities	1	1	2	0.83	OECD (2015a), Recommendation I
Regulatory Oversight of SOE Preferential Treatment	1	1	2	0.83	OECD (2015a), OECD (2021f)
Presence of Barriers to Competition Authority's Investigations of SOEs	1	1	2	0.83	OECD (2015a), OECD (2021f)
Existence of Procedure to Exclude Sectors from the Application of Competition Law and Merger Control is Based on Economic, Social or Sustainability Criteria	1	1	2	0.83	OECD (2015a), Recommendation I and III
Existence of Procedure to Exempt Agreements from the Application of Competition Law	1	1	2	0.83	OECD (2019)
Total Points for Subcategory 1.1.3	8	8	16	6.67	
1.1.4 Enforcement of Competition Regulations					
Procedural and Fairness Guarantees During Investigation	1	1	2	0.95	ICN (2019)
Legal Framework Defines What Constitutes Confidential Information	1	1	2	0.95	OECD (2005)

Adequate Powers and Resources to Investigate and to Enforce and Impose Sanctions are Conferred to the Competition Authority	1	1	2	0.95	ICN (2019)
Competition Authorities Have the Powers to Collect Monetary Sanctions and to Enforce Non-monetary Sanctions	1	1	2	0.95	ICN (2019)
Competition Authority Can Investigate a Failure to Notify Transactions and Impose Sanctions Based on the Firm's Turnover	1	1	2	0.95	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	0.95	Bradford and Chilton (2018); UNCTAD (2007)
An Overall Cap on Fines is Provided in the Regulatory Framework	1	1	2	0.95	OECD (2019b)
Total Points for Subcategory 1.1.4	7	7	14	6.65	
Total Points for Category 1.1	38	38	76	33.33	
1.2 INNOVATION AND TECHNOLOGY TRANSFER					
1.2.1 Strength of Intellectual Property Rights Protection					
Provisions for Establishment of Collective Management Organizations	1	1	2	0.76	WIPO (2004); WIPO (2022)
Patentability Requirements (Novelty, Inventive Step, Industrial Applicability) for Inventions and Experimental Use Exception or Research Exemption for Patents	1	1	2	0.76	WIPO (2004); WIPO (2010)
Patent Protection Valid From the Filing Date	1	1	2	0.76	WIPO (2004)
Duration of Patent and Trademark Protection	1	1	2	0.76	TRIPS (1994)
Opposition Mechanisms for Patents and Trademarks	1	1	2	0.76	WIPO (2023a); WIPO (2009)
Provisions for Information Submission System for Patents	1	1	2	0.76	WIPO (2023b)
Public Disclosure of Patents	1	1	2	0.76	WIPO (2004)
Trademark use Obligation, Related Grace Period	1	1	2	0.76	WIPO (2004)
Protection for Well-Known Marks	1	1	2	0.76	WIPO (2000)
Actions or Remedies to Enforce Copyright, Patent, and Trademark Protection	1	1	2	0.76	TRIPS (1994)
Arbitration of Copyright, Patent, and Trademark Disputes	1	1	2	0.76	Reed et al. (2021)
Total Points for Subcategory 1.2.1	11	11	22	8.33	
1.2.2 Licensing and Technology Transfer					
Provisions on Copyright, Patent, Trademark Licensing Procedures	1	1	2	1.67	WIPO (2004)
Guidelines for Setting Fair and Non-Discriminatory Royalties	1	1	2	1.67	OECD (2019a)
Recordal of Change of Patent Owner and Related Timeframe	1	1	2	1.67	WIPO (2010)
Temporary Licenses/Waivers for Patents	1	1	2	1.67	World Bank (2020)

Disclosure of Patent and Trademark Licensing Agreements to IPO	1	1	2	1.67	WIPO (2010)
Total Points for Subcategory 1.2.2	5	5	10	8.33	
1.2.3 Fair Access to Innovation (includes environment)					
Open Access and Open-Source Definition	1	1	2	0.93	WIPO (2011); BSA (2005)
Scope of Permissible Open Access Research Activities	1	1	2	0.93	Priest (2012); WIPO (2021)
Provisions Enabling Open Science	1	1	2	0.93	UNESCO (2021a); UNESCO (2022a)
Risk-Based Approach to AI Regulation	1	1	2	0.93	Panait et al. (2021); OECD (2023)
Guidelines on an Ethical Impact Assessment of AI Systems	1	1	2	0.93	UNESCO (2021b); UNESCO (2022b); UNESCO (2023); UNESCO/Mila (2023)
Provisions Safeguarding Public Interest	1	1	2	0.93	TRIPS (1994)
Guidelines for IP-Based Financing	1	1	2	0.93	WIPO (2008)
Provisions on IP Relevant for Environmental Sustainability	1	1	2	0.93	WIPO (2020)
Provisions on the Environmentally Safe Disposal and Destruction of IPRs Infringing Goods	1	1	2	0.93	WIPO (2010b); WIPO (2017a); Stoentgen (2012); WIPO (2017b)
Total Points for Subcategory 1.2.3	9	9	18	8.33	
1.2.4 University-Industry Collaboration					
Standard Model Research Collaboration Agreements	1	1	2	1.39	WIPO (n.d.)
Grace Period for Publishing Research Results without Compromising Patentability	1	1	2	1.39	WIPO (n.d.)
Patent Ownership Developed within Public Research Organizations	1	1	2	1.39	Aridi and Cowey (2018)
Institutional IP Policies of Public Research Organizations	1	1	2	1.39	WIPO (n.d.)
University Spin-offs	1	1	2	1.39	Aridi and Cowey (2018)
Financial Incentives for Commercializing Research	1	1	2	1.39	Aridi and Cowey (2018)
Total Points for Subcategory 1.2.4	6	6	12	8.33	
Total Points for Category 1.2	31	31	62	33.33	
1.3 BIDDING FOR PUBLIC CONTRACTS					
1.3.1 Access and Firm's Participation (includes gender)					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Open and Competitive Procurement as the Default	1	1	2	1.46	OECD (2011); UNCITRAL (2011)
Restrictions on Foreign Firms' Participation in Public Procurement	1	1	2	1.46	Anderson et al. (2010); MAPS (2018); OECD (2011); UNCITRAL (2011)

SOEs and Independent Authorities Are Not Excluded from Application of Procurement Regulations	1	1	2	1.46	OECD (2015a), Recommendation III
Ability to Divide Contracts into Lots	1	1	2	1.46	EBRD (2017); OECD (2011, 2015b); Uyarra et al. (2014)
Legal Deadline for Procuring Entities to Process Payments to the Contractor is Established	1	1	2	1.46	MAPS (2018)
Procurement Procedures for Framework Agreements are Established	1	1	2	1.46	UNCITRAL (2011)
Promoting Gender Equality in Public Procurement	1	1	2	1.46	MAPS (2022); OECD (2021e)
Tender and Contractual Mechanisms to Promote SME Participation	1	1	2	1.46	ADB (2012); Beck and Demircuc-Kunt (2006); EBRD (2017b); OECD (2015b, 2017a)
Total Points for Subcategory 1.3.1	8	8	16	11.67	
1.3.2 Best Value for Money (includes gender and environment)					
Existence of Procedures and Criteria for Identifying Abnormally Low Bids are Established	1	1	2	1.46	UNCITRAL (2011)
Designation of Specialized Tendering Methods for Innovation Procurement	1	1	2	1.46	Edler and Georghiou (2007); Ghisetti (2017); OECD (2017b)
Incorporation of Sustainability Clauses in Standard Bidding Documents	1	1	2	1.46	MAPS (2018); OECD (2015c)
Incentives to Include Environmental Considerations in Tenders	1	1	2	1.46	MAPS (2018); OECD (2015c)
Mechanisms to Introduce Gender-Responsive Public Procurement	1	1	2	1.46	MAPS (2022)
Market-Based Tools to Estimate Contract Value	1	1	2	1.46	MAPS (2018)
Total Cost of Ownership and Life Cycle Cost Considerations are Used in Bid Evaluation	1	1	2	1.46	Dimitri (2012); MAPS (2018); UNCITRAL (2011)
Most Economically Advantageous Tender is the Preferred Evaluation Criteria	1	1	2	1.46	Dimitri (2012); Lewis and Bajari (2011); MAPS (2018); UNCITRAL (2011)
Total Points for Subcategory 1.3.2	8	8	16	11.67	
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	0.83	MAPS (2018); OECD (2015b); UNCITRAL, (2011)
Minimum Duration Between Publication of Tender Notice and Submission Deadline is Clearly Defined	1	1	2	0.83	MAPS (2018); UNCITRAL (2011)
Prohibition of Dividing Contracts to Circumvent Open Tendering Thresholds	1	1	2	0.83	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	0.83	OECD (2015b); UNCITRAL (2011)
Availability of Specialized and Independent Procurement Tribunals and of the Right to Challenge Award Decisions	1	1	2	0.83	MAPS (2018); UNCITRAL (2011)

Time Limits to Resolve Appeals and Legal Recourses Granted to Firms When there are Delays in Resolving Appeals	1	1	2	0.83	MAPS (2018); UNCITRAL (2011)
Total Points for Subcategory 1.3.3	6	6	12	5.00	
1.3.4 Transparency of Key Procurement Documents					
Publication of Procurement Plans, Notices, Tender Documents, and Award Decisions	1	1	2	2.50	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); OECD (2015b)
Publication of Contracts and Contract Amendments	1	1	2	2.50	MAPS (2018); OECD (2015b)
Total Points for Subcategory 1.3.4	2	2	4	5.00	
Total Points for Category 1.3	24	24	48	33.33	
Total Points for Pillar I	93	93	186	100.00	

Note: IP = Intellectual Property; SME = Small and Medium Enterprise; SOE = State-Owned Enterprise.

PILLAR II—PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION					
2.1 COMPETITION AUTHORITY					
2.1.1 Institutional Framework					
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 (2022a)
Establishment of a 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 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	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	1.39	OECD (2021c)
Issuance of Guidance Documents on Abuse of Dominance	1	1	2	1.39	OECD (2021c)
Issuance of Guidance Documents on Leniency Programs	1	1	2	1.39	OECD (2021c)
Issuance of Guidance on Market Definition	1	1	2	1.39	ICN (2018)
Issuance of Guidance Documents on Competition-Related Issues in Digital Platforms	1	1	2	1.39	ICN (2018)
Issuance of Guidance on Merger Control	1	1	2	1.39	ICN (2018)
Issuance of Guidance on Labor Markets	1	1	2	1.39	ICN (2018)
Issuance of Analytical Reports on Competition	1	1	2	1.39	ICN (2017)
Organization of Workshops to Disseminate Competition Policy	1	1	2	1.39	ICN (2012)
Online Publication of all Antitrust and Merger Control Decisions and Exemptions	1	1	2	1.39	ICN (2019); OECD (2015a)

Online Publication of all Opinions of the Competition Authority on Government Policies	1	1	2	1.39	OECD (2019c)
Electronic Notification of Transaction for Merger Control	1	1	2	1.39	ICN (2019)
Total Points for Subcategory 2.1.2	12	12	24	16.67	
Total Points for Category 2.1	21	21	42	33.33	
2.2 INNOVATION IN FIRMS					
2.2.1 Institutional Framework to Support Innovation					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Pro-Bono or Low-Cost Legal Assistance Offered by IPO to IP Licensees	1	1	2	2.78	WIPO (n.d.)
Availability of Information Submission System in Practice	1	1	2	2.78	WIPO (2023b)
Public Consultations on IP Laws and Regulations	1	1	2	2.78	US Chamber of Commerce (2022)
Public Body Responsible for Participation of Firms in Development of Technical Standards	1	1	2	2.78	WIPO (n.d.)
Total Points for Subcategory 2.2.1	4	4	8	11.11	
2.2.2 Digitalization of Intellectual Property Services (includes environment)					
Availability of License of Rights Database or IP Marketplace	1	1	2	2.22	WIPO (2010)
Availability of Green Technology Identifier	1	1	2	2.22	WIPO (2020)
Availability of Electronic Database on Locally Registered IPR	1	1	2	2.22	WIPO (2004)
Availability of Online Platform for IP Holders to Manage IPR Electronically	1	1	2	2.22	WIPO (2004)
Online Publication of List of Qualified IP Professionals by the IPO	1	1	2	2.22	WIPO (2004)
Total Points for Subcategory 2.2.2	5	5	10	11.11	
2.2.3 Innovation Systems (includes gender)					
Availability of Technology Transfer Offices	1	1	2	1.23	Aridi and Cowey (2018)
Availability of Regulatory Sandboxes	1	1	2	1.23	World Bank (2020)
Availability of Innovation Incubators	1	1	2	1.23	Cirera et al. (2020)
Availability of Innovation Accelerators	1	1	2	1.23	Cirera et al. (2020)
Government Financial Assistance to Private Incubators/Accelerators	1	1	2	1.23	Cirera et al. (2020)
Public Research Organizations Technical Assistance to Private Incubators/Accelerators	1	1	2	1.23	Cirera et al. (2020)
Availability of Incubators/Accelerators that Target Women Entrepreneurs	1	1	2	1.23	Cirera et al. (2020)

Availability of Science and Technology Parks	1	1	2	1.23	Cirera et al. (2020)
Availability of Innovation Clusters	1	1	2	1.23	Cirera et al. (2020)
Total Points for Subcategory 2.2.3	9	9	18	11.11	
Total Points for Category 2.2	18	18	36	33.33	
2.3 E-PROCUREMENT					
2.3.1 Digitalization of Procurement Procedures (includes environment)					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Availability of Central E-Procurement Platform	1	1	2	1.48	EBRD (2015); MAPS (2018); PwC (2013)
Registering as a Vendor	1	1	2	1.48	ADB (2013); EBRD (2015); OECD (2015b); PwC (2013)
Asking the Procuring Entity for Clarifications and Notification of Decisions Electronically	1	1	2	1.48	ADB (2013); EBRD (2015); Kinsey (2004); OECD (2015b)
Submitting Tenders Electronically	1	1	2	1.48	ADB (2013); EBRD (2015); Kinsey (2004); OECD (2015b)
Open Bids Electronically and Virtual Workspace to Manage the Tender Procedure	1	1	2	1.48	ADB (2013); EBRD (2015); MAPS (2018); PwC (2013)
Submitting Bid Security Electronically and Performance Guarantee with Electronic Validation	1	1	2	1.48	ADB (2013); EBRD (2015)
Contract Signing Electronically	1	1	2	1.48	ADB (2013); EBRD (2015); PwC (2013)
E-contract Management and Implementation Module	1	1	2	1.48	ADB (2013); EBRD (2015); PwC (2013)
Submitting Invoices to the Procuring Entity	1	1	2	1.48	ADB (2013); EBRD (2015)
Receiving Payments from the Procuring Entity Electronically	1	1	2	1.48	ADB (2013); EBRD (2015)
Module for Framework Agreement Management	1	1	2	1.48	ADB (2013); EBRD (2015)
E-Reverse Auction Module	1	1	2	1.48	ADB (2013); EBRD (2015)
E-Catalogue of Approved Suppliers	1	1	2	1.48	ADB (2013); EBRD (2015)
Electronic Green Catalogues	1	1	2	1.48	ADB (2013); EBRD (2015)
Applying for Vendor Eco-Certifications or Eco/Labels Electronically	1	1	2	1.48	ADB (2013); EBRD (2015); OECD (2015b); PwC (2013)
Total Points for Subcategory 2.3.1	15	15	30	22.22	
2.3.2 Transparency of Key Procurement Documents (includes gender)					
Accessing Notices on Procurement Opportunities Electronically	1	1	2	1.59	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing Bidding Documents Electronically	1	1	2	1.59	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)

Accessing Award Decisions (Including Their Rationale) Electronically	1	1	2	1.59	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing Contracts and Contract Amendments Electronically	1	1	2	1.59	MAPS (2018); PwC (2013)
Access to Specifications, Standards, or Criteria for Eco-Labels and Environmentally Preferable Goods and Services Electronically	1	1	2	1.59	MAPS (2018); OECD (2015c); PwC (2013)
Publication of Open Data in Machine Readable Format on Suppliers Contracts and Tenders	1	1	2	1.59	EBRD (2015); MAPS (2018); OECD (2015b)
Gender - Publication of Open Data on Tenders and Contracts Disaggregated by Sex	1	1	2	1.59	MAPS (2022)
Total Points for Subcategory 2.3.2	7	7	14	11.11	
Total Points for Category 2.3	22	22	44	33.33	
Total Points for Pillar II	61	61	122	100.00	

Note: IP = Intellectual Property.

PILLAR III—IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION					
3.1 COMPETITION					
3.1.1 Simplified Merger Review					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Use of the Simplified Merger Review Procedure	33.33	n/a	33.33	2.22	ICN (2018)
Time to File a Simplified Merger Review	33.33	n/a	33.33	2.22	ICN (2018)
Time to Clear a Simplified Merger Review	33.33	n/a	33.33	2.22	ICN (2018)
Total Points for Subcategory 3.1.1	100	n/a	100	6.67	
3.1.2 Market Dynamism and Competitive Behaviors					
Market Structure (Number of Firms that Compete in the Market)	16.67	n/a	16.67	4.45	OECD (2018a, 2021a); Szarzec, Dombi, and Matuszak (2021)
Market Concentration (Market Share of Largest Competitor)	16.67	n/a	16.67	4.45	OECD (2018a, 2021a); Szarzec, Dombi, and Matuszak (2021)
Changes in the Level of Competition	16.67	n/a	16.67	4.45	OECD (2018a, 2021a); Szarzec, Dombi, and Matuszak (2021)
Pricing Power (Ability to Change Prices without Losing Customers)	16.67	n/a	16.67	4.45	OECD (2018a, 2021a); Szarzec, Dombi, and Matuszak (2021)
Easiness to Switch Internet Provider	16.67	n/a	16.67	4.45	OECD (2018a, 2021a); Szarzec, Dombi, and Matuszak (2021)
Government Intervention in Prices	16.67	n/a	16.67	4.45	OECD (2018a, 2021a); Szarzec, Dombi, and Matuszak (2021)
Total Points for Subcategory 3.1.2	100	n/a	100	26.67	
Total Points for Category 3.1	100	n/a	100	33.33	
3.2 INNOVATION					
3.2.1 Proportion of Highly Innovative Firms					
Proportion of Highly Innovative Firms	100	n/a	100	16.67	Cirera and Muzi (2020)
Total Points for Subcategory 3.2.1	100	n/a	100	16.67	
3.2.2 Use of International Quality Certifications					
Use of International Quality Certifications	100	n/a	100	16.67	OECD (2018c)

Total Points for Subcategory 3.2.1	100	n/a	100	16.67	
Total Points for Category 3.2	100	n/a	100	33.33	
3.3 PUBLIC PROCUREMENT					
3.3.1 Time to Award Public Contracts					
Time to Award a Large Works Contract in Open Competitive Bidding	25	n/a	25	1.67	Kinsey (2004); MAPS (2018)
Time to Award a Small Services Contract in Selective Bidding	25	n/a	25	1.67	Kinsey (2004); MAPS (2018)
Time to Prequalify Suppliers	25	n/a	25	1.67	Kinsey (2004); MAPS (2018)
Time to Award a Contract through Electronic Auction	25	n/a	25	1.67	Kinsey (2004); MAPS (2018)
Time to Award a Contract in a Framework Agreement	25	n/a	25	1.67	Kinsey (2004); MAPS (2018)
Total Points for Subcategory 3.3.1	100	n/a	100	8.33	
3.3.2 Time to Receive a Payment from a Government Contract					
Time to Receive a Payment from a Government Contract	100	n/a	100	8.33	ADB (2013); Conti et al. (2021); MAPS (2018)
Total Points for Subcategory 3.3.2	100	n/a	100	8.33	
3.3.3 Firm's Perceptions on the Ease of Bidding					
Firms' Perceptions on the Difficulty to Meet the Administrative Requirements to Participate in Tenders	100	n/a	100	8.33	ADB (2012); EBRD (2017b); MAPS (2018); OECD (2011)
Total Points for Subcategory 3.3.3	100	n/a	100	8.33	
3.3.4 Gender Gap in Government Suppliers					
Gender Gap in Government Suppliers	100	n/a	100	8.33	MAPS (2022)
Total Points for Subcategory 3.3.4	100	n/a	100	8.33	
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); R&D = research and development.

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ANNEX B. MARKET COMPETITION–ANNOTATED QUESTIONNAIRE

Annex B consists of a Glossary and three Annotated Questionnaires for Competition, Innovation, and Procurement. The Annotated Questionnaires provide the mapping between each indicator and the corresponding question(s).

Glossary

Abuse of dominant position: Refers to anticompetitive practices exercised by a firm that holds a significant market share to maintain or increase its position in the market, damage competition and ultimately negatively affect consumer welfare.

Accelerator: Is a program or an organization that targets high growth-oriented firms in the process of scale up and entails intensive mentoring accompanied by the possibility of an early-stage investment.

Action for damages: Is a claim brought before a national court by a party harmed by a Competition Law infringement, requesting monetary compensation for that infringement and any effects it has had upon the injured party's business.

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.

Cartel: A cartel is an anti-competitive agreement or concerted practice among two or more rival firms, which 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.

Central purchasing body: A contracting entity that acquires goods or services (commonly through framework agreements) intended for several public sector entities.

Collective management organization: Refers to organizations authorized to manage copyrights, or rights related to copyrights, on behalf of more than one right holder, for the collective benefit of all right holders within the organization.

Competitive neutrality: Competitive neutrality is 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.

Designation by threshold: Involves setting specific thresholds or criteria that define when a procurement process is designated for SMEs. For example, procurements below a certain value or size may be designated exclusively for SMEs, while larger procurements may be open to all businesses.

Duration: Refers to providing 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. Renewal is not taken into account.

e-catalogue: An e-catalogue, or electronic catalogue, refers to a digital database or repository within the electronic public procurement platform. It contains comprehensive information about suppliers who have been approved to participate in procurement activities, including their products, services, pricing, terms and conditions, and other relevant details.

e-reverse auction: An e-reverse auction is a procurement process conducted electronically, typically through an online platform, where suppliers compete in real-time to offer the lowest price for goods, services, or works.

Ethical impact assessment: Identifies and assesses benefits, concerns, and risks of AI systems.

Experimental use exception: Involves limiting the rights of the patent holder for specific purposes that allow the furtherance of innovation through scientific research or technological innovation.

Fair, reasonable and non-discriminatory (FRAND): Refers to a voluntary commitment made by patent holders towards a standard setting organization to offer a license to a patent on fair, reasonable and non-discriminatory terms when the relevant patent is, or may become, essential to a technical standard.

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.

Guidelines for setting fair, reasonable and non-discriminatory (FRAND) royalty rates: Include 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.

Green Catalogue: Specialized catalogues, known as green catalogues, that feature environmentally friendly products, services, or suppliers certified to meet sustainability criteria.

High-Value Procurement: Refers to tenders that should be carried out under an open and competitive procedure for the purpose of this questionnaire.

Horizontal agreements: Are cooperation agreements made between two or more competing undertakings operating at the same level of the market, either in the production or distribution within a supply chain.

Incubator: Is a program or an organization 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.

Information Submission System: Is a third-party observation system allowing the submission of prior art and/or other complementary information in the form of previous patent applications or registrations, which is believed to be relevant to the question of whether the invention is new and/or involves an inventive step.

Innovation cluster: Is a geographical concentration of interconnected firms and their suppliers and clients, and knowledge institutions, resulting in the generation of innovation.

Intellectual property-based financing: may include the use of IP to secure financing, IP securitization, IP valuation, IP-backed loans, IP sale or leaseback.

Inventive step: or non-obviousness, tests the patentability of an invention, and refers to the requirement that the invention could not be obviously deduced by a person having ordinary skills in the relevant technical field.

Legal monopoly: Also known as a statutory monopoly, is a firm that is protected from competitors by legislation, usually through government mandate, and a firm offers specific services at regulated price.

Leniency program: Is an opportunity for a participant in an anticompetitive agreement to receive total or partial immunity from sanctions or other penalties in exchange for collaborating with the investigation of competition authorities, voluntarily disclosing information about the agreement and their role within a cartel or group of firms.

Life cycle costing: LCC 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 an Excel readable file (CSV, XLSM, or XLSX), JSON, etc. Machine-readable data must be structured data. Non-digital material (for example printed or hand-written documents) are not machine-readable. But even digital material need not be machine-readable. For example, consider a PDF document containing tables of data. These are definitely 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.

Market analysis: A market analysis involves assessing prevailing market conditions, prices, and trends to inform procurement planning and decision-making.

Market dominance: Refers to the control of an economic market by a dominant firm that accounts for a significant share within a given geographic area and possesses the power to affect the competition on 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: Refer to measures taken by competition authorities to preserve or restore competition within a relevant market that would otherwise be lost as a result of a particular merger transaction. Merger remedies can either be structural, through the divestiture of the firm or its assets, or behavioural (conduct-based), which modify the behavior and the future conduct of merging parties.

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.

Novelty: Tests the patentability of an invention and refers to the requirement that the patent has some new characteristic which is not known in the body of existing knowledge in its technical field.

Open access: Refers to the freely available online, digital sharing of academic information, either in the form of publications or data.

Open science: combines a set of principles and practices aiming to make multilingual scientific knowledge openly available, accessible and reusable for everyone for the benefit of scientists and society as a whole.

Open-source: Refers to software provided on license terms that allow it to be used, modified, and distributed freely.

Operational independence: Is when the Competition Authority decides and acts without the influence or necessary validation of external authorities or individuals.

Pre-granting opposition rights: Are the rights available to third parties to oppose the granting of a patent or a trademark prior to its registration.

Post-granting opposition rights: Are the rights available to third parties to oppose the granting of a patent or a trademark after it has already been registered.

Prequalification procedure: A standalone prequalification procedure refers to a process by which prospective suppliers or contractors are evaluated and prequalified based on specific criteria before the actual procurement process begins. A standalone prequalification procedure is conducted separately and independently from any subsequent tendering stages.

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.

Procuring entity: Public entity (agency) conducting procurement in compliance with an applicable law. The terms “procuring agency” or “procurement body” are often used as synonyms. To be considered where a procurement process and an applicable regulatory framework are determined based on which entity conducts procurement.

Provisional, or interim, measure: In IP protection aims at protecting the rights of the relevant party (either the IPR holder or a third party) to put the actions leading to the alleged IPR infringement temporarily on hold while waiting for the final decision of the dispute pending before the court.

Regulatory sandboxes: Involve 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 (innovation questionnaire): Refers to the comprehensive body of instruments (laws, acts, regulations, guidance documents, soft law instruments, etc.) that regulate intellectual property rights and innovation systems. For soft law instruments, please consider only instruments that (i) have the goal of expressing the view of the government on matters that have a direct or indirect impact to firms; (ii) 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 (iii) these instruments must be publicly available.

Regulatory framework (competition questionnaire): Refers to the comprehensive body of instruments (including laws, acts, regulations, guidance documents, soft law instruments etc.) that are designed to promote and maintain market competition through Competition Law and enforcement. It includes soft law instruments.

Regulatory framework (procurement questionnaire): Refers to a comprehensive body of instruments (laws, acts, regulations, detailed procedures, etc.) 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 private sector will expect such entities to comply with such instruments.

Rules and criteria on the ownership of IPRs: Refer to the existence of a nation-wide policy that clearly establishes the rules of ownership of inventions developed by university researchers within the framework of their employment and 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.

Science and technology parks: Are property-based ventures that bring academia and industry together by providing R&D facilities to technology and science companies to foster innovation.

Services: Services of intellectual and consulting nature and any other services not covered by the terms “goods” and “works.”

Soft Law instruments (competition questionnaire): Instruments that (i) 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; (ii) such instruments provide guidance to firms and experts like you as the expected position of the government in such matters, and thus facilitate self-compliance in competition related matters; and (iii) these instruments must be publicly available These instruments can be in the shape of recommendations, manuals or guidelines.

Soft Law instruments (procurement questionnaire): Consider instruments such as rules, guidelines, standard bidding documents or general contract clauses that (i) have the goal of expressing the view of the government on matters that have a direct or indirect impact to firms; (ii) such instruments provide guidance to firms and experts like you as the expected position of the government in such matters, and thus facilitate self-compliance in procurement related matters; and (iii) these instruments must be publicly available.

Spin-offs: Are newly created companies based on a new technology developed by a university or research institution with the aim of commercializing the new invention.

Standard model research collaboration agreements or consortium agreements: Refer to pre-drafted model contracts that are used as a basis in the conclusion of an agreement between two or more parties that wish to cooperate to develop and possibly commercialize a new technology.

Standard tender/bidding documents: A document issued by a competent authority (centralized procurement body, procuring entity, etc.) that sets out the terms and conditions for a set of procurement procedures, usually categorized by type of procurement, value and or sector. Alternative terms: standard solicitation documents or standard procurement documents.

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.

State-owned enterprise (SOE): Is any legal entity engaged in commercial activities that is recognized by national law as an enterprise and in which the government exercises either full or partial ownership. This includes enterprises established as joint stock, 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.

Substantive economic assessment: Involves a blend of legal and in-depth economic analysis, supported by robust and technical evidence, of the competitive effects of the merger in question upon the relevant market.

Technology transfer office: Refers to an office that can facilitate the transfer of technology and collaborative innovation between research institutions and firms with the aim of commercialization.

Temporary licenses: Are granted by patent holders while setting limitations on the terms under which the license is granted, either in the type of service that can be provided or the number of customers that can be served, or the time validity of the license.

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.

Vertical agreements: Are 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 on-going 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.

Well-known mark: Is a trademark that, in view of its widespread reputation or recognition, may enjoy broader protection than an ordinary mark, regardless of whether it is registered or not.

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).

COMPETITION QUESTIONNAIRE

The tables below 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I–QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION

1.1. QUALITY OF COMPETITION REGULATIONS

1.1.1 Antitrust

1. Does the regulatory framework forbid anticompetitive agreements between firms? (Y/N)
2. 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)
3. Does the regulatory framework identify which horizontal and vertical agreements must have an adverse effect on the market to be prohibited? (Y/N) *(not scored)*
4. Are cartels, including agreements that directly or indirectly fix purchase or selling prices, forbidden in and of themselves? (Y/N)
5. Does the regulatory framework provide exemptions for anticompetitive agreements that advance certain public interests? (Y/N)
6. Does the regulatory framework provide exemptions for anticompetitive agreements if they promote efficiency or technical and economic progress? (Y/N)
7. According to the regulatory framework, can cartels be exempted from the application of competition law provisions? (Y/N) *(not scored)*
8. According to the regulatory framework, are exemptions for anticompetitive agreements granted contingent upon the condition that the agreement must be efficiency enhancing? (Y/N)

9. According to the regulatory framework, are exemptions for anticompetitive agreements granted contingent upon the condition that the agreement must not eliminate competition? (Y/N)
10. Are exemptions for anticompetitive agreements granted contingent upon the condition that the agreement should allow a fair share for consumers? (Y/N)
11. Are exemptions from the competition regulatory framework granted only for certain time periods? (11a - good practice)
 - 11a. Yes, exemptions are granted for a specific time period
 - 11b. No, there is no time period for some exemptions
 - 11c. No, there is no time period for any exemptions
 - 11d. No, exemptions cannot be granted
12. 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)
13. Are there specific provisions in the regulatory framework that prevent justifying agreements that are forbidden in and of themselves on the basis of efficiency? (Y/N)
14. Does the regulatory framework prohibit firms from abusing dominant positions? (Y/N)
15. Does the regulatory framework define market dominance when firms have substantial degree of power in a market? (Y/N)
16. Does the regulatory framework define when firms are abusing their market dominance? (Y/N)
17. Does the regulatory framework contain provisions that allow firms to justify their behaviors on the basis of contributions to economic and/or technical progress during an investigation by the Competition Authority? (*not scored*)
18. Does the regulatory framework provide a leniency program? (Y/N)
19. Does the leniency program include a defined process with procedural guarantees for evaluating an organization's cooperation and determining the benefits they will receive? (Y/N)
20. Is the confidentiality of organizations that cooperate with the Competition Authority during an investigation protected by the regulatory framework? (Y/N)
21. Does the regulatory framework allow the Competition Authority to disclose the identity of a leniency applicant during judicial proceedings? (21a or 21b – good practice)
 - 21a. No, the identity of the applicant is never disclosed
 - 21b. Yes, disclosure is allowed when there is a legal obligation to do so as part of judicial proceedings
 - 21c. Yes, the regulatory framework imposes no constraints on the disclosure of the leniency applicant's identity
22. Is the anonymity of organizations that cooperate with the Competition Authority during an investigation explicitly protected by the regulatory framework? (Y/N)
23. According to the regulatory framework, are individual employees that report to the Competition Authority antitrust violations within their own companies given whistleblower protection? (Y/N)

24. Does the leniency program provide full immunity to the first firm that self-reports its involvement in anticompetitive behavior? (Y/N)
25. Do subsequent firms that self-report involvement in anticompetitive behavior receive any reductions or exemptions from financial sanctions? (Y/N)
26. Within the context of an open antitrust investigation, does the regulatory framework offer incentives for firms in cases of voluntary compliance? (Y/N)

1.1.2 Merger Control

27. Are there sectors that are excluded from the merger control regulations? (Y/N; N - good practice)
28. Does the regulatory framework provide economic criteria specifically designed to identify transactions that fall under merger control regulations? (28a – good practice)
 - 28a. Yes, it provides for both quantitative and qualitative criteria
 - 28b. Yes, but it provides only quantitative criteria
 - 28c. Yes, but it provides only qualitative criteria
 - 28d. No, it does not provide an economic criteria
29. Does the regulatory framework establish thresholds for merger notifications? (Y/N)
30. Does the regulatory framework specify a threshold for merger notifications based on turnover? (30c – good practice)
 - 30a. Yes, individual, concerning the turnover of the target firm.
 - 30b. Yes, aggregate, concerning the turnover of all firms involved in the merger.
 - 30c. Yes, both, depending on the transaction.
 - 30d. No, there is no such indication
31. 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? (31a or 31b – good practice)
 - 31a. Yes, the transaction must be notified
 - 31b. No, but firms can voluntarily submit their transaction for review
 - 31c. No, there is no provision regulating this matter
32. Does the regulatory framework establish a merger control procedure that includes distinct phases or stages based on the potential harm of the transaction? (32a or 32b – good practice)
 - 32a. Yes, there is an integrated multi-phased merger control procedure
 - 32b. Yes, there are multiple but coordinated merger control procedures
 - 32c. No, there are multiple but not coordinated merger control procedures
 - 32d. No
33. Does the regulatory framework set out statutory time limits within which merger control procedures must be completed? (33a - good practice)
 - 33a. Yes, for each phase, stage or procedure
 - 33b. Yes, but only for some phases, stages or procedures
 - 33c. No
34. Does the regulatory framework establish a procedure for conducting a simplified merger review? (Y/N)

35. Does the regulatory framework establish a procedure for pre-merger consultations with the Competition Authority to provide pre-merger advice on whether the transaction should be formally notified? (Y/N)
36. 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)
37. Does the regulatory framework allow firms to justify an increase in market power resulting from a merger or acquisition by arguing that the transaction increases efficiency? (Y/N)
38. Does the regulatory framework allow firms to justify an increase in market power resulting from a merger or acquisition by arguing that the firm would otherwise exit the market? (Y/N)
39. Does the regulatory framework allow firms to justify an increase in market power resulting from a merger or acquisition by arguing that there is an underlying public interest that supersedes competition? (Y/N)
40. According to the regulatory framework, does the Competition Authority have powers to propose a set of remedies to guarantee that the merger preserves, reinstates and does not adversely affect competition in the relevant market? (40a or 40b – good practice)
 - 40a. Yes, the Competition Authority has the power to propose remedies and enforce them
 - 40b. Yes, the Competition Authority has the power to propose remedies, which are subject to approval and enforcement by another agency or courts
 - 40c. No, the Competition Authority does not have the power to propose remedies
41. According to the regulatory framework, are proposed remedies by the Competition Authority required to specifically address the potential harm identified in the merger assessment? (Y/N)
42. According to the regulatory framework, are the proposed remedies by the Competition Authority required to prioritize the least intrusive remedy while ensuring the realization of the merger's efficiencies? (Y/N)
43. According to the regulatory framework, are the proposed remedies by the Competition Authority required to be capable of effective implementation within a short period of time? (Y/N)
44. Does the Competition Authority have the power to enforce a remedy order? (44a or 44b or 44c – good practice)
 - 44a. Yes, it has the power to directly enforce a remedy order itself
 - 44b. Yes, it has the power to request a court to enforce a remedy order
 - 44c. Yes, both possibilities are available
 - 44d. No, does not have the power to enforce a remedy
45. Does the regulatory framework allow merging parties to propose alternative solutions during the adoption of remedies? (Y/N)
46. According to the regulatory framework, does the Competition Authority have powers to block mergers? (46a or 46b – good practice)

- 46a. Yes, it has the power to directly block the merger
- 46b. No, it must file a legal challenge against the merger in court to block the merger
- 46c. No, mergers cannot be blocked

1.1.3 State-Owned Enterprises Framework and Scope of Competition Law

- 47. Does the regulatory framework require governments to justify the creation of SOEs based on specific economic, social or sustainability criteria? (Y/N)**
- 48. According to the regulatory framework, are any sectors in the economy excluded from competition law enforcement? (Y/N; N – good practice)**
- 49. According to the regulatory framework, are any legal monopolies excluded from application of competition law? (Y/N; N – good practice)**
- 50. According to the regulatory framework, are any SOEs excluded from application of competition law? (Y/N; N – good practice)**
- 51. Does the creation of SOEs require a positive assessment on its impact on competition? (Y/N)**
- 52. Does the regulatory framework require periodic evaluations to be conducted on SOEs to assess their impact on competition and the market, and to ensure their activities remain competitively neutral? (52a – good practice)**
 - 52a. Yes, regularly for all SOEs
 - 52b. Yes, regularly for some SOEs
 - 52c. No
- 53. Does the regulatory framework provide for preferential treatment or exemptions specifically benefiting SOEs compared to private firms? (*not scored*)**
- 54. Does the regulatory framework require that preferential treatment or exemptions granted to SOEs compared to private firms undergo approval by the Competition Authority? (54a or 54b – good practice)**
 - 54a. Yes, approval by the Competition Authority is required regardless of impact of the preferential treatment
 - 54b. Yes, review by the Competition Authority is required, with approval depending on the impact of the exemption
 - 54c. Yes, review by the Competition Authority is required, but approval is not required.
 - 54d. No, there is no requirement for review by the Competition Authority
- 55. Are there any specific legal or procedural barriers that hinder the Competition Authority's ability to investigate anti-competitive practices by SOEs? (Y/N)**
- 56. 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? (Y/N)**
- 57. Does the regulatory framework allow firms to seek exemptions from antitrust or merger control regulations under specified conditions for individual agreements? (Y/N)**
- 58. Does the regulatory framework provide procedures to exempt category of agreements (Y/N)**

- 59. Does the exemption regime require a decision be justified on economic, social or sustainability grounds? (59a – good practice)**
59a. Yes, both for individual agreement and categories
59b. Yes, only for individual agreements
59c. Yes, only for category of agreements
59d. No

1.1.4 Enforcement of Competition Regulations

- 60. Does the regulatory framework grant the Competition Authority powers to investigate whether firms have concluded a transaction that might raise competition concerns? (60a or 60b – good practice)**
60a. Yes, for all transactions
60b. Yes, but only for transactions that fall within the mandatory notification thresholds
60c. No
- 61. According to the regulatory framework, does the Competition Authority issue a notice of the reasons and concerns leading to an investigation at the beginning of the process? (Y/N)**
- 62. According to the regulatory framework, are the investigation procedures of the Competition Authority required to be documented in writing? (Y/N)**
- 63. According to the regulatory framework, does the investigation phase of the Competition Authority have to be completed within a set amount of time? (Y/N)**
- 64. According to the regulatory framework, are parties provided a reasonable opportunity to consult with the Competition Authority during the investigation? (Y/N)**
- 65. According to the regulatory framework, are parties provided a reasonable opportunity to be heard and provide evidence or testimony in their defense during the investigation (this includes testimony of experts, cross-examination of testifying witnesses, and the opportunity to review or rebut any evidence brought forward)? (Y/N)**
- 66. According to the regulatory framework, are parties provided with an opportunity to settle or to reach a consent agreement with the Competition Authority? (Y/N)**
- 67. Are there clear provisions on what constitutes confidential information to be protected within investigations and merger control procedures (for example, business secrets)? (Y/N)**
- 68. Does the regulatory framework grant the Competition Authority the power to conduct unsolicited inspections of firms' premises (such as dawn raids) to investigate illegal anticompetitive practices? (68a – good practice)**
68a. Yes, with a court order or warrant
68b. Yes, without a court order or warrant
68c. No
- 69. Does the regulatory framework specify penalties for firms that fail to comply with information requests from the Competition Authority? (69a or 69b – good practice)**
69a. Yes

- 69b. Yes, but only if the company supplies incorrect or misleading information
69c. No

70. In the enforcement of sanctions, does the regulatory framework confer the Competition Authority with the power to collect monetary sanctions? (70a or 70b – good practice)

- 70a. Yes, the Competition Authority can collect monetary sanctions itself
70b. Yes, with coordination with tax authorities for enforcement
70c. No, the Competition Authority needs judicial enforcement through court orders
70d. No, the Competition Authority cannot collect monetary sanctions

71. In the enforcement of sanctions, does the regulatory framework confer the Competition Authority with the power to enforce nonmonetary sanctions? (71a or 71b or 71c – good practice)

- 71a. Yes, the Competition Authority can enforce non-monetary sanctions itself
71b. Yes, with coordination with other governmental authorities
71c. No, the Competition Authority needs judicial enforcement through court orders
71d. No, the Competition Authority cannot enforce non-monetary sanctions

72. According to the regulatory framework, does the Competition Authority have the power to take action to sanction firms that fail to comply with the merger control regime? (72a or 72b – good practice)

- 72a. Yes, the Competition Authority has the power to impose sanctions directly
72b. Yes, but the authority to impose sanctions lies with another agency or appropriate courts
72c. No

73. Would the sanction be calculated on the basis of the firm's turnover? (Y/N)

74. Does the regulatory framework establish that Competition Authority's decisions are binding and enforceable? (Y/N)

75. Is there a designated independent body before which firms can challenge the decisions of the Competition Authority? (Y/N)

76. Does the regulatory framework define procedures, requirements and standards to enable firms or individuals to pursue damages resulting from infringement of competition law?(Y/N)

77. Does the regulatory framework establish an overall cap on fines that can be imposed on a firm? (Y/N)

78. Please select the criteria used to determine the fine ceiling:

- 78a. As a percentage of the firm's global turnover (Y/N)
78b. Based on the firm's gain from the anticompetitive practice (Y/N)
78c. Fixed amount (Y/N)

1.1 COMPETITION			
1.1.1 Antitrust			
Indicators	FFP	SBP	Total Points
Legal Framework Prohibits Anticompetitive Agreements (1)	1	1	2

Legal Framework Distinguishes Between which Agreements Restrict Competition by Object or Effect (2)	1	1	2
Exemptions for Non-competitive Agreements Must be Justified Based on Public Interest or Efficiency	1	1	2
- Exemptions for public interests (5)	0.5	0.5	1
- Exemptions for efficiency or technical and economic progress (6)	0.5	0.5	1
Exemption Regulations Require to Identify the Efficiency, Harm and Consumer's Impact of the Exempted Agreement (8 AND 9 AND 10)	1	1	2
Exemptions are Granted for a Certain Time Period and Renewals are Reviewed	1	1	2
- Exemptions granted for certain time periods (11)	0.5	0.5	1
- Renewal of exemptions conditions (12)	0.5	0.5	1
Cartels are Forbidden, and Firms are not Allowed to Use Efficiency Defense for Cartels (4 AND 13)	1	1	2
Legal Framework Prohibits Abuse of Dominance (14)	1	1	2
Definition of Market Dominance and Abuse of Dominant Position (15 AND 16)	1	1	2
Availability of Leniency Programs with Procedural Guarantees	1	1	2
- Availability of leniency program (18)	0.5	0.5	1
- Leniency program provides procedural guarantees (19)	0.5	0.5	1
Cooperation with Competition Authorities Offers Confidentiality, Anonymity, and Whistleblower Protection	1	1	2
- Confidentiality (20 AND 21)	0.33	0.33	0.67
- Anonymity (22)	0.33	0.33	0.67
- Whistleblower protection to individuals (23)	0.33	0.33	0.67
Leniency Programs Establish Clear Immunity Regimes (24 AND 25)	1	1	2
Incentives for Voluntary Compliance (26)	1	1	2
Total Points	12	12	24
1.1.2 Merger Control			
Indicators	FFP	SBP	Total Points
Scope of Merger Control Regulations (27)	1	1	2
Legal Framework Establishes the Economic Criteria Used to Identify Which Transactions Fall Under the Merger Control Regime (28)	1	1	2
Legal Framework Establishes a Merger Control Procedure to Assess Competition Distortions (31)	1	1	2
Legal Framework Establishes Clear Guidelines and Thresholds for Merger Notifications Including Individual and Aggregate Thresholds (29 AND 30)* <i>*A partial score of 0.50 is allotted if either option 30a. or 30b. is selected</i>	1	1	2
Existence of a Multi-phased Merger Review Procedure, Procedure with Specific Statutory Time Limits (32 AND 33)	1	1	2
Existence of a Simplified Merger Procedure (34)	1	1	2
Existence of Pre-Merger Consultation with Competition Authority Regarding Transaction Notification (35)	1	1	2
Requirement to Conduct a Substantive Economic Assessment on the Competitive Effects of a Transaction Submitted for a Merger Control Review (36)	1	1	2
Availability of Legitimate Justifications for Increases in Market Power Resulting from a Merger or Acquisition (37 AND 38 AND 39)	1	1	2
Merger Remedies Should be Effective, and the Competition Authority Should have the Authority to Ensure Compliance (40 AND 42 AND 43 AND 44 AND 45)	1	1	2

Powers to Block Mergers that May Otherwise Adversely Affect Competition (46)	1	1	2
Total Points	11	11	22
1.1.3 State-Owned Enterprises Framework and Scope of Competition Law			
Indicators	FFP	SBP	Total Points
Requirement to justify the Create of SOEs Based on Economic, Social or Sustainability Criteria (47)	1	1	2
Competition Law Applies to All SOEs and Sectors of the Economy (48 AND 49 AND 50)	1	1	2
New SOEs Are Assessed from a Competition Perspective (51)	1	1	2
Requirement to Carry out an Evaluation Assessment to Justify SOE Commercial Activities (52)* <i>*A partial score of 0.50 is allotted if option 52b is selected</i>	1	1	2
Regulatory Oversight of SOE Preferential Treatment (54)* <i>*A partial score of 0.50 is allotted if option 54c is selected</i>	1	1	2
Presence of Barriers to Competition Authority's Investigations of SOEs (55)	1	1	2
Existence of Procedure to Exclude Sectors from the Application of Competition Law and Merger Control is Based on Economic, Social or Sustainability Criteria - Procedure to exclude firm or sector exists (56) - Exemption must be justified on economic, social or sustainability criteria (59)* <i>*A partial score of 0.50 is allotted if either option 59b or 59c is selected.</i>	1	1	2
	0.5	0.5	1
	0.5	0.5	1
Existence of Procedure to Exempt Agreements from the Application of Competition Law - Procedure to exempt individual agreements exists (57) - Procedure to exempt category of agreements exists (58)	1 0.5 0.5	1 0.5 0.5	2 1 1
Total Points	8	8	16
1.1.4 Enforcement of Competition Regulations			
Indicators	FFP	SBP	Total Points
Procedural and fairness Guarantees During Investigation (61 AND 62 AND 63 AND 64 AND 65 AND 66)	1	1	2
Legal Framework Defines What Constitutes Confidential Information (67)	1	1	2
Adequate Powers to Investigate and to Enforce and Impose Sanctions are Conferred to Competition Authority (60 AND 68 AND 69)	1	1	2
Competition Authorities have the Powers to Collect Monetary Sanctions and to Enforce Non-Monetary Sanctions (70 AND 71) <i>*A partial score of 0.50 is allotted if option 70c. is selected</i>	1	1	2
Competition Authority Can Investigate a Failure to Notify Transactions and Impose Sanctions Based on the Firm's Turnover (72 AND 73)	1	1	2
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 (74 AND 75 AND 76)	1	1	2
An Overall Cap on Fines is Provided in the Regulatory Framework (77 AND 78a OR 78b OR 78c)	1	1	2
Total Points	7	7	14

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; SOEs = State-Owned Enterprises.

PILLAR II—PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION

2.1 COMPETITION AUTHORITY

2.1.1 Institutional Framework

- 79. Does (the economy) have a functional Competition Authority?** *(not scored)*
79a. Please provide the Competition Authority's name *(not scored)*
79b. Please provide the Competition Authority's website link *(not scored)*
- 80. Are there any other authorities (for example, sectoral regulators) that are responsible for protecting and fostering competition in a targeted sector?** *(not scored)*
- 81. Is the Competition Authority operationally independent in practice?** (81a. – good practice)
81a. Yes
81b. Not in practice, although it should be independent according to the regulatory framework
81c. No
- 82. Please provide an example of why the Competition Authority is not considered to be operationally independent** *(not scored)*
- 83. Do these authorities have well-defined mandates in the areas of antitrust and merger control, to avoid overlapping interventions with the Competition Authority** (Y/N)
- 84. In practice, have there been any uncoordinated overlapping interventions between May 1, 2023 and September 1, 2024?** *(not scored)*
- 85. Does the regulatory framework establish a due process for the appointment of the Competition Authority's board members?** (Y/N)
- 86. Does the regulatory framework establish a due process to dismiss Competition Authority board members?** (Y/N)
- 87. Is there an official office term in years for board members of the Competition Authority?** (Y/N)
- 88. Is there a maximum number of terms a board member of the Competition Authority can serve?** (Y/N)
- 89. Are there any established cooperation mechanisms between the domestic and foreign Competition Authorities?** (Y/N)
- 90. Is there a cooling-off period during which former board members and staff of the Competition Authority are prohibited from taking jobs in companies they previously investigated?** (Y/N)
- 91. According to the regulatory framework, are case handlers within the Competition Authority expected to adhere to conflict-of-interest rules?** *(not scored)*
- 92. Do case handlers of the Competition Authority apply conflict of interest rules in practice?** (Y/N)

93. Does the Competition Authority have a mandate to issue opinions on government policies and regulations to ensure they do not hinder competition? (Y/N)
94. Are the opinions of the Competition Authority on government policies legally binding? (Y/N)
95. If a government body disagrees with an opinion of the Competition Authority, is there a requirement to justify this position and submit it to the Competition Authority? *(not scored)*

2.1.2 Advocacy and Transparency

96. Does the Competition Authority publish general guidance documents on horizontal agreements online? (Y/N)
97. Does the Competition Authority publish general guidance documents on vertical agreements online? (Y/N)
98. Does the Competition Authority publish general guidance documents on cooperation agreements online? (Y/N)
99. Does the Competition Authority issue general guidance documents on abuse of dominance? (Y/N)
100. Does the Competition Authority publish general guidance documents on leniency programs online? (Y/N)
101. Does the Competition Authority publish general guidance documents on market definition (including analysis of product and geographical scope)? (Y/N)
102. Does the Competition Authority publish general guidance documents on digital platforms or multi-sided markets online? (Y/N)
103. Does the Competition Authority publish general guidance documents on merger control online? (Y/N)
104. Does the Competition Authority publish general guidance documents on antitrust enforcement or competition policy related to labor markets online? (Y/N)
105. Does the Competition Authority issue analytical reports on markets, behaviors or practices from the perspective of competition policy? (Y/N)
106. Does the Competition Authority organize workshops/webinars to disseminate information about competition policy to firms? (Y/N)
107. Does the Competition Authority publish all antitrust and merger control decisions online? (Y/N)
108. Does the regulatory framework require exemption decisions to be published online? *(not scored)*
109. Are exemption decisions published in practice? (Y/N)
110. In practice, can firms file notification of a transaction subject to merger control regulations electronically? (Y/N)

111. Are the opinions of the Competition Authority on government policies published online? (Y/N)

2.1 COMPETITION AUTHORITY			
2.1.1 Institutional Framework			
Indicators	FFP	SBP	Total Points
Competition Authority is Operationally Independent (81)	1	1	2
Competition Authority has a Clear and Non-overlapping Mandate (83)	1	1	2
Establishment of Procedure for Selection and Dismissal of Board Members (85 AND 86)	1	1	2
Term Limits for Board Members of the Competition Authority (87) AND (88)	1	1	2
Mechanisms are Established for Competition Authorities to Cooperate with Foreign Competition Authorities (89)	1	1	2
Cooling off Periods After Term Limits for Board Members of the Competition Authority for Private Sector Jobs in Previously Investigated Companies (90)	1	1	2
Conflict of Interest Rules are Applied to Employees of the Competition Authority (92)	1	1	2
Competition Authority Issues Opinions on Policies and Regulations (93)	1	1	2
Competition Authority's Opinions are Binding (94)	1	1	2
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	1	1	2
- Horizontal agreements (96)	0.33	0.33	0.67
- Vertical agreements (97)	0.33	0.33	0.67
- Cooperation agreements (98)	0.33	0.33	0.67
Issuance of Guidance Documents on Abuse of Dominance (99)	1	1	2
Issuance of Guidance Documents on Leniency Programs (100)	1	1	2
Issuance of Guidance on Market Definition (101)	1	1	2
Issuance of Guidance Documents on Competition-Related Issues in Digital Platforms (102)	1	1	2
Issuance of Guidance on Merger Control (103)	1	1	2
Issuance of Guidance on Labor Markets (104)	1	1	2
Issuance of Analytical Reports on Competition (105)	1	1	2
Organization of Workshops to Disseminate Competition Policy (106)	1	1	2
Online Publication of All Antitrust and Merger Control Decisions, and Exemptions	1	1	2
- Antitrust and merger control decisions (107)	0.5	0.5	1
- Exemption decisions (109)	0.5	0.5	1
Online Publication of all Opinions of the Competition Authority on Government Policies (111)	1	1	2
Electronic Notification of Transaction for Merger Control (110)	1	1	2
Total Points	12	12	24

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

Data for Pillar III on the Time to file, review and clear a simplified merger review and adequate use of the procedure are collected through expert consultation, conditional to (i) existence of regulation to notify transactions as answered in Question 31; and (ii) actual practice in filing merger notifications to the Competition Authority over last year, as answered in Question 112b.

Data for Pillar III on the Index on Market Dynamism and Competitive Behaviors are collected through firm-level surveys.

3.1 COMPETITION

3.1.1 Simplified Merger Review

112. For the following 4 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. In voluntary notification systems, please assume that firms will notify the transaction willingly for the purpose of answering the following questions.

112a. In practice, in case of a transaction with the characteristics described above, would the transaction be reviewed under a simplified merger review procedure? (Y/ No, the Competition Authority would not review it under a simplifier merger review procedure/ No, because there is no simplified merger review regime)

112b. Have any merger notifications been filed with the Competition Authority in the past year? (*not scored*)

112c. In practice, what is an average time, in calendar days, to comply with documentary requirements and file a notification to the Competition Authority for a case similar to the one described above? (*Numerical*)

112d. In practice, what is an average time, in calendar days, it takes for the Competition Authority to review and clear a transaction similar to the one described above? (*Numerical*)

113. Over the past year, has the Competition Authority applied a leniency program? (Y/N) (*not scored*)

114. Are all Competition Authority's antitrust decisions enforced in practice? (Y/N) (*not scored*)

115. Does the regulatory framework require firms to pay a fee to notify and/or clear a transaction? (Y/N) (*not scored*)

116. Is the official office term of the head of the Competition Agency and its board members respected in practice? (Y/N) (*not scored*)

117. Over the last year, have any board members continued their duties after expiration of their terms? (Y/N) *(not scored)*

3.1.2 Market Dynamism and Competitive Behaviors

118. How many competitors did this establishment's main product [or service] face in this main market? *(Numerical value)*

119. 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)*

120. 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)

121. 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/Price is regulated by government; N – good practice (100))

122. 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)

3.1 COMPETITION			
3.1.1 Simplified Merger Review			
Indicators	FFP	SBP	Total Points
Use of the Simplified Merger Review Procedure (112a)	100 (33.33%)	n/a	100 (33.33%)
Time to File a Simplified Merger Review (112c)	100 (33.33%)	n/a	100 (33.33%)
Time to Clear a Simplified Merger Review (112d)	100 (33.33%)	n/a	100 (33.33%)
Total Points	100	n/a	100
3.1.2 Market Dynamism and Competitive Behaviors			
Indicators	FFP	SBP	Total Points
Market Structure (Number of Firms that Compete in the Market) (118)	100 (16.67%)	n/a	100 (16.67%)
Market Concentration (Market Share of Largest Competitor) (119)	100 (16.67%)	n/a	100 (16.67%)
Changes in the Level of Competition (120)	100 (16.67%)	n/a	100 (16.67%)
Pricing Power (Ability to Change Prices Without Losing Customers) (121)	100 (16.67%)	n/a	100 (16.67%)
Easiness to Switch Internet Provider (122)	100 (16.67%)	n/a	100 (16.67%)
Government Intervention in Prices (121)	100 (16.67%)	n/a	100 (16.67%)

Total Points	100	n/a	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; SBP = Social Benefits Point.

INNOVATION QUESTIONNAIRE

The tables below 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

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.

PILLAR I—QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION

1.2 INNOVATION AND TECHNOLOGY TRANSFER

1.2.1 Strength of Intellectual Property Rights Protection

1. Are there any legal provisions for the establishment of Collective Management Organizations (CMOs)? (Y/N)
2. Does the regulatory framework explicitly define patentability requirements (novelty, inventive step, industrial applicability) for inventions? (Y/N)
3. Please specify the duration of the patent protection in years in accordance with the regulatory framework. (*Numerical entry*)
4. Please specify the duration of the trademark protection in years in accordance with the regulatory framework. (*Numerical entry*)
5. Does the regulatory framework stipulate that the patent protection is valid from the filing date of the application in case patent registration is granted? (Y/N)

6. Does the regulatory framework define any experimental use exception or research exemption for patents? (Y/N)
7. According to the regulatory framework, are pre-granting opposition rights available for patents? (Y/N)
8. According to the regulatory framework, are post-granting opposition rights available for patents? (Y/N)
9. Does the regulatory framework provide the opportunity for third parties to submit complementary information on a patent application through a third-party observation system (also known as an Information Submission System)? (Y/N)
10. Does the regulatory framework require the disclosure of a patent? (Y/N)
11. Does the regulatory framework provide for a trademark use obligation? (Y/N)
12. Does the regulatory framework stipulate a 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, are pre-registration opposition procedures available for trademarks? (Y/N)
15. According to the regulatory framework, are post-registration opposition procedures available for trademarks? (Y/N)
16. According to the regulatory framework, can public authorities employ civil or administrative procedures to enforce copyright protection? (Y/N)
17. According to the regulatory framework, can public authorities employ criminal procedures to enforce copyright protection? (Y/N)
18. According to the regulatory framework, can public authorities employ provisional measures to enforce copyright protection? (Y/N)
19. According to the regulatory framework, can public authorities employ civil or administrative procedures to enforce patent rights protection? (Y/N)
20. According to the regulatory framework, can public authorities employ criminal procedures to enforce patent rights protection? (Y/N)
21. According to the regulatory framework, can public authorities employ provisional measures to enforce patent rights protection? (Y/N)
22. According to the regulatory framework, can public authorities employ civil or administrative procedures to enforce trademark rights protection? (Y/N)
23. According to the regulatory framework, can public authorities employ criminal procedures to enforce trademark rights protection? (Y/N)

24. According to the regulatory framework, can public authorities employ provisional measures to enforce trademark rights protection? (Y/N)
25. Does the regulatory framework allow arbitrating copyright disputes, as long as they do not affect third party rights? (Y/N)
26. Does the regulatory framework allow arbitrating patent disputes, as long as they do not affect third party rights? (Y/N)
27. Does the regulatory framework allow arbitrating trademark disputes, as long as they do not affect third party rights? (Y/N)

1.2.2 Licensing and Technology Transfer

28. Does the regulatory framework include provisions on copyright licensing procedures? (Y/N)
29. Does the regulatory framework include provisions on patent licensing procedures? (Y/N)
30. Does the regulatory framework include provisions specifying procedures on trademark licensing agreements? (Y/N)
31. Are there any guidelines provided by a public agency for setting fair, reasonable, and non-discriminatory royalties? (Y/N)
32. In cases of patent ownership transfer, does the regulatory framework mandate to record a change of the patent owner to ensure that patent rights remain enforceable against third-party infringement? (Y/N)
33. Does the regulatory framework specify a timeframe during which a record of a change of the patent owner must be made? (Y/N)
34. Does the patent licensing regime explicitly provide that patent holders may grant temporary licenses/waivers? (Y/N)
35. Does the regulatory framework require the disclosure of patent licensing agreements to the Intellectual Property Office? (Y/N)
36. Does the regulatory framework require disclosure of trademark licensing agreements to the Intellectual Property Office? (Y/N)

1.2.3 Fair Access to Innovation (includes environment)

37. Does the regulatory framework define open access content? (Y/N)
38. Does the regulatory framework define open-source content? (Y/N)
39. Does the regulatory framework define the scope of permissible open access research activities to prevent potential liability for copyright infringement? (Y/N)
40. Does the regulatory framework include provisions enabling open science? (Y/N)

41. Does your economy adopt a risk-based approach to AI regulation? (Y/N)
42. Are there guidelines on an ethical impact assessment of AI systems? (Y/N)
43. 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)
44. Does the regulatory framework include provisions on intellectual property-based financing? (Y/N)
45. Are there any legal provisions on intellectual property (IP) relevant for environmental sustainability policies? (Y/N)
46. Does the regulatory framework include provisions on the environmentally safe disposal and destruction of intellectual property infringing goods? (Y/N)

1.2.4 University-Industry Collaboration

47. Does your economy have standard model research collaboration agreements or consortium agreements? (Y/N)
48. 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)
49. Does the regulatory framework establish rules and criteria on patent ownership developed within public research organizations? (Y/N)
50. Does the regulatory framework require that universities or public research organizations adopt their own institutional IP policies? (Y/N)
51. 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)
52. Does the regulatory framework provide financial incentives for commercializing research through benefit or revenue-sharing in a royalty-bearing licensing deal? (Y/N)

1.2 INNOVATION AND TECHNOLOGY TRANSFER			
1.2.1 Strength of Intellectual Property Rights Protection			
Indicators	FFP	SBP	Total Points
Provisions for Establishment of Collective Management Organizations (1)	1	1	2
Patentability Requirements (Novelty, Inventive Step, Industrial Applicability) for Inventions and Experimental Use Exception or Research Exemption for Patents	1	1	2
- Patentability requirements (novelty, inventive step, industrial applicability) for inventions (2)	0.5	0.5	1
- Experimental use exception or research exemption for patents (6)	0.5	0.5	1

Patent Protection Valid from the Filing Date (5)	1	1	2
Duration of Patent and Trademark Protection	1	1	2
- Duration of patent protection (3)	0.5	0.5	1
- Duration of trademark protection (4)	0.5	0.5	1
Opposition Mechanisms for Patents and Trademarks	1	1	2
- Pre-granting opposition for patents (7)	0.25	0.25	0.5
- Post-granting opposition for patents (8)	0.25	0.25	0.5
- Pre-granting opposition for trademarks (14)	0.25	0.25	0.5
- Post-granting opposition for trademarks (15)	0.25	0.25	0.5
Provisions for Information Submission System for Patents (9)	1	1	2
Public Disclosure of Patent (10)	1	1	2
Trademark Use Obligation and Related Grace Period	1	1	2
- Trademark use obligation (11)	0.5	0.5	1
- Grace period after trademark registration before the use obligation comes into effect (12)	0.5	0.5	1
Protection for Well-Known Marks (13)	1	1	2
Actions or Remedies to Enforce Copyright, Patent, and Trademark Protection*	1	1	2
- Civil and administrative procedures for copyrights (16)	0.11	0.11	0.22
- Criminal procedures for copyrights (17)	0.11	0.11	0.22
- Provisional measures for copyrights (18)	0.11	0.11	0.22
- Civil and administrative procedures for patents (19)	0.11	0.11	0.22
- Criminal procedures for patents (20)	0.11	0.11	0.22
- Provisional measures for patents (21)	0.11	0.11	0.22
- Civil and administrative procedures for trademarks (22)	0.11	0.11	0.22
- Criminal procedures for trademarks (23)	0.11	0.11	0.22
- Provisional measures for trademarks (24)	0.11	0.11	0.22
Arbitration of Copyright, Patent, and Trademark Disputes*	1	1	2
- Arbitration for copyrights disputes (25)	0.33	0.33	0.66
- Arbitration for patents disputes (26)	0.33	0.33	0.66
- Arbitration for trademarks disputes (27)	0.33	0.33	0.66
Total Points	11	11	22
1.2.2 Licensing and Technology Transfer			
Indicators	FFP	SBP	Total Points
Provisions on Copyright, Patent, Trademark Licensing Procedures*	1	1	2
- Provisions on copyrights licensing procedures (28)	0.33	0.33	0.66
- Provisions on patents licensing procedures (29)	0.33	0.33	0.66
- Provisions on trademarks licensing procedures (30)	0.33	0.33	0.66
Guidelines for Setting Fair and Non-Discriminatory Royalties (31)	1	1	2
Recordal of Change of Patent Owner and Related Timeframe	1	1	2
- Recordal of change of patent owner (32)	0.5	0.5	1
- Timeframe for recordal of change of patent owner (33)	0.5	0.5	1
Temporary Licenses/Waivers for Patents (34)	1	1	2
Disclosure of Patent and Trademark Licensing Agreements to IPO	1	1	2
- Disclosure of patent licensing agreements to IPO (35)	0.5	0.5	1
- Disclosure of trademark licensing agreements to IPO (36)	0.5	0.5	1
Total Points	5	5	10
1.2.3 Fair Access to Innovation (includes environment)			
Indicators	FFP	SBP	Total Points

Open Access and Open-Source Definition	1	1	2
- Open access definition (37)	0.5	0.5	1
- Open-source definition (38)	0.5	0.5	1
Scope of Permissible Open Access Research Activities (39)	1	1	2
Provisions Enabling Open Science (40)	1	1	2
Risk-Based Approach to AI Regulation (41)	1	1	2
Guidelines on an Ethical Impact Assessment of AI Systems (42)	1	1	2
Provisions Safeguarding Public Interest (43)	1	1	2
Guidelines for IP-Based Financing (44)	1	1	2
Provisions on IP Relevant for Environmental Sustainability (45)	1	1	2
Provisions on the Environmentally Safe Disposal and Destruction of IPRs Infringing Goods (46)	1	1	2
Total Points	9	9	18
1.2.4 University-Industry Collaboration			
Indicators	FFP	SBP	Total Points
Standard Model Research Collaboration Agreements (47)	1	1	2
Grace Period for Publishing Research Results without Compromising Patentability (48)	1	1	2
Patent Ownership Developed Within Public Research Organizations (49)	1	1	2
Institutional IP Policies of Public Research Organizations (50)	1	1	2
University Spin-offs (51)	1	1	2
Financial Incentives for Commercializing Research (52)	1	1	2
Total Points	6	6	12

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; IP = Intellectual Property; IPO = Intellectual Property Office; AI = Artificial Intelligence.

*Shared indicator between copyright, patent, and trademark.

PILLAR II—PUBLIC SERVICES THAT PROMOTE MARKET COMPETITION

2.2 INNOVATION IN FIRMS

2.2.1 Institutional Framework to Support Innovation

53. In practice, does the Intellectual Property Office (IPO) offer pro-bono or low-cost legal assistance to potential IP licensees? (Y/N)
54. In practice, is there a functioning third-party observation system (also known as Information Submission System) where patent holders or affected third parties may submit complementary information on a patent application? (Y/N)
55. Do government agencies conduct public consultations when developing IP laws and regulations? (Y/N)
56. Is there a public body responsible for facilitating and coordinating domestic firms' participation in developing technical standards? (Y/N)

2.2.2 Digitalization of Intellectual Property Services (includes environment)

57. Is there an electronic platform, such as a license of rights database, or IP marketplace, connecting potential buyers and sellers of IP rights? (Y/N)
58. Does the electronic platform, such as license of rights database or IP marketplace, have a specific section or tag/label on green technology? (Y/N)
59. Does the IPO have a publicly accessible electronic database (available online) to identify locally registered intellectual property rights, their content, ownership, and filing date? (Y/N)
60. Does the IPO have an online platform allowing IP holders to manage the details of their rights electronically? (Y/N)
61. Does the IPO publish online an updated list of qualified IP professionals, including registered patent attorneys? (Y/N)

2.2.3 Innovation Systems (includes gender)

62. 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)
63. Are regulatory sandboxes used in your economy to enable technology generation? (Y/N)
64. Are there any innovation incubators in your economy? (Y/N)
65. Are there any innovation accelerators in your economy? (Y/N)
66. Do government agencies provide financial assistance to private sector led innovation incubators and/or accelerators? (Y/N)
67. Do public research organizations provide technical assistance to private sector led innovation incubators and/or accelerators? (Y/N)
68. Are there incubators and/or accelerators that specifically target women entrepreneurs and women-founded businesses in your economy? (Y/N)
69. Are there any science and technology parks in your economy? (Y/N)
70. Are there any innovation clusters in your economy? (Y/N)

2.2 INNOVATION IN FIRMS			
2.2.1 Institutional Framework to Support Innovation			
Indicators	FFP	SBP	Total Points
Pro-Bono or Low-Cost Legal Assistance Offered by IPO to IP Licensees (53)	1	1	2
Availability of Information Submission System in Practice (54)	1	1	2
Public Consultations on IP Laws and Regulations (55)	1	1	2

Public Body Responsible for Participation of Firms in Development of Technical Standards (56)	1	1	2
Total Points	4	4	8
2.2.2 Digitalization of Intellectual Property Services (includes environment)			
Indicators	FFP	SBP	Total Points
Availability of License of Rights Database or IP marketplace (57)	1	1	2
Availability of Green Technology Identifier (58)	1	1	2
Availability of Electronic Database on Locally Registered IPR (59)	1	1	2
Availability of Online Platform for IP Holders to Manage IPR Electronically (60)	1	1	2
Online Publication of List of Qualified IP Professionals by the IPO (61)	1	1	2
Total Points	5	5	10
2.2.3 Innovation Systems (includes gender)			
Indicators	FFP	SBP	Total Points
Availability of Technology Transfer Offices (62)	1	1	2
Availability of Regulatory Sandboxes (63)	1	1	2
Availability of Innovation Incubators (64)	1	1	2
Availability of Innovation Accelerators (65)	1	1	2
Government Financial Assistance to Private Incubators/Accelerators (66)	1	1	2
Public Research Organizations Technical Assistance to Private Incubators/Accelerators (67)	1	1	2
Availability of Incubators/Accelerators that Target Women Entrepreneurs (68)	1	1	2
Availability of Science and Technology Parks (69)	1	1	2
Availability of Innovation Clusters (70)	1	1	2
Total Points	9	9	18

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; IP = Intellectual Property; IPO = Intellectual Property Office; IPR = Intellectual Property Rights.

PILLAR III—IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION

3.2 INNOVATION

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

The data for Pillar III on the Innovation are collected through firm-level surveys, using the following questions:

3.2.1 Proportion of Highly Innovative Firms

71. Highly innovative firms:

- 71a. During the last three years, has this establishment introduced new or improved products or services?
- 71b. During the last three years, has this establishment introduced any new or improved process?
- 71c. During fiscal year, did this establishment spend on research and development activities, either in-house or contracted with other companies, excluding market research surveys?

3.2.2 Use of International Quality Certificated

72. Does this establishment have an internationally recognized quality certification?

3.2 INNOVATION			
3.2.1 Proportion of Highly Innovative Firms			
Indicators	FFP	SBP	Total Points
Proportion of Highly Innovative Firms (71a AND 71b AND 71c)	100 (100%)	n/a	100 (100%)
3.2.2 Use of International Quality Certifications			
Use of International Quality Certifications (72)	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 Benefits Point.

PROCUREMENT 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 “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 affect the score in any way. The purpose of these questions is to further inform and refine the question design for subsequent years of the rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—QUALITY OF REGULATIONS 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 affects 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>

Note: Sector - to be considered where a procurement category (e.g., for goods, works, or services - including both consulting and non-consulting services) determines the procurement process or the applicable regulatory framework. Defense procurement, concessions and PPPs are excluded from the scope of this analysis.

Value - to be considered where a value of a proposed contract determines a procurement process or an applicable regulatory framework. Legally established thresholds usually distinguish between tenders that should be carried out under an open and competitive procedure (defined as “high-value” for the purposes of this questionnaire) and restricted, selective, or limited procurement (defined as “low-value” for the purposes of this questionnaire). Contracts that are not covered under the public procurement regulatory framework (for example, very small values) fall outside the scope of the topic.

1.3 BIDDING FOR PUBLIC CONTRACTS

1. What are the three central/federal government entities that have conducted the largest procurements by number of tenders in your economy in the last three years? *(not scored)*

Please, list the three procuring entities in the order of importance, starting with the one that has issued the most tenders.

1a. Name of the procuring entity (largest):

1b. Name of the procuring entity (second largest)

- 1c. Name of the procuring entity (third largest)
2. **Is any of the three procuring entities that you have selected a state-owned enterprise or an Independent Authority? (Y/N) (not scored)**
3. **Does any of these SOEs or Independent Authorities have a specific public procurement regulatory framework compared to the other centralized/federal procuring entities? (Y/N) (not scored)**

1.3.1 Access and Firm's Participation (includes gender)

4. **Are any SOEs or Independent Authorities in your economy governed by a separate set of public procurement regulations, distinct from the general public procurement regulatory framework? (Y/N)**
5. **Does the regulatory framework establish open procurement as a default method for tendering a contract? (5a. or 5b. - good practice)**
5a. Yes, without exception
5b. Yes, with exception
5c. No
6. **Does the regulatory framework impose any participation or award restrictions on foreign firms? (N - good practice)**
6a. Yes, in all public tenders
6b. Yes, in some public tenders
6c. No
7. **Does the regulatory framework require foreign firms to have partnerships with domestic firms to be eligible to participate in a tender? (N - good practice)**
7a. Yes, in all public tenders
7b. Yes, in some public tenders
7c. No
8. **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? (N - good practice)**
8a. Yes, in all public tenders
8b. Yes, in some public tenders
8c. No
9. **Does the regulatory framework reserve specific contracts exclusively for local firms or citizens? (N - good practice)**
9a. Yes, in all public tenders
9b. Yes, in some public tenders
9c. No
10. **Does the regulatory framework include award quotas as a preferential treatment approach for small and medium-sized enterprises? (Y/N)**
11. **Does the regulatory framework provide shorter payment deadlines for small and medium-sized enterprises? (Y/N)**

12. Does the regulatory framework include designation by threshold as a preferential treatment approach for small and medium-sized enterprises? (Y/N)
13. Does the regulatory framework include reserved products as a preferential treatment approach for small and medium-sized enterprises? (Y/N)
14. Does the regulatory framework include financial guarantee exemptions as a preferential treatment approach for small and medium-sized enterprises? (Y/N)
15. Does the regulatory framework include subcontracting requirements or incentives as a preferential treatment approach for small and medium-sized enterprises? (Y/N)
16. 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?
(16a. or 16b. – good practice)
16a. Yes, for all contracts
16b. Yes, but only in some contracts
16c. No
17. Does the regulatory framework allow firms to claim interest on late payments (or any similar contractual penalty) if the government does not pay within the legally established timeframe?
(not scored)
17a. Yes
17b. The regulatory framework does not provide for late payment interest (or any similar contractual penalty)
18. Does the regulatory framework outline a designated procedure for awarding contracts based on a framework agreement? (Y/N)
19. Does the regulatory framework allow framework agreements to admit new suppliers, in addition to the initial parties, during the duration of the agreement? (19a. or 19b. – good practice)
19a. Yes, for all types of procurement
19b. Yes, but only for some types of procurements
19c. No
20. Are call-off contracts within a framework agreement awarded through a competitive second stage? (20a. – good practice)
20a. Yes, for all types of procurement
20b. Yes, but only for some types of procurements
20c. No
21. Does the regulatory framework include gender-specific provisions that promote gender equality in public procurement? (Y/N)

1.3.2 Best Value for Money (includes gender and environment)

22. Does the regulatory framework establish a process for identifying abnormally low bids that allows to interact with the bidder prior to exclusion? (22a. or 22b. – good practice)
22a. Yes, for all procurement procedures
22b. Yes, but only in some procurement procedures
22c. No

- 23. Does the regulatory framework establish objective and quantifiable criteria to identify abnormally low bids? (23a. or 23b. – good practice)**
 23a. Yes, for all procurement procedures
 23b. Yes, but only in some procurement procedures
 23c. No
- 24. Does the regulatory framework designate specific tendering procedures for innovation procurement? (Y/N)**
- 25. Does the regulatory framework require procuring entities to use standard bidding/tender documents when preparing a tender? (*not scored*)**
 25a. Yes, without exception
 25b. Yes, but with some exception
 25c. No
- 26. Do these standard bidding documents contain sustainability clauses? (26a. or 26b – good practice)**
 26a. Yes, in all model documents
 26b. No, only in some model documents
 26c. None of the model documents contain sustainability clauses
- 27. Does the regulatory framework provide incentives for preparing bids with environmentally friendly components? (Y/N)**
- 28. Does the regulatory framework set general quantifiable environmental targets for procuring entities to achieve through procurement projects? (Y/N)**
- 29. Does the regulatory framework mandate specific environmental standards in the specifications for goods, services, and works? (29a. or 29b. – good practice)**
 29a. Yes, standards are mandated in all public tenders
 29b. Yes, standards are mandated in some public tenders
 29c. No, standards are only recommended
 29d. No, there are no specific requirements
- 30. Does the regulatory framework provide a list of accepted eco tags that procuring entities can use in their bid documents? (Y/N)**
- 31. Does the regulatory framework encourage needs assessments to include gender analysis? (Y/N)**
- 32. Does the regulatory framework require firms to demonstrate adherence to the principle of equal pay during tender procedures? (Y/N)**
- 33. Does the regulatory framework require firms to demonstrate adherence to gender non-discrimination? (Y/N)**
- 34. Does the regulatory framework include exclusion grounds for firms that have violated gender equality obligations? (Y/N)**
- 35. Does the regulatory framework include award criteria with a gender dimension? (Y/N)**

- 36. According to the regulatory framework, are procuring entities required to carry out a market analysis when estimating the contract value of a new procurement opportunity? (36a. or 36b. – good practice)**
 36a. Yes, in all public tenders
 36b. Yes, in some public tenders
 36c. No
- 37. According to the regulatory framework, are procuring entities required to conduct a feasibility study to estimate the contract value of a new procurement opportunity? (37a or 37b – good practice)**
 37a. Yes, in all public tenders
 37b. Yes, in some public tenders
 37c. No
- 38. According to the regulatory framework, are procuring entities required to use historical data from similar tenders when estimating the contract value of a new procurement opportunity? (38a or 38b – good practice)**
 38a. Yes, in all public tenders
 38b. Yes, in some public tenders
 38c. No
- 39. According to the regulatory framework, are bidders required to prepare their bids based on the principle of project life cycle cost for high-value procurement? (39a or 39b – good practice)**
 39a. Yes
 39b. No, but the regulatory framework recommends it
 39c. No
- 40. According to the regulatory framework, are bidders required to prepare their bids based on the principle of total cost ownership for high-value procurement? (40a. or 40b – good practice)**
 40a. Yes
 40b. No, but the regulatory framework recommends it
 40c. No
- 41. Does the regulatory framework explicitly recommend the preference to use Most Economically Advantageous Tender criteria over lowest price criteria? (41a – good practice)**
 41a. Yes, for all procurement procedures
 41b. Yes, but only in some procurement procedures
 41c. No
- 42. According to the regulatory framework, should the procuring entity provide a reference price in tender documents? (*not scored*)**
 42a. Yes, for all sectors
 42b. Yes, but for some sectors only
 42c. No

1.3.3 Fairness of the Procurement Process

- 43. Is there a mandatory standstill period between the public notice of award and contract signing to allow unsuccessful bidders challenge the decision? (43a – good practice)**
 43a. Yes, for all public procurement procedures
 43b. Yes, but only in some public procurement procedures

43c. No

44. Does the regulatory framework set a minimum timeframe between advertisement of a tender notice and a submission deadline? (44a. – good practice)

44a. Yes, for all procurement procedures

44b. Yes, but only in some procurement procedures

44c. No

45. Does the regulatory framework prohibit splitting contracts for the purpose of circumventing thresholds for open tendering? (Y/N)

46. Does the regulatory framework mandate communication of an award decision? (46a. – good practice)

46a. Yes, to all bidders → 1 point if selected → proceed to the next question.

46b. Yes, to the awarded bidder only → proceed to the next question.

46c. No, only the name of the awardee is provided

46d. The regulatory framework does not require communication

47. Is the requirement to communicate an award decision applicable to all procurements conducted by the procuring entities listed? (47a. – good practice)

47a. Yes, applicable to all procurement procedures

47b. No, only for some procurements procedures

47c. No

48. According to the regulatory framework, how should clarification requests from potential bidders be communicated? (48a. – good practice)

48a. Required to communicate answers to all bidders

48b. Required to communicate answers only to inquiring bidder

48c. Not specified by law

49. 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? (49a. – good practice)

49a. Yes, specialized and independent

49b. Yes, specialized

49c. Yes, independent

49d. No

50. Does an aggrieved bidder have the right to appeal decisions on challenges made by the authority that receives procurement challenges? (Y/N)

51. Are there any legally binding time limits to resolve a procurement challenge? (51a. – good practice)

51a. Yes, for all types of challenges

51b. Yes, but only in some types of challenges

51c. No

52. Is there a legal recourse for an aggrieved bidder experiencing delays in either challenge or review processes? (52a. – good practice)

52a. Yes, for all types of challenges

52b. Yes, but only in some type of challenges

52c. No

1.3.4 Transparency of Key Procurement Documents

53. 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 – good practice)

53a. Procurement plans (Yes, for all contracts/Yes, except for low value contracts/No)

53b. Tender notices (Yes, for all contracts/Yes, except for low value contracts/No)

53c. Tender documents (project specific) (Yes, for all contracts/Yes, except for low value contracts/No)

53d. Award decisions (Yes, for all contracts/Yes, except for low value contracts/No)

53e. Contracts (Yes, for all contracts/Yes, except for low value contracts/No)

53f. Contract amendments (Yes, for all contracts/Yes, except for low value contracts/No)

1.3 BIDDING FOR PUBLIC CONTRACTS			
1.3.1 Access and Firm's Participation (includes gender)			
Indicators	FFP	SBP	Total Points
Open and Competitive Procurement as the Default (5)	1	1	2
Restrictions to Foreign Firms to Participate in Public Procurement (6 AND 7 AND 8 AND 9)	1	1	2
SOEs and Independent Authorities Are Not Excluded from Application of Procurement Regulations (4)	1	1	2
Ability to Divide Contracts into Lots (17e)	1	1	2
Legal Deadline for Procuring Entities to Process Payments to the Contractor is Established (16)	1	1	2
Procurement Procedures for Framework Agreements are Established (18 AND 19 AND 20)	1	1	2
Promoting Gender Equality in Public Procurement (21)	1	1	2
Tender and Contractual Mechanisms to Promote SME Participation	1	1	2
- Tender mechanisms: (10 OR 12 OR 13)	0.5	0.5	1
- Contractual mechanisms: (11 OR 14 OR 15)	0.5	0.5	1
Total Points	8	8	16
1.3.2 Best Value for Money (includes gender and environment)			
Indicators	FFP	SBP	Total Points
Existence of Procedure and Criteria for Identifying Abnormally Low Bids are Established (22 AND 23)	1	1	2
Designation of Specialized Tendering Methods for Innovation procurement (24)	1	1	2
Incorporation of Sustainability Clauses in Standard Bidding Documents (26)	1	1	2
Incentives to Include Environmental Considerations in Tenders (27 OR 28 OR 29 OR 30) <i>*A partial score of 0.50 is allotted if option 29c is selected</i>	1	1	2
Mechanisms to Introduce Gender-Responsive Public Procurement	1	1	2
- Needs assessment should include gender analysis (31)	0.2	0.2	0.4
- Firms show that they adhere to the principle of equal pay (32)	0.2	0.2	0.4
- Firms show that they adhere to gender non-discrimination (33)	0.2	0.2	0.4
- Exclusion grounds for infringement of gender rules (34)	0.2	0.2	0.4
- Award criteria with gender dimension (35)	0.2	0.2	0.4
Market-Based Tools to Estimate Contract Value (36 OR 37 OR 38)	1	1	2

Total Cost of Ownership and Life Cycle Cost Considerations are used in Bid Evaluation	1	1	2
- Total cost of ownership (39)	0.5	0.5	1
- Life cycle costing (40)	0.5	0.5	1
Most Economically Advantageous Tender Considerations are Used in Bid Evaluation (41)	1	1	2
Total Points	8	8	16
1.3.3 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 (43)	1	1	2
Minimum Duration between Publication of Tender Notice and Submission Deadline is Clearly Defined (44)	1	1	2
Prohibition of Dividing Contracts to Circumvent Open Tendering Thresholds (45)	1	1	2
Obligation to Notify Firms of Procurement Decisions and Legal Framework Establishes How Clarification Requests from Potential Bidders should be Addressed (46 AND 47 AND 48)	1	1	2
Availability of Specialized Procurement Tribunals and the Right to Challenge Award Decisions (49 AND 50)	1	1	2
Time Limits to Resolve Appeals and Legal Recourses Granted to Firms When there are Delays in Resolving Appeals (51 AND 52)	1	1	2
Total Points	6	6	12
1.3.4 Transparency of Key Procurement Documents			
Indicators	FFP	SBP	Total Points
Publication of Procurement Plans, Notices, Tender Documents and Award Decisions (53a AND 53b AND 53c AND 53d)	1	1	2
Publication of Contracts and Contract Amendments	1	1	2
- Contracts (53e)	0.5	0.5	1
- Contract amendments (53f)	0.5	0.5	1
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II—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>

2.3 E-PROCUREMENT

2.3.1 Digitalization of Procurement Procedures (includes environment)

54. Is there an operational central electronic public procurement (e-procurement) platform in your economy? (Y/N)

N → proceed to question 58.

55. Is the central e-procurement platform used by all the procuring entities that you listed at the beginning of the questionnaire? (not scored)

56. Please complete the questions below based on the features available in the centralized procurement platform. (Yes, fully digitized/Yes, but hard copy documents must be submitted/No) (Yes, fully digitized – good practice)

56a. Does the centralized e-procurement platform allow firms to complete the vendor registration process online? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

56b. Does the centralized e-procurement platform allow firms to access notices on procurement opportunities online? (Yes, fully digitized without registration/Yes, but registration is required/No)

56c. Does the centralized e-procurement platform allow firms to access bidding documents online? (Yes, fully digitized /Yes, but some hard copy documents must be requested / No)

56d. Does the centralized e-procurement platform offer the option to ask a procuring entity for clarifications? (Yes, fully digitized /No, only an email is provided to contact the procuring entity /No)

56e. Is it possible to submit all components of tenders online through the centralized e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

56f. Does the centralized e-procurement platform allow to submit bid security online with electronic validation? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

56g. Is it possible to conduct the bid opening procedure online on the centralized e-procurement platform? (Yes, fully digitized/Y Yes, but some parts require physical presence or handling/No)

56h. Does the centralized e-procurement platform provide a virtual workspace to manage tender procedures, including operative tools for members of the evaluation committee? (Yes, fully digitized/ Yes, but some parts of the evaluation process are conducted offline in physical format/No)

56i. Does the centralized e-procurement platform provide effective notifications for decisions of procurement authorities (such as clarifications, awards, contracts, and other relevant milestones) delivered through online means? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

56j. Is it possible to access award decisions, including their rationale, on the centralized e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be requested/No)

56k. Does the centralized e-procurement platform allow to submit performance guarantees online with electronic validation? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

56l. Is it possible to conduct the contract signing procedure online on the centralized e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

56m. Is it possible to access contracts that have been awarded on the centralized e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be requested/No)

56n. Is it possible to access contract amendments on the centralized e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be requested/No)

56o. Is it possible to submit invoices to the procuring entity online through the centralized e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

- 56p. Does the centralized e-procurement platform include a module for framework agreement management? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 56q. Does the centralized e-procurement platform include an e-catalogue of approved suppliers? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 56r. Does the centralized e-procurement platform include green catalogues? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 56s. Does the centralized e-procurement platform include an e-reverse auction module? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 56t. Does the centralized e-procurement platform include an e-contract management and implementation module? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 56u. Is it possible to receive payments from the procuring entity through the centralized e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 56v. Does the centralized e-procurement platform allow to apply for vendor eco-certifications or eco-labels? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 56w. Does the centralized e-procurement platform provide access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

Note: Items b, c, j, m, n, and w are under Subcategory Transparency of Key Procurement Documents.

57. Are the features supported by the central e-procurement platform available for procurements of goods, works, and services? (not scored)

58. In the absence of a central procurement platform, please provide the link to any other e-procurement platforms or websites which are used by the procuring entities: (not scored)

59. Please complete the questions below based on the features available in the most sophisticated non-centralized procurement platform. (Yes, fully digitized/Yes, but hard copy documents must be submitted/No) (Yes, fully digitized – good practice)

- 59a. Does the e-procurement platform allow firms to complete the vendor registration process online? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59b. Does the e-procurement platform allow firms to access notices on procurement opportunities online? (Yes, fully digitized without registration/Yes, but registration is required/No)
- 59c. Does the e-procurement platform allow firms to access bidding documents online? (Yes, fully digitized /Yes, but some hard copy documents must be requested / No)
- 59d. Does the e-procurement platform offer the option to ask a procuring entity for clarifications? (Yes, fully digitized /No, only an email is provided to contact the procuring entity /No)
- 59e. Is it possible to submit all components of tenders online through the e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59f. Does the e-procurement platform allow to submit bid security online with electronic validation? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59g. Is it possible to conduct the bid opening procedure online on the e-procurement platform? (Yes, fully digitized/Y Yes, but some parts require physical presence or handling/No)
- 59h. Does the e-procurement platform provide a virtual workspace to manage tender procedures, including operative tools for members of the evaluation committee? (Yes, fully digitized/ Yes, but some parts of the evaluation process are conducted offline in physical format/No)
- 59i. Does the e-procurement platform provide effective notifications for decisions of procurement authorities (such as clarifications, awards, contracts, and other relevant milestones) delivered through online means? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59j. Is it possible to access award decisions, including their rationale, on the e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be requested/No)

- 59k. Does the e-procurement platform allow to submit performance guarantees online with electronic validation? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59l. Is it possible to conduct the contract signing procedure online on the e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59m. Is it possible to access contracts that have been awarded on the e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be requested/No)
- 59n. Is it possible to access contract amendments on the e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be requested/No)
- 59o. Is it possible to submit invoices to the procuring entity online through the e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59p. Does the e-procurement platform include a module for framework agreement management? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59q. Does the e-procurement platform include an e-catalogue of approved suppliers? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59r. Does the e-procurement platform include green catalogues? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59s. Does the e-procurement platform include an e-reverse auction module? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59t. Does the e-procurement platform include an e-contract management and implementation module? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59u. Is it possible to receive payments from the procuring entity through the e-procurement platform? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59v. Does the e-procurement platform allow to apply for vendor eco-certifications or eco-labels? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)
- 59w. Does the e-procurement platform provide access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

Note: Items b, c, j, m, n, and w are under Subcategory Transparency of Key Procurement Documents.

2.3.2 Transparency of Key Procurement Documents (includes gender)

60. For the following types of data, please select whether there is a public data portal that provides open access to such information in machine readable format:

- 60a. Data on tenders (including description, dates, category of spending, estimated value, contracting authority, and identification of bidders) (Y/N)
- 60b. Data on suppliers (Y/N)

61. Are sex-disaggregated data on firms that have participated in tenders collected by the central e-procurement platform? (not scored)

- 61a. Yes, for all firms
- 61b. Yes, but only for the firm that has been awarded the contract
- 61c. No → proceed to question 67.

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

63. Are these data anonymized? (not scored)

64. Are these data publicly available online? (Y/N)

65. Is the data of suppliers' sex-disaggregated (Y/N)

66. Is the data of subcontractors' sex-disaggregated? (Y/N)

2.3 E-PROCUREMENT			
2.3.1 Digitalization of Procurement Procedures (includes environment)			
Indicators	FFP	SBP	Total Points
Registering as a Vendor (56a OR 59a)	1	1	2
Asking a Procuring Entity for Clarifications and Notification of Decisions Electronically	1	1	2
- Clarifications (56d OR 59d)	0.5	0.5	1
- Notifications (56i OR 59i)	0.5	0.5	1
Submitting Tenders Electronically (56e OR 59e)	1	1	2
Open Bids Electronically and Virtual Workspace to Manage the Tender procedure	1	1	2
- Open bids (56g OR 59g)	0.5	0.5	1
- Virtual workspace (56h OR 59h)	0.5	0.5	1
Submitting Bid Security Electronically and Performance Guarantee with Electronic Validation	1	1	2
- Bid security (56f OR 59f)	0.5	0.5	1
- Performance guarantee (56k OR 59k)	0.5	0.5	1
Contract Signing Electronically (56l OR 59l)	1	1	2
E-Contract Management and Implementation Module (56t OR 59t)	1	1	2
Submitting Invoices to the Procuring Entity (56o OR 59o)	1	1	2
Receiving Payments from the Procuring Entity (56u OR 59u)	1	1	2
Module for Framework Agreement Management (56p OR 59p)	1	1	2
E-Reverse Auction Module (56s OR 59s)	1	1	2
E-Catalogue of Approved Suppliers (56q OR 59q)	1	1	2
Electronic Green Catalogues (56r OR 59r)	1	1	2
Applying for Vendor Eco-Certifications/Eco-Labels (56v OR 59v)	1	1	2
Availability of Central E-Procurement Platform (54)	1	1	2
Total Points	15	15	30
2.3.2 Transparency of Key Procurement Documents (includes gender)			
Indicators	FFP	SBP	Total Points
Accessing Notices on Procurement Opportunities Electronically (56b OR 59b)	1	1	2
Accessing Bidding Documents Electronically (56c OR 59c)	1	1	2
Accessing Award Decisions (Including their Rationale) Electronically (56j OR 59j)	1	1	2
Accessing Contracts and Contract Amendments Electronically	1	1	2
- Contracts (56m OR 59m)	0.5	0.5	1
- Contract amendments (56n OR 59n)	0.5	0.5	1
Access to Specifications, Standards, or Criteria for Eco-Labels and Environmentally Preferable Goods and Services Electronically (56w OR 59w)	1	1	2
Publication of Open Data in Machine Readable Format on Suppliers Contracts and Tenders	1	1	2
- Tenders (60a)	0.5	0.5	1
- Suppliers (60b)	0.5	0.5	1

Gender - Publication of Open Data on Tenders and Contracts Disaggregated by Sex (62 AND 64 AND 65 AND 66)	1	1	2
Total Points	7	7	14

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—IMPLEMENTATION OF KEY SERVICES PROMOTING MARKET COMPETITION

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data, except for Gender Gap in Government suppliers where the upper threshold is fixed at 50% which signals gender equality.

Data for Pillar III for the Time to Award Public Contracts are collected through expert questionnaires, conditional to whether these five procurement procedures were actually implemented over the last year (question 67).

The data for Pillar III on the Time to Receive a Payment from a Government Contract, on the Firm's Perceptions on the Ease of Bidding and on Gender Gap in Government Suppliers are collected through firm-level surveys (questions 68 through 71).

3.3 PUBLIC PROCUREMENT

3.3.1 Time to Award Public Contracts

67. 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?

- 67a. Calendar days to complete a procurement of works contract procured in an open procedure valued above the threshold for international procurement
- 67b. Calendar days to complete the procurement of a services contract procured in a restricted procedure with limited competition, valued below the threshold for international procurement
- 67c. Calendar days to complete the prequalification of supplier
- 67d. Calendar days to complete an electronic auction
- 67e. Calendar days to complete a framework agreement with a competitive second stage

3.3.2 Time to Receive a Payment from a Government Contract

68. 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? (numerical)

If this establishment has received multiple payments or contracts, please provide the time of the largest payment.

3.3.3 Firms' Perceptions on the Ease of Bidding

69. How difficult does this establishment find the administrative requirements to participate in a public tender? Very difficult (0), Moderately difficult (33), Somewhat difficult (66) and Not difficult at all (100)

Please consider the time and resources that the establishment used in order to prepare a bid.

- 69a. Very difficult
 69b. Moderately difficult
 69c. Somewhat difficult
 69d. Not difficult at all

70. Over the last year, has this establishment secured or attempted to secure a government contract? (Y/N) (not scored)

3.3.4 Gender Gap in Government Suppliers

71. Over the last three years, has this establishment held a government contract? (Y/N) → used to compute the % of women-owned firms that hold a government contract, where the highest percentage scores better (capped at 50%).

3.3 PUBLIC PROCUREMENT			
3.3.1 Time to Award Public Contracts			
Indicators	FFP	SBP	Total Points
Time to Award a Large Works Contract in Open Competitive Bidding (67a)	100 (20%)	n/a	100 (20%)
Time to Award a Small Services Contract in Selective Bidding (67b)	100 (20%)	n/a	100 (20%)
Time to Prequalify Suppliers (67c)	100 (20%)	n/a	100 (20%)
Time to Award a Contract through Electronic Auction (67d)	100 (20%)	n/a	100 (20%)
Time to Award a Contract in a Framework Agreement (671e)	100 (20%)	n/a	100 (20%)
Total Points	100	n/a	100
3.3.2 Time to Receive a Payment from a Government Contract			
Indicators	FFP	SBP	Total Points
Time to Receive Payment from a Government Contract (68)	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100
3.3.3 Firm's Perceptions on the Ease of Bidding			
Indicators	FFP	SBP	Total Points
Firms' Perceptions on the Difficulty to Meet the Administrative Requirements to Participate in Tenders (69)	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100
3.3.4 Gender Gap in Government Suppliers			
Indicators	FFP	SBP	Total Points
Gender Gap in Government Suppliers (71)	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 Benefits Point.

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, jeopardizing the stability of the financial system.¹ 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 firms and prevent the management of risk by commercial stakeholders, thus putting pressure on the financial system.⁶

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 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 operational efficiency of insolvency proceedings across three different dimensions, here referred to as pillars. The first pillar assesses the quality of regulation pertaining to judicial 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 judicial insolvency proceedings, 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, 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 summarizes all three pillars and their respective categories.

Table 1. Summary Table of all Three Pillars for the Business Insolvency Topic

Pillar I—Quality of Regulations for Judicial Insolvency Proceedings (28 indicators)	
1.1	Legal and Procedural Standards in Insolvency Proceedings (10 indicators)
1.1.1	Pre-Commencement and Commencement Standards in Liquidation and Reorganization (5 indicators)
1.1.2	Post-Commencement Standards in Liquidation and Reorganization (5 indicators)
1.2	Debtor’s Assets and Creditor’s Participation in Insolvency Proceedings (13 indicators)
1.2.1	Treatment and Protection of Debtor’s Assets during Liquidation and Reorganization (includes environment) (6 indicators)
1.2.2	Creditor’s Rights in Liquidation and Reorganization (includes environment) (5 indicators)
1.2.3	Selection and Dismissal of the Insolvency Administrator (2 indicators)
1.3	Specialized Insolvency Proceedings and International Insolvency (5 indicators)
1.3.1	Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs) (3 indicators)
1.3.2	Cross-Border Insolvency (2 indicators)
Pillar II—Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings (17 indicators)	
2.1	Digital Services (e-Courts) in Insolvency Proceedings (7 indicators)
2.1.1	Electronic Services in Liquidation and Reorganization (4 indicators)
2.1.2	Electronic Case Management Systems in Liquidation and Reorganization (3 indicators)
2.2	Interoperability in Insolvency Proceedings (2 indicators)
2.2.1	Digital Services Connectivity with External Systems in Liquidation and Reorganization (1 indicator)
2.2.2	Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization (1 indicator)
2.3	Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners (5 indicators)
2.3.1	Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments (3 indicators)
2.3.2	Availability of a Public Registry of Insolvency Practitioners (2 indicators)
2.4	Public Officials and Insolvency Administrator (3 indicators)
2.4.1	Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings (2 indicators)
2.4.2	Insolvency Administrator’s Expertise in Practice (1 indicator)
Pillar III—Operational Efficiency of Resolving Judicial Insolvency Proceedings (4 indicators)	
3.1	Liquidation Proceedings (2 indicators)
3.1.1	Time to Resolve a Liquidation Proceeding (1 indicator)
3.1.2	Cost to Resolve a Liquidation Proceeding (1 indicator)
3.2	Reorganization Proceedings (2 indicators)
3.2.1	Time to Resolve a Reorganization Proceeding (1 indicator)
3.2.2	Cost to Resolve a Reorganization Proceeding (1 indicator)

1. PILLAR I. QUALITY OF REGULATIONS FOR JUDICIAL INSOLVENCY PROCEEDINGS

Table 2 shows the structure for Pillar I, Quality of Regulations for Judicial 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 Judicial Insolvency Proceedings

1.1	Legal and Procedural Standards in Insolvency Proceedings
1.1.1	Pre-Commencement and Commencement Standards in Liquidation and Reorganization
1.1.2	Post-Commencement Standards in Liquidation and Reorganization
1.2	Debtor’s Assets and Creditor’s Participation in Insolvency Proceedings
1.2.1	Treatment and Protection of Debtor’s Assets during Liquidation and Reorganization (includes environment)
1.2.2	Creditor’s Rights in Liquidation and Reorganization (includes environment)
1.2.3	Selection and Dismissal of the Insolvency Administrator
1.3	Specialized Insolvency Proceedings and International Insolvency
1.3.1	Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)
1.3.2	Cross-Border Insolvency

1.1 Legal and Procedural Standards in Insolvency Proceedings

Category 1.1 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

1.1.1 Pre-Commencement and Commencement Standards in Liquidation and Reorganization

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.⁷ 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 restructuring mechanisms).⁸ 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.⁹ Therefore, Subcategory 1.1.1–Pre-Commencement and Commencement Standards in Liquidation and Reorganization comprises five indicators (table 3).

Table 3. Subcategory 1.1.1–Pre-Commencement and Commencement Standards in Liquidation and Reorganization

	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 Liquidation Proceedings	Filing for liquidation by debtors and creditors
4	Commencement of Formal Reorganization Proceedings	Filing for reorganization by debtors and creditors
5	Basis for Commencement of Formal Insolvency Proceedings	Existence of the liquidity test as a standard to initiate insolvency proceedings

1.1.2 Post-Commencement Standards in Liquidation and Reorganization

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.¹⁰ 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.¹¹ Therefore, Subcategory 1.1.2–Post-commencement Standards in Liquidation and Reorganization comprises five indicators (table 4).

Table 4. Subcategory 1.1.2–Post-Commencement Standards in Liquidation and Reorganization

	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
3	Means of Voting on the Reorganization Plan	Existence of a comprehensive framework allowing creditors to vote the reorganization plan electronically

4	Protection of Dissenting Creditors in Reorganization	Existence of a comprehensive framework for reorganization that includes key features on the protection of dissenting creditors by assuring that they would obtain under the reorganization plan at least as much as they would obtain in liquidation
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

1.2 Debtor's Assets and Creditor's Participation in Insolvency Proceedings

Category 1.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

1.2.1 Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)

The main objective of insolvency proceedings is the maximization of the debtor's assets.¹² 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 creditors upon discharge of either liquidation or reorganization proceedings.¹³ Provisions should therefore prevent the premature collection of individual debts by creditors, 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.¹⁴ To do this, the insolvency framework should provide for resolution of ongoing actions or claims, as well as contracts that have not yet been fully performed and any necessary post-commencement finance.¹⁵ Implementing efficient and transparent regulatory mechanisms for the management of the debtor's assets during insolvency proceedings may improve the likelihood of high recovery.¹⁶ Therefore, Subcategory 1.2.1–Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment) comprises six indicators (table 5).

Table 5. Subcategory 1.2.1–Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)

	Indicators	Components
1	Automatic Stay of Proceedings	Key features of a comprehensive regime for the stay of proceedings, including time limit
2	Exceptions and Relief to Automatic Stay of Proceedings	Key features of a comprehensive regime for the stay of proceedings, including exceptions for perishable assets or for public policy interests
3	Continuation of Existing Essential Contracts	Existence of the provision that contracts that are essential to the debtor's business can be continued during the insolvency proceedings
4	Rejection of Existing Burdensome Assets	Existence of the provision that assets that are burdensome to the firm can be relinquished in insolvency proceedings
5	Voidance of Preferential and Undervalued Transactions	Existence of the provision that preferential and undervalued transactions can be voided
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 priority associated to such post-commencement credit over unsecured claims

1.2.2 Creditor's Rights in Liquidation and Reorganization (includes environment)

Creditors have significant interest in the debtor's business and assets.¹⁷ 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.¹⁸ 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.¹⁹ Creditors' 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 claims related to the environment or workers, and the existence of a special regime for labor claims has long been recognized as a fundamental component in insolvency proceedings.²⁰ The indicators measure whether creditors participate in important decisions during insolvency proceedings, such as the existence of a creditor representation. Therefore, Subcategory 1.2.2–Creditor’s Rights in Liquidation and Reorganization (includes environment) comprises five indicators (table 6).

Table 6. Subcategory 1.2.2–Creditor’s Rights in Liquidation and Reorganization (includes environment)

	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 an absolute priority for secured creditors, in addition of specific unsecured creditors priority 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

1.2.3 Selection and Dismissal of the Insolvency Administrator

An effective insolvency framework should ensure that the criteria as to who may be an insolvency administrator are objectively and clearly established. It is essential that the insolvency administrator 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.²¹ 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 insolvency administrator must objectively take into account the interests of creditors and employees and ensure that the law is applied effectively and impartially. Therefore, Subcategory 1.2.3–Selection and Dismissal of the Insolvency Administrator comprises two indicators (table 7).

Table 7. Subcategory 1.2.3–Selection and Dismissal of the Insolvency Administrator

	Indicators	Components
1	Insolvency Administrators Qualification Requirements in the Law	Existence in the regulatory framework of qualification requirements for insolvency administrators
2	Conditions for Disqualification	Existence in the regulatory framework of conditions for disqualification of insolvency administrators

1.3 Specialized Insolvency Proceedings and International Insolvency

Category 1.3 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

1.3.1 Specialized Insolvency Proceedings for 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.²² Therefore, an inefficient insolvency framework can also be harmful to entrepreneurship.²³ Good practices advocate for promoting specialized or simplified proceedings for micro and small enterprises (MSEs).²⁴

Therefore, Subcategory 1.3.1–Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs) comprises three indicators (table 8).

Table 8. Subcategory 1.3.1–Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)

	Indicators	Components
1	Availability and Eligibility	Existence within the insolvency law of a simplified insolvency regime for MSEs
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 granting an expeditious discharge in simplified liquidation proceedings

1.3.2 Cross-Border Insolvency

A comprehensive cross-border insolvency framework is key to promoting 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.²⁵ The indicator measures whether a legal framework for cross-border insolvencies is established, with the recognition of foreign proceedings. Therefore, Subcategory 1.3.2–Cross-Border Insolvency 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
2	Legal Framework for Cooperation with Foreign Courts and Representatives	Existence of a legal system aimed at facilitating cooperation with foreign courts and representatives

2. PILLAR II. QUALITY OF INSTITUTIONAL AND OPERATIONAL INFRASTRUCTURE FOR JUDICIAL INSOLVENCY PROCEEDINGS

Table 10 shows the structure for Pillar II, Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings. 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 Judicial Insolvency Proceedings

2.1	Digital Services (e-Courts) in Insolvency Proceedings
2.1.1	Electronic Services in Liquidation and Reorganization
2.1.2	Electronic Case Management Systems in Liquidation and Reorganization
2.2	Interoperability in Insolvency Proceedings
2.2.1	Digital Services Connectivity with External Systems in Liquidation and Reorganization
2.2.2	Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization
2.3	Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners
2.3.1	Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments
2.3.2	Availability of a Public Registry of Insolvency Practitioners
2.4	Public Officials and Insolvency Administrator
2.4.1	Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings
2.4.2	Insolvency Administrator’s Expertise in Practice

2.1 Digital Services (e-Courts) in Insolvency Proceedings

Category 2.1 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.1.1 Electronic Services in Liquidation and Reorganization

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.²⁶ ICT can be used to enhance efficiency, access, timeliness, transparency, and accountability, thus helping judiciaries to provide adequate services.²⁷ 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.²⁸ Therefore, Subcategory 2.1.1–Electronic Services in Liquidation and Reorganization comprises four indicators (table 11).

Table 11. Subcategory 2.1.1–Electronic Services in Liquidation and Reorganization

	Indicators	Components
1	Electronic Filing	Existence of fully operational e-filing system
2	Electronic Payment of Court Fees	Existence of e-payment systems, in addition to a functional case management system for judges, lawyers, and insolvency administrators
3	Electronic Auction	Possibility to conduct auctions virtually
4	Virtual Hearing	Possibility to conduct hearings virtually

2.1.2 Electronic Case Management Systems in Liquidation and Reorganization

Electronic case management refers to the electronic distribution of cases in the court, through a digital system platform, using software that assures a random selection of judges. Cases in court can be followed through a platform that provides information about related dates, experts call, documents filing, and any court announcements, including final judgments. The electronic case management system also includes performance reports.²⁹ 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. Therefore, Subcategory 2.1.2–Electronic Management Systems in Liquidation and Reorganization comprises three indicators (table 12).

Table 12. Subcategory 2.1.2–Electronic Case Management Systems in Liquidation and Reorganization

	Indicators	Components
1	Electronic Case Management for Judges and Lawyers	Existence of case management features implemented in insolvency proceedings for the practitioners and judges, which allow for instance send and receive notifications electronically, manage file procedures electronically, view court orders and decisions electronically
2	Electronic Case Management for Insolvency Administrators	Existence of case management features implemented in insolvency proceedings for the insolvency administrators
3	Electronic Monitoring of the status of insolvency proceedings	Possibility for the parties to the process to electronically track the status of the case

2.2 Interoperability in Insolvency Proceedings

Category 2.2 is divided into two subcategories consisting of several indicators each of which may, in turn, have several components.

2.2.1 Digital Services Connectivity with External Systems in Liquidation and Reorganization

Public sector interoperability saves time and costs for businesses by improving their interactions with administrations. It is important to ensure that different information technology systems, devices, or software applications can communicate, exchange data with each other seamlessly and use the information that has been exchanged.³⁰ For instance, judges should be able to verify companies' registry, debt registries, land titles, etc., while evaluating the financial and corporate situation of a company filing for insolvency, be it either liquidation or reorganization. The subcategory measures the inclusion of insolvency proceedings within e-government services and their interconnectedness with other agencies (including commercial/business registries and law enforcement agencies) and stakeholders involved in insolvency proceedings. Therefore, Subcategory 2.2.1–Digital Services Connectivity with External Systems in Liquidation and Reorganization comprises one indicator (table 13).

Table 13. Subcategory 2.2.1–Digital Services Connectivity with External Systems in Liquidation and Reorganization

	Indicators	Components
1	Interoperability with External Systems	Exchange of data with other authorities that enhances the efficiency of the administration of justice

2.2.2 Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization

The Business Insolvency topic measures whether the key aspects of a functioning e-Case Management for insolvency lawyers, insolvency judges and insolvency administrators are in place and are functional. The interconnectedness of e-Case management systems is also measured, so that the systems can inform aspects of the insolvency proceedings and transfer data that might not be included in one isolated system. This type of interconnection promotes a more efficient administration of justice.³¹ Therefore, Subcategory 2.2.2–Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization comprises one indicator (table 14).

Table 14. Subcategory 2.2.2–Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization

	Indicators	Components
1	Interconnection Between Case Management System and e-Filing Systems	Exchange or transfer of data between case management systems so that they communicate in a coordinated way, without effort from the end user

2.3 Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners

Category 2.3 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.3.1 Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments

Data on insolvency proceedings related to the number, length and type of proceedings is a key benchmark for economies to introduce reform and inform public policy design. It is also a recognized international good practice to publish judgments at all levels of court proceedings.³² In insolvency cases, such judgments 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 2.3.1–Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments comprises three indicators (table 15).

Table 15. Subcategory 2.3.1–Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments

	Indicators	Components
1	Publication of Judgments in Insolvency Procedures	Whether judgments concerning insolvency proceedings are publicly available
2	Publication of Data on the Number and Type of Insolvency Procedures	Whether the data on number and types of insolvency proceedings in the economy per year is publicly available
3	Publication of Data on the Average Length of Insolvency Procedures	Whether the data on the average length of insolvency proceedings is publicly available

2.3.2 Availability of a Public Registry of Insolvency Practitioners

The existence of an insolvency register that will record information on all ongoing insolvency procedures, including, among others, information about the debtor, the stage of the proceedings, and information about the insolvency practitioner, plays a central role in making this information publicly available to interested parties in the proceedings.³⁴ Therefore Subcategory 2.3.2–Availability of a Public Registry of Insolvency Practitioners comprises two indicators (table 16).

Table 16. Subcategory 2.3.2–Availability of a Public Registry of Insolvency Practitioners

	Indicators	Components
1	Availability of a Register of Insolvency Practitioners	Whether there is a register of insolvency practitioners and/or firms qualified to offer insolvency services and whether the register is available to the public through publication in an official gazette, newspapers, or court websites
2	Publication of Register of Insolvency Practitioners	Whether the register of insolvency practitioners is publicly available

2.4 Public Officials and Insolvency Administrator

Category 2.4 is divided into two subcategories consisting of several indicators, each of which may, in turn, have several components.

2.4.1 Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings

Courts with technical expertise in complex legal issues in the areas of commercial law, insolvency law, securities law, or intellectual property law are important because bankruptcy cases are particularly complicated, due to the demanding interests of the many stakeholders involved, including a large number and diverse types of creditors, insolvency representatives, practitioners, and the debtor facing financial difficulties. Judges who deal with these types of cases require specific 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. Courts with technical expertise can also enhance bank funding decisions and lead to faster resolution of the proceedings and more reliable decision making.³⁵ Therefore, Subcategory 2.4.1–Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings comprises two indicators (table 17).

Table 17. Subcategory 2.4.1–Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings

	Indicators	Components
1	Expertise of Specialized Courts with Jurisdiction	Existence of a court, court division or bench with specialized insolvency expertise

	Over Insolvency Proceedings	
2	Operability of Courts with Jurisdiction Over Insolvency Proceedings	The court or a judge/division/bench in a commercial court with specialized insolvency expertise is operational The Court is operational if it has implemented in practice

2.4.2 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.³⁶ Therefore, Subcategory 2.4.2–Insolvency Administrator's Expertise in Practice comprises one indicator (table 18).

Table 18. Subcategory 2.4.2–Insolvency Administrator's Expertise in Practice

	Indicators	Components
1	Insolvency Administrator Qualification Requirements in Practice	Application of the qualifications for insolvency administrators to be appointed

3. PILLAR III. OPERATIONAL EFFICIENCY OF RESOLVING JUDICIAL INSOLVENCY PROCEEDINGS

Table 19 shows the structure for Pillar III, Operational Efficiency of Resolving Judicial Insolvency Proceedings. 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–Operational Efficiency of Resolving Judicial Insolvency Proceedings

3.1	Liquidation Proceedings
3.1.1	Time to Resolve a Liquidation Proceeding
3.1.2	Cost to Resolve a Liquidation Proceeding
3.2	Reorganization Proceedings
3.2.1	Time to Resolve a Reorganization Proceeding
3.2.2	Cost to Resolve a Reorganization Proceeding

3.1 Liquidation Proceedings

Category 3.1 is divided into two subcategories consisting of one indicator each.

3.1.1 Time to Resolve a Liquidation Proceeding

Subcategory 3.1.1–Time to Resolve a Liquidation Proceeding comprises one indicator (table 20).

Table 20. Subcategory 3.1.1–Time to Resolve a Liquidation Proceeding

	Indicators	Components
1	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

3.1.2 Cost to Resolve a Liquidation Proceeding

Cost-effective insolvency proceedings can encourage inefficient firms to exit and embolden greater entrepreneurial activity and new firm creation.³⁷ This measure of cost compliance serves as a suitable proxy for the operational efficiency of the judicial proceedings on insolvency. Therefore, Subcategory 3.1.2–Cost to Resolve a Liquidation Proceeding comprises one indicator (table 21).

Table 21. Subcategory 3.1.2–Cost to Resolve a Liquidation Proceeding

	Indicators	Components
1	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

Category 3.2 is divided into two subcategories consisting of one indicator each.

3.2.1 Time to Resolve a Reorganization Proceeding

Excessive length of restructuring and business discharge is key in triggering loss of value for the enterprise.³⁸ Therefore, Subcategory 3.2.1–Time to Resolve a Reorganization Proceeding comprises one indicator (table 22).

Table 22. Subcategory 3.2.1–Time to Resolve a Reorganization Proceeding

	Indicators	Components
1	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

3.2.2 Cost to Resolve a Reorganization Proceeding

Subcategory 3.2.2–Cost to Resolve a Reorganization Proceeding comprises one indicator (table 23).

Table 23. Subcategory 3.2.2–Cost to Resolve a Reorganization Proceeding

	Indicators	Components
1	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

The Business Insolvency topic has one questionnaire. A screener questionnaire is used to assist the selection of experts receiving the Business Insolvency topic questionnaire based on a set of criteria (table 24).

Table 24. Screener Questionnaire and Respondent Criteria

Relevant Experts' Professions
Lawyer, judge, and other associated professions, including, among others, clerk, official receiver, insolvency administrator, etc.
Relevant Areas of Specialization
Corporate insolvency, corporate law, commercial law, procedural law

Assessment of the Experts' Knowledge or Experience Related to Commercial Insolvency
<p>Experience in formal judicial proceedings, either liquidation or reorganization, involving corporate debtors or creditors in the last three years based on closed and/or in current ongoing cases, 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.</p>

Thus, the information provided in the screener questionnaires allows the team to better understand the experts' profession, areas of specializations, and experts' knowledge or experience related to corporate insolvency legal regime and practice.

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 General Parameters

The Business Insolvency topic does not have general parameters that are applicable to all pillars.

5.2 Specific Parameters

Business Insolvency employs 2 specific parameters. One is competent court and its location, which applies in Pillars II and III. The other is debtor company, relevant only for Pillar III.

5.2.1 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.

5.2.2 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 company operating in the largest business city in each economy. The Company has 2 Secured Creditors, which are financial institutions. Unsecured creditors are mainly suppliers, tax authorities and employees. The market value of the company's assets is 150 times the GNI per capita (Atlas method) of the economy, considered a medium-sized enterprise. The Company sustains periods of negative cash flows and is expected to have negative net worth and operating losses. The value of the Company's liabilities exceeds the value of its assets, and defaults on its debt obligations toward its secured and unsecured creditors as they mature. 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. In 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 Judicial Insolvency Proceedings; Pillar II—Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings; and Pillar III—Operational Efficiency of Resolving Judicial Insolvency Proceedings. 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 25 shows the scoring for the Business Insolvency 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 25. 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 Judicial Insolvency Proceedings	28	28	25	53	100	0.33
II	Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings	17	17	17	34	100	0.33

III	Operational Efficiency of Resolving Judicial Insolvency Proceedings	4	100	n/a	100	100	0.33
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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).

6.1 Pillar I—Quality of Regulations for Judicial Insolvency Proceedings

Pillar I covers 28 indicators with a total score of 51 points (27 points on firm flexibility and 24 points on social benefits) (table 26). The scoring for each category under this pillar is as follows:

- 6.1.1** *Legal and Procedural Standards in Insolvency Proceedings* has 10 indicators with a total maximum score of 20 points (10 points for firm flexibility and 10 points for social benefits). Specifically, the *Pre-Commencement and Commencement Standards in Liquidation and Reorganization* Subcategory has 5 indicators, and *Post-commencement Standards in Liquidation and Reorganization* comprises another 5. Comprehensive insolvency standards addressing key issues predating the filing for formal proceedings, defining clear standards for commencing formal insolvency proceedings, and ensuring the right balance is struck between liquidation and reorganization proceedings, with all processes being clearly defined, benefits both firms (firm flexibility) and society (social benefits).
- 6.1.2** *Debtor's Assets and Creditor's Participation in Insolvency Proceedings* has 13 indicators with a total maximum score of 25 points (13 points on firm flexibility and 12 points in social benefits). Specifically, the *Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)* Subcategory has 6 indicators, the *Creditor Rights in Liquidation and Reorganization* Subcategory has 5 indicators, and the *Selection and Dismissal of the Insolvency Administrator* comprises another 2 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 Insolvency Proceedings and International Insolvency* has 5 indicators with a total maximum score of 8 points (5 points on firm flexibility and 3 points on social benefits). The *Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)* Subcategory has 3 indicators, and the *Cross-Border Insolvency* Subcategory has 2. Under this category, the score for the *Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)* 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).

Table 26. Aggregate Scoring Pillar I

Pillar I—Quality of Regulations for Judicial Insolvency Proceedings		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Legal and Procedural Standards in Insolvency Proceedings	10	10	10	20	30.00
1.1.1	Pre-Commencement and Commencement Standards in Liquidation and Reorganization	5	5	5	10	15.00
1.1.2	Post-Commencement Standards in Liquidation and Reorganization	5	5	5	10	15.00

1.2	Debtor's Assets and Creditor's Participation in Insolvency Proceedings	13	12	11	23	50.00
1.2.1	Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)	6	6	4	10	20.00
1.2.2	Creditor's Rights in Liquidation and Reorganization (includes environment)	5	4	5	9	20.00
1.2.3	Selection and Dismissal of the Insolvency Administrator	2	2	2	4	10.00
1.3	Specialized Insolvency Proceedings and International Insolvency	5	5	3	8	20.00
1.3.1	Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)	3	3	3	6	10.00
1.3.2	Cross-Border Insolvency	2	2	n/a	2	10.00
	Total	28	27	24	51	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.2 Pillar II—Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings

Pillar II includes 17 indicators with a total score of 34 points (17 points on firm flexibility and 17 points on social benefits) (table 27). The scoring for each category under the pillar is as follows:

- 6.2.1** *Digital Services (e-Courts) in Insolvency Proceedings* has 7 indicators with a total maximum score of 14 points (7 points on firm flexibility and 7 points on social benefits). Specifically, the *Electronic Services in Liquidation and Reorganization* Subcategory has 4 indicators, and the *Electronic Case Management Systems in Liquidation and Reorganization* Subcategory has 3. Under this category, the score is allocated equally between firm flexibility and social benefits.
- 6.2.2** *Interoperability in Insolvency Proceedings* has 2 indicators with a total maximum score of 4 points (2 on firm flexibility and 2 points on social benefits). Specifically, *Digital Services Connectivity with External Systems in Liquidation and Reorganization* Subcategory has 1 indicator, and *Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization* Subcategory has another indicator.
- 6.2.3** *Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners* has 5 indicators with a total maximum score of 10 points (5 on firm flexibility and 5 on social benefits). Specifically, the *Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments* Subcategory has 3 indicators, and the *Availability of a Public Registry of Insolvency Practitioners* Subcategory covers 2 indicators.
- 6.2.4** *Public Officials and Insolvency Administrator* has 3 indicators with a total maximum score of 6 points (3 points on firm flexibility and 3 points on social benefits). Specifically, the *Specialization of Courts with Jurisdiction on Reorganization and Liquidation Proceedings* Subcategory comprises 2 indicators and the *Insolvency Administrator's Expertise in Practice* Subcategory 1 indicator, respectively. 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.

Table 27. Aggregate Scoring Pillar II

Pillar II—Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Digital Services (e-Courts) in Insolvency Proceedings	7	7	7	14	40.00
2.1.1	Electronic Services in Liquidation and Reorganization	4	4	4	8	20.00

2.1.2	Electronic Case Management Systems in Liquidation and Reorganization	3	3	3	6	20.00
2.2	Interoperability in Insolvency Proceedings	2	2	2	4	20.00
2.2.1	Digital Services Connectivity with External Systems in Liquidation and Reorganization	1	1	1	2	10.00
2.2.2	Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization	1	1	1	2	10.00
2.3	Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners	5	5	5	10	20.00
2.3.1.	Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments	3	3	3	6	10.00
2.3.2	Availability of a Public Registry of Insolvency Practitioners	2	2	2	4	10.00
2.4	Public Officials and Insolvency Administrator	3	3	3	6	20.00
2.4.1	Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings	2	2	2	4	10.00
2.4.2	Insolvency Administrator's Expertise in Practice	1	1	1	2	10.00
	Total	17	17	17	34	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.3 Pillar III—Operational Efficiency of Resolving Judicial Insolvency Proceedings

Pillar III comprises 4 categories 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.

If an economy had zero completed (closed) cases of judicial reorganization or judicial liquidation proceedings involving corporate debtors over the past three years, the economy receives a “no practice” mark and zero score on the time and cost indicators for the specific proceeding.

6.3.1 *Liquidation Proceedings* has 2 indicators with a maximum score of 50 points. Specifically, the *Time to Resolve a Liquidation Proceeding* Subcategory has 1 indicator, and the *Cost to Resolve a Liquidation Proceeding* Subcategory has 1 indicator.

6.3.2 *Reorganization Proceedings* has 2 indicators with a maximum score of 50 points. Specifically, the *Time to Resolve a Reorganization Proceeding* Subcategory has 1 indicator, and the *Cost to Resolve a Reorganization Proceeding* Subcategory has 1 indicator.

Table 28. Aggregate Scoring Pillar III

Pillar III—Operational Efficiency of Resolving Judicial Insolvency Proceedings		No. of Indicators	Rescaled Points
3.1	Liquidation Proceedings	2	50.00
3.1.1	Time to Resolve a Liquidation Proceeding	1	25.00
3.1.2	Cost to Resolve a Liquidation Proceeding	1	25.00
3.2	Reorganization Proceedings	2	50.00
3.2.1	Time to Resolve a Reorganization Proceeding	1	25.00
3.2.2	Cost to Resolve a Reorganization Proceeding	1	25.00
	Total	4	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

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- ¹ Becker and Oehmke (2021); Ellias, Iverson, and Roe (2020); Greenwood, Iverson, and Thesmar (2020).
- ² Becker and Ivashina (2021); Consolo, Malfa, and Pierluigi (2018); Menezes (2014).
- ³ Carcea et al. (2015); Cirmizi, Klapper, and Uttamchandani (2012); El Ghoul, Fu, and Guedhami (2021). A study of 19 years of bankruptcy data in 29 countries (Lee et al. 2011) shows that entrepreneur-friendly bankruptcy laws are significantly correlated with the level of entrepreneurship development as measured by the rate of new firm entry.
- ⁴ UNCITRAL Legislative Guide (2005, 9).
- ⁵ Białkowski (2018); Hemingway (2020); McGowan, Andrews, and Millot (2018); Neira (2019); Polo (2011).
- ⁶ ICR Standards, at Introduction (World Bank 2021). 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 UNCITRAL (2021, Part IV).
- ⁸ Martinez (2018). 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.
- ⁹ World Bank (2021, Applicability and Accessibility).
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- ²⁰ ILO (1949, 2020); Inacio (2020).
- ²¹ UNCITRAL (2005).
- ²² IMF (2014).
- ²³ Gurrea-Martinez (2021).
- ²⁴ Gurrea-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 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 FOR JUDICIAL INSOLVENCY PROCEEDINGS					
1.1 LEGAL AND PROCEDURAL STANDARDS IN INSOLVENCY PROCEEDINGS					
1.1.1 Pre-Commencement and Commencement Standards in Liquidation and Reorganization					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Obligations of the Company's Management during Pre-Insolvency	1	1	2	3.00	Menezes, Mocheva, and Shankar (2020) Menezes et al. (2022); UNCITRAL (2021)
Out-of-Court Restructuring Mechanisms	1	1	2	3.00	Dancausa, Muro, and Uttamchandani (2020); Martínez (2018); Menezes et al. (2022); WB-ICR Task Force (2022)
Commencement of Formal Liquidation Proceedings	1	1	2	3.00	Faber et al. (2012); UNCITRAL (2005); World Bank Group (2021)
Commencement of Formal Reorganization Proceedings	1	1	2	3.00	Faber et al. (2012); UNCITRAL (2005); World Bank Group (2021)
Basis for Commencement of Formal Insolvency Proceedings	1	1	2	3.00	Faber et al. (2012); UNCITRAL (2005); World Bank Group (2021)
Total Points for Subcategory 1.1.1	5	5	10	15.00	
1.1.2 Post-Commencement Standards in Liquidation and Reorganization					
Creditors Notification Requiring to Submit Claims	1	1	2	3.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
How the Reorganization Plan is Voted	1	1	2	3.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Means of Voting the Reorganization Plan	1	1	2	3.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Protection of Dissenting Creditors in Reorganization	1	1	2	3.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Conversion from Reorganization to Liquidation	1	1	2	3.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Total Points for Subcategory 1.1.2	5	5	10	15.00	
Total Points for Category 1.1	10	10	20	30.00	

1.2 DEBTOR'S ASSETS AND CREDITOR'S PARTICIPATION IN INSOLVENCY PROCEEDINGS					
1.2.1 Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)					
Automatic Stay of Proceedings	1	n/a	1	2.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Exceptions and Relief to Automatic Stay of Proceedings	1	1	2	4.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Continuation of Existing Essential Contracts	1	1	2	4.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Rejection of Existing Burdensome Assets	1	n/a	1	2.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Voidance of Preferential and Undervalued Transactions	1	1	2	4.00	Fletcher (2017); UNCITRAL (2005); World Bank Group (2021)
Post-Commencement Credit Availability and Priority	1	1	2	4.00	Clift (2011); UNCITRAL (2005); World Bank Group (2021)
Total Points for Subcategory 1.2.1	6	4	10	20.00	
1.2.2 Creditor's Rights in Liquidation and Reorganization (includes environment)					
Creditor Representation	1	1	2	4.44	Block-Lieb (2013); Tomasic (2007); UNCITRAL (2005); World Bank Group (2021)
Request of Information by Creditors	1	1	2	4.44	Block-Lieb (2013); Tomasic (2007); UNCITRAL (2005); World Bank Group (2021)
Priority of Secured Claims	1	1	2	4.44	Block-Lieb (2013); Tomasic (2007); UNCITRAL (2005); World Bank Group (2021)
Priority of Labor and Environmental Claims	1	1	2	4.44	ILO (2020); Inacio et al. (2020)
Special Regime for Labor Claims	n/a	1	1	2.22	ILO (2020)
Total Points for Subcategory 1.2.2	4	5	9	20.00	
1.2.3 Selection and Dismissal of the Insolvency Administrator					
Insolvency Administrators Qualification Requirements in the Law	1	1	2	5	Feiden and Wielenberg (2017); UNCITRAL (2005); World Bank Group (2021)
Conditions for Disqualification	1	1	2	5	Feiden and Wielenberg (2017); UNCITRAL (2005); World Bank Group (2021)
Total Points for Subcategory 1.2.3	2	2	4	10.00	
Total Points for Category 1.2	12	11	23	50.00	
1.3 SPECIALIZED INSOLVENCY PROCEEDINGS AND INTERNATIONAL INSOLVENCY					
1.3.1 Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)					

Availability and Eligibility	1	1	2	3.33	Gurrea-Martinez (2021); IMF (2021); UNCITRAL (2021, 2022a); World Bank Group (2021)
Conversion of Proceedings	1	1	2	3.33	Gurrea -Martinez (2021); IMF (2021); UNCITRAL (2021, 2022a); World Bank Group (2021)
Debt Discharge	1	1	2	3.33	Gurrea -Martinez (2021); IMF (2021); UNCITRAL (2021, 2022); World Bank Group (2021)
Total Points for Subcategory 1.3.1	3	3	6	10.00	
1.3.2 Cross-Border Insolvency					
Existence of Framework and Recognition of Foreign Insolvency Proceedings	1	n/a	1	5.00	UNCITRAL (2014); World Bank Group (2021)
Legal Framework for Cooperation with Foreign Courts and Representatives	1	n/a	1	5.00	UNCITRAL (2014); World Bank Group (2021)
Total Points for Subcategory 1.3.2	2	n/a	2	10.00	
Total Points for Category 1.3	5	3	8	20.00	
Total Points for Pillar I	27	24	51	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 INSTITUTIONAL AND OPERATIONAL INFRASTRUCTURE FOR JUDICIAL INSOLVENCY PROCEEDINGS					
2.1 DIGITAL SERVICES (E-COURTS) IN INSOLVENCY PROCEEDINGS					
2.1.1 Electronic Services in Liquidation and Reorganization					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Electronic Filing	1	1	2	5.00	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	5.00	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	5.00	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	5.00	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	4	4	8	20.00	
2.1.2 Electronic Case Management Systems in Liquidation and Reorganization					
Electronic Case Management for Judges and Lawyers	1	1	2	6.66	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	6.66	CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Electronic Monitoring of the status of insolvency proceedings	1	1	2	6.66	CEPEJ (2021a, 2021b); Frade et al. (2020); INSOL International (2019); OECD (2020); UNCITRAL (2021); World Bank Group (2021)
Total Points for Subcategory 2.1.2	3	3	6	20.00	
Total Points for Category 2.1	7	7	14	40.00	

2.2 INTEROPERABILITY IN INSOLVENCY PROCEEDINGS					
2.2.1 Digital Services Connectivity with External Systems in Liquidation and Reorganization					
Interoperability with External Systems	1	1	2	10.00	Cordella (2019); World Bank Group (2022)
Total Points for Subcategory 2.2.1	1	1	2	10.00	
2.2.2 Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization					
Interconnection Between Case Management System and e-Filing Systems	1	1	2	10.00	Cordella (2019); World Bank Group (2022)
Total Points for Subcategory 2.2.2	1	1	2	10.00	
Total Points for Category 2.2	2	2	4	20.00	
2.3 PUBLIC INFORMATION ON INSOLVENCY PROCEEDINGS AND REGISTRY OF INSOLVENCY PRACTITIONERS					
2.3.1 Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments					
Publication of Judgments in Insolvency Procedures	1	1	2	3.33	Byfield (2011); CEPEJ (2021a, 2021b); Garrido (2019); INSOL International (2019); OECD (2020); UNCITRAL (2021); World Bank Group (2021)
Publication of Data on the Number and Type of Insolvency Procedures	1	1	2	3.33	Garrido (2019); INSOL International (2019); OECD (2020); UNCITRAL (2021); World Bank Group (2021)
Publication of Data on the Average Length of Insolvency Procedures	1	1	2	3.33	Garrido (2019); UNCITRAL (2021); World Bank Group (2021)
Total Points for Subcategory 2.3.1	3	3	6	10.00	
2.3.2 Availability of a Public Registry of Insolvency Practitioners					
Availability of a Register of Insolvency Practitioners	1	1	2	5.00	Loubser (2007); UNCITRAL (2021); World Bank Group (2021)
Publication of Register of Insolvency Practitioners	1	1	2	5.00	Loubser (2007); UNCITRAL (2021); World Bank Group (2021)
Total Points for Subcategory 2.3.2	2	2	4	10.00	
Total Points for Category 2.3	5	5	10	20.00	
2.4 PUBLIC OFFICIALS AND INSOLVENCY ADMINISTRATOR					
2.4.1 Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings					
Expertise of Specialized Courts	1	1	2	5.00	Anderson, Bernstein, and Gray (2005); Detotto, Serra, and Vannini (2019); Iverson et al. (2018);

					Rodano, Serrano-Velarde, and Tarantino (2016); Visaria (2009)
Operability of Courts with Jurisdiction over Insolvency Proceedings	1	1	2	5.00	World Bank (2022)
Total Points for Subcategory 2.4.1	2	2	4	10.00	
2.4.2 Insolvency Administrator's Expertise in Practice					
Insolvency Administrator Qualification Requirements in Practice	1	1	2	10.00	Fieden and Wielenberg (2017); UNCITRAL (2021); World Bank Group (2021)
Total Points for Subcategory 2.4.2	1	1	2	10.00	
Total Points for Category 2.4	3	3	6	20.00	
Total Points for Pillar II	17	17	34	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 III—OPERATIONAL EFFICIENCY OF RESOLVING A JUDICIAL INSOLVENCY PROCEEDINGS					
3.1 LIQUIDATION PROCEEDINGS					
3.1.1 Time to Resolve a Liquidation Proceeding					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Time to Resolve an In-Court Liquidation Proceeding	100	n/a	100	25.00	Cirmizi, Klapper, and Uttanchandani (2012); Krucalak-Jankowska, Maśnicka, and Machnikowska (2020)
Total Points for Subcategory 3.1.1	100	n/a	100	25.00	
3.1.2 Cost to Resolve a Liquidation Proceeding					
Cost to Resolve an In-Court Liquidation Proceeding	100	n/a	100	25.00	Cirmizi, Klapper, and Uttanchandani (2012); Krucalak-Jankowska, Maśnicka, and Machnikowska (2020)
Total Points for Subcategory 3.1.2	100	n/a	100	25.00	
Total Points for Category 3.1	100	n/a	100	50.00	
3.2 REORGANIZATION PROCEEDINGS					
3.2.1 Time to Resolve a Reorganization Proceeding					
Time to Resolve an In-Court Reorganization Proceeding	100	n/a	100	25.00	Krucalak-Jankowska, Maśnicka, and Machnikowska (2020); World Bank Group (2010)
Total Points for Subcategory 3.2.1	100	n/a	100	25.00	
3.2.2 Cost to Resolve a Reorganization Proceeding					
Cost to Resolve an In-Court Reorganization Proceeding	100	n/a	100	25.00	Krucalak-Jankowska, Maśnicka, and Machnikowska (2020); World Bank Group (2010)
Total Points for Subcategory 3.2.2	100	n/a	100	25.00	
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.

If an economy had zero completed (closed) cases of judicial reorganization or judicial liquidation proceedings over the past three years involving corporate debtors, the economy receives a “no practice” mark and no score on the time and cost indicators for the specific proceeding.

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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: 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.

BUSINESS INSOLVENCY 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 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 rollout phase, as needed, as well as to substantiate and provide further information for the scored questions.

PILLAR I—QUALITY OF REGULATIONS FOR JUDICIAL INSOLVENCY PROCEEDINGS

1.1 LEGAL AND PROCEDURAL STANDARDS IN INSOLVENCY PROCEEDINGS

1.1.1 Pre-Commencement and Commencement Standards in Liquidation and Reorganization

- 1. Does the Legal Framework establish mechanisms directly addressing the obligations of the management of a debtor company during the period approaching insolvency to avoid bankruptcy, and/or minimize its extent where insolvency is unavoidable? (Y/N)**
- 2. Does the Legal Framework establish mechanisms or procedures to implement, with no impediments or obstacles, a contractual 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? (Y/N)**
- 3. Under the Legal Framework in [Economy], are Reorganization proceedings regulated? (Y/N)**
- 4. Under the Legal Framework, can a debtor company file for in-court Reorganization proceedings? (Y/N)**
- 5. Under the Legal Framework, can an individual creditor file for in-court Reorganization proceedings? (Y/N)**
- 6. Under the Legal Framework, can a debtor company file for in-court Liquidation proceedings? (Y/N)**
- 7. Under the Legal Framework, can an individual creditor file for in-court Liquidation proceedings? (Y/N)**

8. Under the Legal Framework, is the Liquidity Test a basis for commencement of Insolvency Proceedings? (Y/N)

1.1.2 Post-Commencement Standards in Liquidation and Reorganization

9. Does the legal framework establish that, upon commencement of proceedings, each creditor shall receive a timely notification to submit his/her claim, specifying the basis and amount of the claim? (Y/N)
10. Under the Legal Framework, are creditors entitled to vote on the Reorganization Plan divided into classes based on their respective rights? (Y/N)
11. Under the Legal Framework, does each class of creditors vote separately on the Reorganization Plan? (Y/N)
12. Under the Legal Framework, creditors of the same class receive the same treatment under the Reorganization Plan? (Y/N)
13. Does the legal framework allow creditors to vote for the Reorganization Plan electronically? (Y/N)
14. Does the Legal Framework explicitly require that a reorganization plan must specify that the anticipated return to dissenting creditors will be at least equal to the return that they would obtain in a Liquidation? (Y/N)
15. Does the legal framework provide for conversion of reorganization proceedings to liquidation proceedings? (Y/N)

1.1 LEGAL AND PROCEDURAL STANDARDS IN INSOLVENCY PROCEEDINGS			
1.1.1 Pre-Commencement and Commencement Standards in Liquidation and Reorganization			
Indicators	FFP	SBP	Total Points
Obligations of the Company's Management during Pre-Insolvency (1)	1	1	2
Out-of-Court Restructuring Mechanisms (2)	1	1	2
Commencement of Formal Insolvency Proceedings by the Debtor	1	1	2
- In-Court Liquidation (4)	0.5	0.5	1
- In-Court Reorganization (6)	0.5	0.5	1
Commencement of Formal Insolvency Proceedings by the Creditor	1	1	2
- In-Court Liquidation (5)	0.5	0.5	1
- In-Court Reorganization (7)	0.5	0.5	1
Basis for Commencement of Formal Insolvency Proceedings (8)	1	1	2
Total Points	5	5	10
1.1.2 Post-Commencement Standards in Liquidation and Reorganization			
Indicators	FFP	SBP	Total Points
Creditors Notification Requiring to Submit Claims (9)	1	1	2
How the Reorganization Plan is Voted	1	1	2
- Creditors are separated into classes (10)			

- Each class votes separately (11) - Equal treatment of members of the same class (12) <i>The full point is granted only if the answer is Y to questions 10, 11 and 12</i>			
Means of Voting on the Reorganization Plan (13)	1	1	2
Protection of Dissenting Creditors in Reorganization (14)	1	1	2
Conversion from Reorganization to Liquidation (15)	1	1	2
Total Points	5	5	10

Note: 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 Point; SBP = Social Benefits Point.

1.2 DEBTOR'S ASSETS AND CREDITOR'S PARTICIPATION IN INSOLVENCY PROCEEDINGS

1.2.1 Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)

16. Does the legal framework provide for an automatic stay of proceedings? (Y/N)
17. 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)
18. Does the legal framework provide for exceptions to a stay of proceedings? (Y/N)
If Y → provide response to the remaining questions.
If N → 0 points on questions 19 and 20.
19. Do the exceptions to the stay of proceedings referred in question 18 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 in question 18 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 where the value of the encumbered asset diminishes as a result of the commencement of Insolvency Proceedings (Y/N)
22. Does the Legal Framework provide for the possibility that Secured Creditors may obtain relief to a Stay of Proceedings where the encumbered asset is not needed for the Reorganization or sale of the business as a going concern in Liquidation? (Y/N)
23. Following the commencement of Insolvency Proceedings, does the Legal Framework explicitly allow for the continuation of existing contracts by the debtor company that are essential to the debtor's ordinary course of business? (Y/N)
24. 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) preferential transactions, 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? (Y/N)

26. Does the Legal Framework explicitly provide for voiding (or invalidating/terminating) of 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? (Y/N)
27. 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)
28. Does the Legal Framework assign priority to Post-Commencement Credit over ordinary unsecured creditors? (Y/N)

1.2.2 Creditor's Rights in Liquidation and Reorganization (includes environment)

29. Does the legal framework require a creditors committee or other creditor representation in Insolvency Proceedings? (Y/N)
30. 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)
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 or preference over ordinary unsecured creditors? (Y/N)
33. Are environmental claims given priority over the following? (Y/N)
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)

1.2.3 Selection and Dismissal of the Insolvency Administrator

35. Does the Legal Framework set out the qualification requirements for the appointment of an Insolvency Administrator? (Y/N)
36. Does the Legal Framework set out cases in which Insolvency Administrator may be disqualified from the case? (Y/N)

1.2 DEBTOR'S ASSETS AND CREDITOR'S PARTICIPATION IN INSOLVENCY PROCEEDINGS			
1.2.1 Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)			
Indicators	FFP	SBP	Total Points
Automatic Stay of Proceedings (16 AND 17)	1	n/a	1
Exceptions and Relief to Automatic Stay of Proceedings (18, 19, 20, 21 AND 22)	1	1	2

<i>The full point is granted if the answer is Y on at least 2 of questions 19, 20, 21 or 22</i>			
Continuation of Existing Essential Contracts (23)	1	1	2
Rejection of Existing Burdensome Assets (24)	1	n/a	1
Avoidance of Preferential and Undervalued Transactions	1	1	2
- Preferential transactions (25)	0.5	0.5	1
- Undervalued transactions (26)	0.5	0.5	1
Post-Commencement Credit Availability and Priority	1	1	2
- Post-commencement credit availability (27)	0.5	0.5	1
- Post-commencement credit priority over ordinary unsecured creditors during distribution of assets (28)	0.5	0.5	1
Total Points	6	4	10
1.2.2 Creditor's Rights in Liquidation and Reorganization (includes environment)			
Indicators	FFP	SBP	Total Points
Creditor Representation (29)	1	1	2
Request of Information by Creditors (30)	1	1	2
Priority of Secured Claims (31)	1	1	2
Priority of Labor and Environmental Claims	1	1	2
- Priority of labor claims (32)	0.5	0.5	1
- Priority of environmental claims (33)	0.5	0.5	1
Special Regime for Labor Claims (34)	0	1	1
Total Points	4	5	9
1.2.3 Selection and Dismissal of the Insolvency Administrator			
Indicators	FFP	SBP	Total Points
Insolvency Administrators Qualification Requirements (35)	1	1	2
Conditions for Disqualification (36)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

1.3 SPECIALIZED INSOLVENCY PROCEEDINGS AND INTERNATIONAL INSOLVENCY

1.3.1 Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)

37. Does the Legal Framework provide for specialized (simplified) Insolvency Proceedings for Micro- and Small Enterprises (MSEs)? (Y/N)

38. Does the Legal Framework specify that, in a simplified Liquidation proceeding, discharge should be granted expeditiously? (Y/N)

39. Does the Legal Framework provide for the possibility, at any point during a simplified Reorganization proceeding, to convert the proceeding into a Liquidation, if the competent authority determines that the debtor is insolvent and there is no prospect for Reorganization?

1.3.2 Cross-Border Insolvency

40. Does the legal framework establish rules for cross-border insolvencies? (Y/N)

If Y → provide response to question 43.

If N → 0 points on questions 43 and 44.

41. Does the Legal Framework set forth a specific process for obtaining recognition of foreign Insolvency Proceedings?

42. Does the legal framework provide for cooperation between courts and insolvency administrators in international Insolvency Proceedings? (Y/N)

1.3 SPECIALIZED INSOLVENCY PROCEEDINGS AND INTERNATIONAL INSOLVENCY			
1.3.1 Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)			
Indicators	FFP	SBP	Total Points
Availability (37)	1	1	2
Conversion of Proceedings (38)	1	1	2
Debt Discharge (39)	1	1	2
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 (40 and 41)	1	n/a	1
Legal Framework for Cooperation with Foreign Courts and Representatives (42)	1	n/a	1
Total Points	2	0	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II—QUALITY OF INSTITUTIONAL AND OPERATIONAL INFRASTRUCTURE FOR JUDICIAL INSOLVENCY PROCEEDINGS	
Parameters	
Competent Court and Its Location	The largest (most populous city in the country). Geographical location determines the competent court with jurisdiction over the commencement and conduct of insolvency proceedings. The competent court is the court of primary or first instance in the largest business city with jurisdiction over liquidation or reorganization insolvency proceedings.

2.1 DIGITAL SERVICES (E-COURTS) IN INSOLVENCY PROCEEDINGS

2.1.1 Electronic Services in Liquidation and Reorganization

43. Is electronic filing for the commencement of Insolvency Proceedings available in practice? (Y/N)

43.1. Does a hard copy have to be submitted along with the initial claim? (Y/N)

44. Are electronic payments of court fees available in Insolvency Proceedings in practice? (Y/N)

44.1 Is there in practice a physical interaction with the bank, the court, or the post office required to complete electronic payment? (Y/N)

45. Can virtual hearings be held at the relevant court? (Y/N)

46. Are electronic auctions conducted at the relevant court? (Y/N)

46.1. Do physical/on-site auctions need to be conducted along with the electronic auction? (Y/N)

2.1.2 Electronic Case Management Systems in Liquidation and Reorganization

Is a fully functional electronic case management system available for the following participants in Insolvency Proceeding? (questions 47 through 50)

47. For judges (Y/N)

48. For Lawyers (Y/N)

49. For Insolvency Administrators (Y/N)

50. Can creditors and debtors electronically monitor the status of insolvency proceedings? (Y/N)

2.1 DIGITAL SERVICES (E-COURTS) IN INSOLVENCY PROCEEDINGS			
2.1.1 Electronic Services in Liquidation and Reorganization			
Indicators	FFP	SBP	Total Points
Electronic Filing (43) <i>No score will be granted if the Electronic Filing service is not Functional. The service is not functional if the answer to question (43.1) is Y</i>	1	1	2
Electronic Payment of Court Fees (44) <i>No score will be granted if the Electronic Payment service is not functional. The service is not functional if the answer to question (44.1) is Y</i>	1	1	2
Virtual Hearing (45)	1	1	2
Electronic Auction (46) <i>No score will be granted if an Electronic Auction service is not fully operational. The service is not operational if the answer to question 4.61 is Y</i>	1	1	2
Total Points	4	4	8
2.1.2 Electronic Case Management Systems in Liquidation and Reorganization			
Electronic Case Management for Judges and Lawyers	1	1	2
- Platform is available and fully operational to judges (47)	0.5	0.5	1
- Platform is available and fully operational to lawyers (48)	0.5	0.5	1
Electronic Case Management for Insolvency Administrators (49)	1	1	2
Electronic Monitoring of the Status of Insolvency Proceedings (50)	1	1	2
Total Points	3	3	6

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2 INTEROPERABILITY IN INSOLVENCY PROCEEDINGS

2.2.1 Digital Services Connectivity with External Systems in Liquidation and Reorganization

51. 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)

2.2.2 Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization

52. Are the case management system and e-filing systems interconnected? (Y/N)

2.2 INTEROPERABILITY IN INSOLVENCY PROCEEDINGS			
2.2.1 Digital Services Connectivity with External Systems in Liquidation and Reorganization			
Indicators	FFP	SBP	Total Points
Interoperability with External Systems (51)	1	1	2
Total Points	1	1	2
2.2.2 Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization			
Interconnection Between Case Management System and e-Filing Systems (52)	1	1	2
Total Points	1	1	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.3 PUBLIC INFORMATION ON INSOLVENCY PROCEEDINGS AND REGISTRY OF INSOLVENCY PRACTITIONERS

2.3.1 Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments

53. Are the judgments concerning Insolvency Proceedings available to the public? (Y/N)

54. Is the data on the number and types of Insolvency Proceedings in the economy per year available to the public? (Y/N)

55. Is the data on the average length of Insolvency Proceedings publicly available? (Y/N)

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.

2.3.2 Availability of a Public Registry of Insolvency Practitioners

56. Is there a publicly available register of insolvency practitioners and/or firms qualified to offer insolvency services? (Y/N)

57. 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)

2.3 PUBLIC INFORMATION ON INSOLVENCY PROCEEDINGS AND REGISTRY OF INSOLVENCY PRACTITIONERS
2.3.1 Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments

Indicators	FFP	SBP	Total Points
Publication of Judgments in Insolvency Procedures (53)	1	1	2
Publication of Data on the Number and Type of Insolvency Procedures (54)	1	1	2
Publication of Data on the Average Length of Insolvency Procedures (55)	1	1	2
Total Points	3	3	6
2.3.2 Availability of a Public Registry of Insolvency Practitioners			
Availability of a Register of Insolvency Practitioners (56)	1	1	2
Publication of Register of Insolvency Practitioners (57)	1	1	2
Total Points	2	2	4

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.4 PUBLIC OFFICIALS AND INSOLVENCY ADMINISTRATOR

2.4.1 Specialization of Courts with Jurisdiction on Reorganization and Liquidation Proceedings

58. In [largest business city in the Economy], are all Insolvency Proceedings overseen and impartially disposed by an independent court, court division or bench with specialized insolvency expertise? (Y/N)

59. What is the name of this court, division or bench or designation of the bankruptcy judge? (*not scored*)

60. Is [court name] operational in practice? (Y/N)

2.4.2 Insolvency Administrator's Expertise in Practice

61. Are the qualification requirements for the appointment of an Insolvency Administrator observed in practice? (Y/N)

2.4 PUBLIC OFFICIALS AND INSOLVENCY ADMINISTRATOR			
2.4.1 Expertise of Courts with Jurisdiction on Reorganization and Liquidation proceedings			
Indicators	FFP	SBP	Total Points
Expertise in Courts (58)	1	1	2
Operability of Bankruptcy Courts (60)	1	1	2
Total Points	2	2	4
2.4.2 Insolvency Administrator's Expertise in Practice			
Indicators	FFP	SBP	Total Points
Insolvency Administrator Qualification Requirements in Practice (61)	1	1	2
Total Points	1	1	2

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF RESOLVING JUDICIAL INSOLVENCY PROCEEDINGS	
Parameters	
Debtor Company	<p>Business Insolvency assumes that the debtor is a domestic limited liability company (LLC) operating in the largest business city in each economy. The Company has 2 Secured Creditors, which are financial institutions. Unsecured creditors are mainly suppliers, tax authorities and employees. The market value of the company's assets is [150 times the GNI per capita (Atlas method) of economy] [LCU]. Considered a medium-sized enterprise. The Company sustains periods of negative cash flows and is expected to have negative net worth and operating losses. The value of the Company's liabilities exceeds the value of its assets, and defaults on its debt obligations toward its secured and unsecured creditors as they mature.</p> <p>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.</p>
Competent Court and Its Location	The largest (most populous city in the country). Geographical location determines the competent court with jurisdiction over the commencement and conduct of insolvency proceedings. The competent court is the court of primary or first instance in the largest business city with jurisdiction over liquidation or reorganization insolvency proceedings.

The scores for Pillar III indicators are calculated using the Normal Cumulative Density Function (CDF) transformation method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers are identified based on the 5th and 95th percentiles of the collected data.

When answering the following questions please consider Completed Insolvency Cases within the last 12 months, and provide the estimate based on your practical experience. Please note that conversion from reorganization to liquidation or from liquidation to reorganization is excluded. Please consider a single Liquidation or Reorganization proceeding.

The estimates shall not be based on time/cost standards set in the law or any other statutory time/cost limitation established by the Legal Framework, including statutory caps for fees for instance. The estimates should be provided based on the reality of the proceedings in practice.

3.1 NO PRACTICE OF IN-COURT LIQUIDATION AND REORGANIZATION PROCEEDINGS

62. To your knowledge, were there in-court Completed Reorganization Proceedings in the last 3 years in [ECONOMY], as of September 1, 2024? (Y/N)

63. To your knowledge, were there in-court Completed Liquidation Proceedings in the last 3 years in [ECONOMY], as of September 1, 2024? (Y/N)

3.2 TIME AND COST TO RESOLVE AN IN-COURT REORGANIZATION PROCEEDING

64. How long would it take for an insolvent Company (as defined in the above instructions) in [the largest business city in the economy] to complete Reorganization proceedings in practice?

Please note that the time begins at the moment of the filing by the debtor company or its creditors and ends when the Reorganization Plan is approved by creditors.

65. How much would it cost for an insolvent Company (as defined in the above instructions) in [the largest business city in the economy] to complete Reorganization proceedings in practice?

The cost estimate should be expressed as a percentage of the value of the company's assets (as described above). The costs would include court fees, fees of Insolvency Administrators, fees of lawyers, and all other fees involved. Please enter the cost in percentage terms, based on the value of the company, that is the cost estimate in local currency should be converted into a percentage of the above value. Please do not insert the value in currency terms.

3.2. Reorganization Proceedings			
3.2.1 Time to Resolve a Reorganization Proceeding			
Indicators	FFP	SBP	Total Points
Time to Resolve an In-Court Reorganization Proceeding (64)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Cost to Resolve a Reorganization Proceeding			
Cost to Resolve an In-Court Reorganization Proceeding (65)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.2	100	n/a	100
Total Points for Category 3.2	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.

3.3 TIME AND COST TO RESOLVE AN IN-COURT LIQUIDATION PROCEEDING

66. How long would it take for an insolvent Company (as defined in the above instructions) in [the largest business city in the economy] to complete a Liquidation proceeding in practice?

Please note that the time begins at the moment of the filing by the debtor company or its creditors and ends when its creditors have been repaid all or some of the money owed to them. Please indicate in detail in the explanation the main steps/stages in the proceeding required to complete the entire process and how much time each procedural step will take in practice based on actual completed/closed procedures. Please enter the time estimate in calendar months only, not in days or weeks. A calendar month is the period from a particular date in one month to the same date in the next month.

67. How much would it cost for an insolvent Company (as defined in the above instructions) in [the largest business city in the economy] to complete Liquidation proceedings in practice?

The cost estimate should be expressed as a percentage of the value of the company's assets (as described above). The costs would include court fees, fees of Insolvency Administrators, fees of lawyers, and all other fees involved. Please enter the cost in percentage terms, based on the value of the company, that is the cost estimate in local currency should be converted into a percentage of the above value. Please do not insert the value in currency terms.

3.3 Liquidation Proceedings			
3.3.1 Time to Resolve a Liquidation Proceeding			
Indicators	FFP	SBP	Total Points
Time to Resolve an In-Court Liquidation Proceeding (66)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.3.1	100	n/a	100
3.3.2 Cost to Resolve a Liquidation Proceeding			
Cost to Resolve an In-Court Liquidation Proceeding (67)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.3.2	100	n/a	100
Total Points for Category 3.3	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.

ANNEXES

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 more accessible to measure, and population projections are made consistently based on growth patterns. The primary data source 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 being 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; and secondly, population data for all capital cities in 2018, the year of its most recent revisions.² 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.³ 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 second cycle of the rollout phase, the selection of the largest city for each economy is displayed in the table below.

Economy	Selected City	Doing Business City
Angola	Luanda	Luanda
Antigua and Barbuda	St. John's	St. John's
Armenia	Yerevan	Yerevan
Azerbaijan	Baku	Baku
Bahrain	Manama	Manama
Bangladesh	Dhaka	Dhaka; Chittagong
Barbados	Bridgetown	Bridgetown

¹ United Nations. 2018. "World Urbanization Prospects: The 2018 Revision." Department of Economic and Social Affairs, Population Division. 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); File 13: Population of Capital Cities in 2018 (thousands).

³ 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.

Economy	Selected City	Doing Business City
Belgium	Brussels	Brussels
Benin	Cotonou ⁴	Cotonou
Bhutan	Thimphu	Thimphu
Bosnia and Herzegovina	Sarajevo	Sarajevo
Botswana	Gaborone	Gaborone
Bulgaria	Sofia	Sofia
Burkina Faso	Ouagadougou	Ouagadougou
Cabo Verde	Praia	Praia
Cambodia	Phnom Penh	Phnom Penh
Cameroon	Douala ⁵	Douala
Canada	Toronto	Toronto
Central African Republic	Bangui	Bangui
Chad	N'Djamena	N'Djamena
China	Shanghai	Shanghai; Beijing
Colombia	Bogota	Bogota
Congo, Dem. Rep.	Kinshasa	Kinshasa
Congo, Rep.	Brazzaville	Brazzaville
Costa Rica	San José	San José
Côte d'Ivoire	Abidjan	Abidjan
Croatia	Zagreb	Zagreb
Cyprus	Nicosia	Nicosia
Czechia	Prague	Prague
Dominican Republic	Santo Domingo	Santo Domingo
Ecuador	Guayaquil	Quito
El Salvador	San Salvador	San Salvador
Equatorial Guinea	Bata	Malabo
Estonia	Tallinn	Tallinn
Eswatini	Mbabane	Mbabane
Gambia, The	Banjul	Banjul
Georgia	Tbilisi	Tbilisi
Ghana	Accra ⁶	Accra
Greece	Athens	Athens
Grenada	St. George's	St. George's
Hong Kong SAR, China	Hong Kong	Hong Kong

⁴ While WUP identified Abomey-Calavi as the largest city, it applies different concepts. Cotonou is measured as city proper and Abomey-Calavi is measured as an urban agglomeration. This is further supported by other data sources (<https://www.citypopulation.de/en/benin/cities/>).

⁵ WUP assesses Yaoundé and Douala to be very close in size. However, Douala has been identified as the largest business center and major port city in Cameroon and in some sources also as the largest city in terms of population size (<https://worldpopulationreview.com/countries/cities/cameroon>).

⁶ While Kumasi is the largest urban area reported by WUP, additional consultations with the Urban team working on Ghana reconfirmed Accra as the main Business City based on ongoing sector work, assessing city size and GDP in Ghana.

Economy	Selected City	Doing Business City
Hungary	Budapest	Budapest
Iceland	Reykjavik	Reykjavik
Indonesia	Jakarta	Jakarta; Surabaya
Iraq	Baghdad	Baghdad
Ireland	Dublin	Dublin
Israel	Tel Aviv	Tel Aviv
Italy	Rome	Rome
Jamaica	Kingston	Kingston
Jordan	Amman	Amman
Kazakhstan	Almaty	Almaty
Korea, Rep.	Seoul	Seoul
Kyrgyz Republic	Bishkek	Bishkek
Lao PDR	Vientiane	Vientiane
Latvia	Riga	Riga
Lesotho	Maseru	Maseru
Madagascar	Antananarivo	Antananarivo
Malaysia	Kuala Lumpur	Kuala Lumpur
Mali	Bamako	Bamako
Malta	Valletta	Valletta
Mauritius	Port Louis	Port Louis
Mexico	Mexico City	Mexico City; Monterrey
Moldova	Chisinau	Chisinau
Montenegro	Podgorica	Podgorica
Morocco	Casablanca	Casablanca
Namibia	Windhoek	Windhoek
Nepal	Kathmandu	Kathmandu
New Zealand	Auckland	Auckland
North Macedonia	Skopje	Skopje
Pakistan	Karachi	Karachi; Lahore
Panama	Panama City	Panama City
Papua New Guinea	Port Moresby	Port Moresby
Paraguay	Asuncion	Asuncion
Peru	Lima	Lima
Philippines	Quezon City ⁷	Quezon City
Poland	Warsaw	Warsaw
Portugal	Lisbon	Lisbon
Romania	Bucharest	Bucharest
Rwanda	Kigali	Kigali

⁷ 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 Manila.

Economy	Selected City	Doing Business City
Samoa	Apia	Apia
Senegal	Dakar	Dakar
Serbia	Belgrade	Belgrade
Seychelles	Victoria	Victoria
Sierra Leone	Freetown	Freetown
Singapore	Singapore	Singapore
Slovak Republic	Bratislava	Bratislava
Slovenia	Ljubljana	Ljubljana
South Sudan	Juba	Juba
Spain	Madrid	Madrid
St. Vincent and the Grenadines	Kingstown	Kingstown
Sweden	Stockholm	Stockholm
Taiwan, China	Taipei ⁸	Taipei
Tajikistan	Dushanbe	Dushanbe
Tanzania	Dar es Salaam	Dar es Salaam
Timor-Leste	Dili	Dili
Togo	Lomé	Lomé
Tonga	Nukualofa	Nukualofa
Trinidad and Tobago	Port of Spain	Port of Spain
Tunisia	Tunis	Tunis
Türkiye	Istanbul	Istanbul
Turkmenistan	Ashgabat	Ashgabat
United Kingdom	London	London
United States	New York City ⁹	New York City; Los Angeles
Uruguay	Montevideo	Montevideo
Uzbekistan	Tashkent	Tashkent
Vanuatu	Port Vila	Port Vila
Viet Nam	Ho Chi Minh City	Ho Chi Minh City
West Bank and Gaza	Ramallah ¹⁰	Ramallah

⁸ Although WUP identifies Xinbei as the largest city, Taipei is Taiwan's political, economic, and cultural center that is referenced in various sources as the main businesses center. Different definitions of urban are likely the reason for classifying Xinbei as larger than Taipei.

⁹ WUP identifies the agglomeration of New York and New Jersey as the largest business agglomeration, spanning over two states with different jurisdictions. Other sources (<https://www.citypopulation.de/en/usa/cities/>) identify New York City as the largest city in the United States.

¹⁰ While Gaza City is the largest urban area reported by WUP, it is also a conflict zone, where data collection may not be feasible. While Ramallah is not the largest city within the West Bank, it is the administrative capital of the State of Palestine and a city fully under control of the Palestine authorities.

Annex B-Aggregation and Scoring of Economy-level Variables

Annex B outlines the current approach to aggregating expert responses to generate economy-level variables and their corresponding scores. It also details the scoring process for indicators derived from firm-level data in Enterprise Surveys (ES).

The first section of this note addresses the process of aggregating expert responses to form economy-level variables. This step is critical for transforming individual expert insights into a coherent, economy-wide perspective.

The second section discusses special cases that require specific attention during aggregation and scoring. These cases arise when economy-level variables cannot be scored directly by multiplying the aggregate answers with the score assigned by topic teams for a given indicator. In those cases, an economy-level indicator may require either bundling of questions (due to the use of logical operators) before scoring or application of special scoring rules defined by topic teams. It highlights the need for a nuanced approach in certain scenarios to ensure an accurate representation of the data.

The third section explains the methodology for scoring ES indicators and expert responses within Pillar 3. This includes the specific processes and considerations unique to this pillar, ensuring that the scoring reflects the comprehensive insights from both firm-level data and expert assessments.

This annex does not cover the overall distribution of weights for indicators, subcategories, and categories across different pillars. This information is presented in the previous topic chapters of this Methodology Handbook.

I. STANDARD AGGREGATION FOR ECONOMY INDICATORS

1. Binary Variables are Aggregated using the Median

Binary variables – yes/no questions – are the most straightforward for aggregation. Below are exhaustive examples of different scenarios that show how aggregation at the economy level is applied. If there is a tie between an even number of respondents, 0.5 (“Even split”) is applied to reflect the level of uncertainty with respect to the aggregated response.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Respondent 1	1 (=yes)	1	1	0
Respondent 2	1	1	1	1
Respondent 3	0 (=no)	1	0	n/a
Respondent 4	0	0	0	n/a
Respondent 5	0	0	n/a	n/a
Economy Aggregate (Median)	0	1	0.5	0.5

Note: n/a (not available) because of either a skip pattern, missing responses, or a limited number of respondents.

2. Continuous Variables are Aggregated using the Median

Continuous variables refer to variables that can take an uncountable set of numeric values. All percentage variables are considered continuous, as they can take any value between integers. Continuous variables from expert questionnaires are aggregated using the median of all responses. For the aggregation of Enterprise Survey continuous variables, see Annex C.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Respondent 1	10	10	10	10
Respondent 2	12	12	12	12
Respondent 3	15	15	15	n/a
Respondent 4	38	n/a	38	n/a
Respondent 5	75	75	n/a	n/a
Economy Aggregate (Median)	15	13.5	13.5	11

Note: n/a (not available) due to either a skip pattern, missing responses, or a limited number of respondents.

3. Categorical Single-select Variables are Aggregated using the Mode

Categorical single-select variables (i.e., the respondent can select only one option when there are multiple options) are aggregated using the mode. The table below showcases the standard case where a single modal option emerges from the responses. However, the aggregation gets more complicated when no single mode emerges (for example, cases where there is an even split between two options; or where there is no consensus among respondents). These special cases and their scoring are separately discussed in Section II.

	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Question X	Option 1	Option 1	Option 2	Option 3
Economy aggregate	Option 1 → MODE (1, 1, 2, 3)			

II. SPECIAL AGGREGATION AND SCORING RULES FOR ECONOMY INDICATORS

1. Questions Combined using Logical Operator to form an Indicator

Topics may form an indicator by combining questions using **AND/OR** operators. The aggregation occurs at the question level by taking the median, and the bundle (of medians) is scored accordingly (see **scenarios 1 & 2**). When an indicator is formed by combining parent-child questions using an AND/OR operator, the aggregation remains at the question level before bundling happens (see **scenario 3**).

Scenario 1: standalone binary questions combined using the **AND operator**.

	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Median by question
Q1	1	1	1	0	1 → MEDIAN (0,1,1,1)
Q2	0	0	1	0	0 → MEDIAN (0,0,0,1)
Economy aggregate (under AND operator)					0 (Q1=1; Q2=0)

Scenario 2: standalone binary questions combined using the **OR operator**.

	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Median by question
Q1	1	1	1	0	1 → MEDIAN (0,1,1,1)
Q2	0	0	1	0	0 → MEDIAN (0,0,0,1)
Economy aggregate (under OR operator)					1 (Q1=1; Q2=0)

Scenario 3: Parent-child questions **combined using AND/OR operators**. In this scenario, the second question is triggered by the first one. Therefore, the second (“child”) question is aggregated based on only the respondents who have seen the question. For questions where only half of the respondents see the question (for example, 2 out of 4 experts), the child question’s aggregate carries the structure of “Yes (No); 50% skip logic.”

	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Median by question
Q1	1	1	1	0	1 → MEDIAN (0,1,1,1)

Q2	0	1	0	. (n/a)	0 → MEDIAN (0,0,1)
Economy aggregate (under AND operator)					0 (since Q2 ≠ 1)
Economy aggregate (under OR operator)					1 (since Q1 = 1)

Scoring Rules for Indicators formed using AND/OR Operators

Following the aggregation rules applicable to questions combined using AND/OR operators, the exact scoring rules for these indicators depends on the logical operator used and are presented below.

A) AND operator

- 1) An indicator gets a score of 0 if ANY component aggregates to a "No" (0) or "No; 50% skip logic" (in cases where the subsequent component is enabled by the first component).
- 2) An indicator gets a full score if ALL components aggregate to a "Yes" (1).
- 3) An indicator gets 50% of the full score for the remaining cases. In these cases, at least one aggregate response is "Even split," "Yes; 50% skip logic", or "Even split; 50% skip logic."

B) OR operator

- 1) An indicator gets a score of 0 if ALL components aggregate to a "No" (0) or "No; 50% skip logic" (in cases where the subsequent component is enabled by the first component).
- 2) An indicator gets a full score if ANY component aggregates to a "Yes" (1).
- 3) An indicator gets 50% of the full score for the remaining cases. In these cases, at least one aggregate response is "Even split", "Yes; 50% skip logic", or "Even split; 50% skip logic."

2. Questions Skipped by Enabling Conditions (skip logic)

Most questionnaires have introduced skip patterns to allow for follow-up questions if a certain condition holds true (parent-child question structure). A general rule is that when child questions are skipped by skip logic (i.e., denoted as "." in the raw data, and appearing as "skip logic" in the aggregated dataset – meaning more than half of the respondents never saw the question), **they are not recoded as "NO" (0)**. The scenarios below showcase the general rules applicable to this type of question structure.

Scenario 1: Parent question aggregates to "Yes" (1) – subsequent child questions is assessed based on the median using only respondents selecting "Yes" (1) for the parent question.

	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Median
Parent Q	1	1	1	0	1
Child Q1	1	0	0	.	0
Child Q2	1	1	0	.	1

Scenario 2: Parent question aggregates to "No" (0) – subsequent child questions is not applicable. Therefore, they aggregate to "Skip logic."

	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Median
Parent Q	1	0	0	0	0
Child Q1	0	.	.	.	Skip logic
Child Q2	1	.	.	.	Skip logic

Scenario 3: Parent question aggregates to "Even Split" (0.5) – subsequent child questions is assessed based on the median using only respondents selecting "Yes" (1) on the parent question. In this scenario, the

aggregate result of child questions reflects that half of the respondents did not see the question (i.e., the aggregate answer are followed by “**50% skip logic.**”)

	Respondent 1	Respondent 2	Respondent 3	Respondent 4	Median
Parent Q	1	1	0	0	0.5
Child Q1	1	1	.	.	1 (50% skip logic)
Child Q2	1	0	.	.	0.5 (50% skip logic)

Scoring Rules for Even Splits and Skip Logic in Parent-child Question

For standalone binary and parent question(s) that are scored, 50% of the full score is assigned when the economy-level aggregate returns “even split.” The scoring of child questions when there is an even split on the parent question follows the rules below:

- 1) Assign 50% of the full score when the child question aggregates to “Yes; 50% skip logic.”
- 2) Assign 25% of the full score when the child question aggregates to “Even split; 50% skip logic.”
- 3) Assign a score of 0 when the child question aggregates to “No; 50% skip logic.”

3. Categorical Single-select Questions: Special Aggregation & Scoring

As discussed in Section I, categorical single-select questions are generally aggregated using the mode. The scenarios below present all possible aggregation outcomes (i.e., whether there is a single mode or when no singular modal option emerges), and how to score economy indicators accordingly.

Scenario 1: Single mode – the aggregation result returns a single mode. In this case, the indicator gets the score associated with the modal value.

	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Question X	Option 2	Option 2	Option 2	Option 3
Economy aggregate	Option 2 → MODE (2,2,2,3)			
Indicator score	Score associated with Option 2			

Scenario 2: Single mode, 50% skip logic – the child question aggregates to a single mode (based only on responses from those who saw the question). In this case, the indicator gets 50% of the score associated with the modal value.

	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Parent question	1	1	0	0
Child question	Option 3	Option 3	.	.
Economy aggregate	Single mode, 50% skip logic → value = Option 3, MODE (3/3/.).			
Indicator score	50% of score associated with Option 3			

Scenario 3: Multiple modes – this scenario covers cases where the mode is not unique. (i.e., it can be either responses return more than one mode or no mode). In this case, the indicator gets **the median of the scores associated with both/all options presented.**

	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Question 1	Option 2	Option 2	Option 3	Option 3

Economy aggregate	Multiple modes → value = Options 2, 3 based on MODE (2/2/3/3)
Indicator score	Median of scores associated with Option 2 and Option 3

Scenario 4: Multiple modes, 50% skip logic – when a child question (based only on responses from those who saw the question) aggregates to the cases covered in Scenario 3. In such a case, the indicator gets **50% of the median of the scores associated with the options presented**.

	Respondent 1	Respondent 2	Respondent 3	Respondent 4
Parent question	1	1	0	0
Child question	Option 2	Option 3	.	.
Economy aggregate	Multiple modes, 50% skip logic → value = Options 2, 3 based on MODE (2/3/./.)			
Indicator score	50% of median of scores associated with Option 2 and Option 3			

III. SCORING OF CONTINUOUS VARIABLES

1. Continuous Variables from Expert Questionnaire

The aggregation of continuous variables from expert questionnaires is done using the median (see Section I). Once an economy aggregate is obtained, the score for the indicator is produced by applying the normal CDF transformation method detailed below.

2. Continuous Variables from Enterprise Surveys

The aggregation of continuous variables from firm-level surveys is done through weighted means or medians. The means or medians are estimated using corresponding sample weights. For more details, see Annex C for documentation on the World Bank Enterprise Survey (WBES) indicators. All variables coming from WBES are considered continuous, even when binary questions were asked. This is because at the economy level, the aggregated response reflects the percentage of firms choosing any one binary option.

Consistent with the approach taken by WBES over the years, in most cases, the estimated mean is used to aggregate firm responses. This ensures that governments looking to improve their score in a particular indicator has equal incentives to improve the condition of any firm in the economy.

The one exception to the use of the mean is the case of unbounded time and cost variables. These variables tend to have larger ranges driven by outliers. Depending on the specific B-READY topic and indicator, the aggregation of firm responses to such questions may be based on the mean or median of firm responses. For a list of variables aggregated with medians, see section 4 of Annex C. The median better represents what the typical firm in an economy experiences by removing distortions produced by outliers.

Like the continuous variables collected through expert questionnaires, the scores of the WBES indicators are produced by applying a normal CDF transformation to the economy aggregate, as detailed below.

3. Scoring of the Continuous Variables

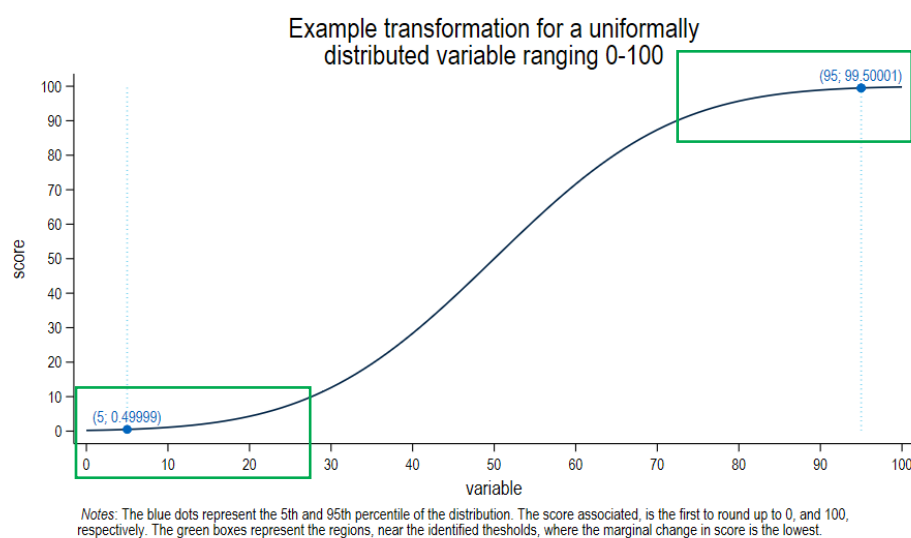
The task of scoring continuous, potentially unbounded variables into a bounded score with enough variance to incentivize reforms faces several challenges. The first is identifying a scoring range, i.e., the values before and after which an economy scores 0 or 100. It is desirable to have all indicators range from 0 to 100 so that a relative improvement with respect to the global best practice is comparable across indicators. The

second related challenge is identifying a scoring function. The limitations deriving from the first challenge require the use of a scoring function that allows for a degree of uncertainty around the thresholds.

Ideally, the scoring range for an indicator is self-evident or well-defined in the literature. For instance, an economy evidently scores maximum points on our indicator on the share of female-managed firms that obtained a government contract once this reaches 50%. However, these cases are rare. For most B-READY indicators, there is no globally recognized worst-, or best-practice. This implies the need to define empirical scoring thresholds using the data collected in this first pilot year.

The sample of 50 economies for B-READY 2024 was selected to achieve representation of all regions and income groups. For comparability across the first three pilot reports, the threshold is fixed so that scores do not artificially change as new economies are included.

The next step in scoring is to choose a transformation. Given the empirical nature of the thresholds, B-READY uses a non-linear transformation: the normal CDF function. This transformation first ensures that all present and future scores can be calculated by inputting the indicator values, and that the resulting score ranges between 0 and 100. Secondly, it ensures that the change in score associated with the change in the variable is less prominent near the thresholds, and more prominent in the middle section. This helps to reduce the impact of the specific chosen threshold on the score.



Scoring Range

The first step in identifying the scoring range for the variables where the range is not self-evident or well-defined in the literature is to remove “no practice” economies and outliers. For a given indicator, an economy would be considered as “no practice” in all instances in which the underlying public service (institution, procedure, function, or else) is missing, according to B-READY experts’ responses to topic questionnaires. Removing “no practice” economies avoids incentivizing the absence of a socially desirable public service. Once “no practice” economies are removed, all values further away than three standard deviations from the mean of all economies are considered outliers. Removing outliers ensures economies are not unduly penalized (or rewarded) due to overly large scoring ranges. The scoring range spans from the 5th to the 95th percentile of the remaining observations. All values below the 5th percentile obtain a score

of 0, and all values above the 95th percentile obtain a score of 100. The opposite is true for indicators where the best practice is the lower bound.

Scoring Function

To obtain the score with the nonlinear transformation outlined above, the first step is to define the midpoint between the two thresholds and the coefficient of dispersion of the curve. The midpoint is obtained by taking the average between the 5th and the 95th percentiles. As a second step, the coefficient of dispersion is obtained as follows:

$$coeff. of dispersion = \frac{5th\ percentile - midpoint}{inv.norm(0.0049999)}$$

where *inv.norm* denotes the inverse of the normal cumulative distribution function. The score associated with each economy observation is then obtained with the following formula:

$$score = 100 \cdot norm\left(\frac{var - midpoint}{coeff. of dispersion}\right)$$

where *norm* denotes the normal cumulative distribution function.

Low Observations in WBES

Enterprise Surveys provides an economy-level estimate, either mean or median, when they collect 6 observations or more for that economy (see Annex C). If they fail to collect this minimum number of observations, the indicator is considered missing. The weights of missing indicators are redistributed equally among all remaining indicators within the same subcategory.

If all indicators within a subcategory are missing, the weight of that subcategory is redistributed to the other subcategories contained in the same category in proportion to their initially assigned weights. Similarly, when all categories within a pillar are missing, its weights are redistributed to other categories.

Annex C-Documentation for WBES Indicators in B-READY

This note describes the data sources and transformations in the process of calculating economy-level indicators that enter into the B-READY scores. It follows the structure of the replication program provided in the Stata do-file form. The subsequent processes of transforming these indicators into individual scores, topic or economy-level scores are provided in Annex B of this Methodology Handbook.

1. Data

The data from the most recently completed 50 WBES (The World Bank Enterprise Surveys) is used.¹ In these surveys, questions specifically designed for the B-READY report were administered, in addition to the previously collected standard set of WBES questions. Each WBES is a firm-level survey of a representative sample of an economy's private sector, where top managers or owners are interviewed about a wide range of topics, such as access to finance, corruption, infrastructure, and performance, among others. Further information about the WBES can be found on their [website](#); the methodology is outlined in detail on their [methodology page](#), with [the WBES Manual and Guide](#) providing a general overview.

The firm-level WBES data are publicly available from [the WBES data portal](#), where users can create an account, free of charge, to gain access. The data can be accessed in multiple ways. First, each individual economy dataset can be accessed from the “data by economy” tab. Second, the cross-economy database that collects all WBES collected through the standardized methodology, including these 50 WBES can be downloaded from the “combined data” tab, the file called “StandardizedNew-2006-2023-core4.zip.” Note that this database gets continuously updated to include the newly published WBES.

2. Data Transformations

Before producing the WBES indicators at the firm level, the data undergo transformations to (i) handle surveys that were implemented in the format of a follow-up on the baseline WBES, (ii) clean data to remove substantial extreme values and fix some discrepancies with the survey codebook that were not detected during the survey implementation, and (iii) apply the outlier routine. Each of these components is described in detail below. Please see the replication do-file that will be made available for further details.

2.1 Handling of Follow-up Surveys

The surveys in five economies, namely Bangladesh, Iraq, Madagascar, Peru, and Timor-Leste, were implemented as a follow-up to the baseline WBES that were completed shortly before finalizing the questions necessary for the B-READY report. In these economies, the questions that were part of the pre-existing global WBES questionnaire were implemented during the baseline fieldwork. To administer the questions necessary for the B-READY report, the same survey implementation team re-contacted the same representative sample of firms that participated in the baseline WBES. The follow-up surveys were implemented on the phone. In this process of re-contacting, some of the original respondents were impossible to reach or refused to answer the additional questions. To address this attrition and ensure that the surveys continue to capture the universe of firms covered by the standard WBES, the sampling weights were adjusted following the standard WBES methodology. The adjusted sampling weights apply only to the responses provided during the follow-up implementation, which are stored in variables with names suffixed by `_BR`. Notably, the follow-up survey questionnaires varied slightly across the five economies.

¹ In particular, these surveys are used: Bangladesh2022, Barbados2023, Bosnia and Herzegovina2023, Botswana2023, Bulgaria2023, Cambodia2023, Central African Republic2023, Chad2023, Colombia2023, Costa Rica2023, Cote d'Ivoire2023, Croatia2023, El Salvador2023, Estonia2023, Gambia2023, Georgia2023, Ghana2023, Greece2023, Hong Kong SAR China2023, Hungary2023, Indonesia2023, Iraq2022, Kyrgyz Republic2023, Lesotho2023, Madagascar2022, Mauritius2023, Mexico2023, Montenegro2023, Morocco2023, Nepal2023, New Zealand2023, North Macedonia2023, Pakistan2022, Paraguay2023, Peru2023, Philippines2023, Portugal2023, Romania2023, Rwanda2023, Samoa2023, Seychelles2023, Sierra Leone2023, Singapore2023, Slovak Republic2023, Tanzania2023, Timor-Leste2021, Togo2023, Vanuatu2023, Viet Nam2023, and West Bank And Gaza2023.

Since some questions were implemented as part of the baseline WBES in some of these economies, including them in the follow-ups was no longer necessary.

In addition, the WBES in Indonesia features two versions of the questionnaire which are indicated with variable *q_version* in the dataset. Each firm had an equal probability of receiving either version of the questionnaire. The majority of questions were administered in both versions. The questions that appear only in one or the other version of the questionnaire are stored in variables with names suffixed by *_BR* and should use the corresponding sampling weights.

To properly handle the above six economies, the following steps were taken: (i) for each variable, the set of economies where this kind of special treatment was needed was identified; (ii) for each variable and economy, the responses were transferred from variables that store follow-up surveys or questionnaire versions into the corresponding main variables; and (iii) the variable-specific sampling weights were produced, taking into account the follow-up or questionnaire version structure.

Henceforth, the variables mentioned incorporate the above handling of the follow-up surveys.

2.2 Data Cleaning

Some responses provided by firms were extreme to the degree of needing removal before applying the outlier routine. The WBES team has a highly detailed data quality control routine, which produced flags regarding some of these values during the fieldwork, but some were omitted due to variables being new and previously untested. Extreme values were removed from the following variables:

- l36: How many weeks of salary was the typical severance payment for a dismissed permanent, full-time worker? Please include pay and benefits but exclude unpaid salaries for time already worked. Values of above 300 were removed, affecting 45 observations, with the remaining total of 4525 observations.
- n2a2: Of [the total annual cost of labor] total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld. Values exceeding the total annual cost of labor were removed, affecting 39 observations, with the remaining total of 21213 observations.
- variables n2a n2b n2l n2k g33 k31 c38 (please see the questionnaire for details behind each): the responses of zero were removed, affecting respectively 12, 209, 1070, 1799, 99, 360, 304 observations, with the remaining total of 25862, 26485, 20482, 20505, 1158, 1806, and 3041 observations, respectively.²
- k35: How many days does it take on average from when payment is made until the money is received using [the e-payment method to receive a payment identified in K.34]?: the values above 30 were removed, affecting 174 observations, with the remaining total of 19721 observations.
- k36: As a percentage of a typical transaction, how much does it cost to accept payments, using [the e-payment method to receive a payment identified in K.34]?: the values above 50 were removed, affecting 39 observations, with the remaining total of 17563 observations.
- k40: As a percentage of a typical transaction, how much does it cost to make payments, using [most important e-payment method to make a payment (option identified in K.39)]?: the values above 50 were removed, affecting 57 observations, with the remaining total of 15947 observations.

² Note that the variables c31 and c38 are also included in this treatment on the replication do-file, though this does not affect any observations, and are there only for the purpose of completeness.

- c9b: Please estimate the losses that resulted from power outages either as a percentage of total annual sales or as total annual losses: the values above the total annual sales were removed affecting 10 observations, with the remaining total of 1452 observations.

Furthermore, the data was cleaned as follows:

- The Sierra Leone survey asked questions o3a and o3b, opinions regarding commercial disputes, to all firms instead of only the ones that did experience such disputes as in the rest of the surveys, so the extra responses were removed for the purposes of cross-economy comparability.
- During the Tanzania survey, a follow-up question about the reasons for not applying for a VAT refund (j40) when the firm had responded that they did apply for it (j38 response was yes) was mistakenly activated for some respondents. These were removed.
- The follow-up question on the hours it took to go through customs when the response of 0 days was provided (variable d40b) was not activated during the survey for the total of observations, the empty values were turned into “don’t know.”
- The question e1 (in fiscal year [last complete fiscal year], which of the following was the main market in which this establishment sold its main product [or offered its main service]) was not activated for 60 observations in total, so the corresponding values for this and the follow-up question on the number of competitors (e2b) that forms an indicator in combination with e1 were turned to “don’t know.”

2.3 Outliers

The following outlier routine is used. First, the variable is log-transformed after adding the value of 1. Then, at the economy level, the simple mean and standard deviation of the variable is calculated. Finally, the values that fall further than three standard deviations away from the mean are marked as extreme and removed from the calculations. All non-categorical variables are put through this routine, in particular the following list of variables: g3, k32, k33, k35, k36, k38, k40, the combination of d33a and d33b that calculate the duration in days, d34, the combination of d40a and d40b that calculates the duration in days, d41, l35, l36, l38, the ratio of n2a2 and n2a, e2b, j43, the combination of j35a and j35b that calculates hours spent on tax preparations, j33, j39, n11, c4, c7, the combination of c8a and c8b that calculates the duration in hours, the combination of c9a_c9b that calculates losses as a share in the total annual sales, c37, c13, and e31b. Please see the questionnaire for the meaning of each of these questions.

3. Indicators

The WBES indicators that are used in the B-READY scores are calculated at the firm level using the interview responses to the corresponding variables. There are four general types of indicators: (i) based on a Yes/No question, (ii) based on a categorical question with options other than Yes/No; (iii) responses with a wider range, such as percentages (varying from 0 to 100), or continuous unbounded variables, such as duration (in weeks, days, or hours), or a number; and (iv) ratio (share of social payments in the total labor cost, calculated by a response to one question divided by another). In all cases, the “don’t know” responses are removed from calculations. Please see the replication program that will be made available in Stata do-file form for further details of these calculations.

4. Calculation of Economy-level Indicators

The means and medians at the economy level are estimated using the corresponding sampling weights. The majority of indicators are aggregated using means. The following subset of indicators from category (iii) in Section 3 are aggregated using medians: bus3, tax1, tax4, tax5, in3, in4, in1, in5, in22, tr18, and tr24. For all the WBES except the six surveys mentioned in Section 2.1, the sampling weights contained in variable

wmedian are used for all the indicators, which is the standard practice of calculations of the WBES indicators. For the remaining six WBES, some indicators use the sampling weights associated with the corresponding variable, as described in the subsection “2.1 Handling of Follow-up Surveys.”

The means and medians can be calculated using one of the following two methods. The first is through setting the dataset as a survey (in Stata, this means applying the command *svyset idstd [pw=wmedian], strata(strata_all) singleunit(scaled)*, where the variable *strata_all* is produced using the variable *strata* and *economy* to produce a code that is unique for *strata* and *economy*).³ After this, the weighted means and medians can be calculated (in Stata, this would be *svy: mean indicator, over(economy)* for means, and *epctile indicator, p(50) svy* for medians applied for each economy). The second method is through applying a simple weighted average through a command such as *collapse (mean) indicator or (p50) indicator [pw=wmedian], by(economy)*.

For further details about the WBES indicators as entered in the B-READY scores, please consult the replication package that will be provided in a Stata do-file form.

³ As noted, for some indicators, this command would have sampling weight other than *wmedian*, but rather the corresponding question-specific sampling weight. See subsection “2.1 Handling of Follow-up Surveys” for further details.