



Methodology Handbook

Third Edition

January 2026

About Business Ready

Business Ready (B-READY) is a data collection and analysis project of the World Bank Group (WBG) that assesses the business and investment climate worldwide, accompanied by an annual corporate flagship report. The B-READY data and report aim to promote policies that support businesses, ensure a stable regulatory environment, and foster a dynamic private sector that drives job creation and economic growth. 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 the regulatory framework and public services are combined in practice. B-READY seeks a balanced approach when assessing the business environment: between the ease of conducting a business and broader private sector benefits, between the 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. Most topics incorporate relevant aspects related to three cross-cutting themes: adoption of digital technology, environmental sustainability, and gender.

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 *Handbook* is updated periodically to capture the refinements of the B-READY methodology in the first three data collection and reporting cycles, as the project expands its economy coverage.

Table of Contents

About Business Ready

Chapter 1–Overview.....	1
Appendix 1.1–Comparison of <i>Doing Business</i> (DB) and <i>Business Ready</i> (B-READY) Key Features.....	17
Appendix 1.2–Enterprise Surveys.....	18
Appendix 1.3–Summary of Preliminary Topic Scoring.....	19
Appendix 1.4–Parameters.....	20
Chapter 2–Business Entry.....	21
Chapter 3–Business Location.....	67
Chapter 4–Utility Services.....	144
Chapter 5–Labor.....	227
Chapter 6–Financial Services.....	296
Chapter 7–International Trade.....	407
Chapter 8–Taxation.....	512
Chapter 9–Dispute Resolution.....	571
Chapter 10–Market Competition.....	645
Chapter 11–Business Insolvency.....	742
Annexes.....	787
Annex A–City Selection Parameter.....	788
Annex B–Aggregation and Scoring of Economy-level Variables.....	794
Annex C–Documentation for WBES Indicators in B-READY.....	802

CHAPTER 1–OVERVIEW

1. Background. The *Business Ready Methodology Handbook* develops in detail the B-READY project's indicators, scoring, and data collection methods. This Third Edition of the *Business Ready Methodology Handbook* incorporates methodology refinements that are planned for implementation in the *Business Ready 2026* report.

The B-READY project is housed in the [Policy 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 are 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](#) (M&G) presents the processes and protocols on the governance of the project.

B-READY 2026 will be the third report of a three-year rollout phase that spans from 2024 to 2026. During this period, the project grows in geographic coverage and refines its process and methodology. These efforts affect its comparability across the rollout years.

2. Title. As indicated earlier, the title of the project is *Business Ready*. The acronym is B-READY.

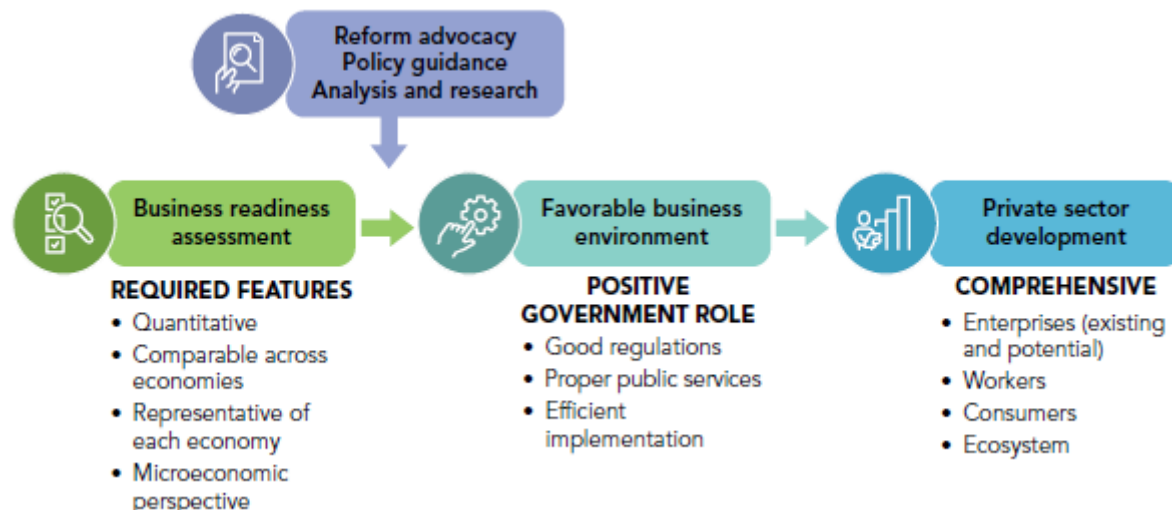
3. Output. The B-READY benchmarking exercise provides a quantitative assessment of the business environment for private sector development. The quantitative assessment produces granular data and a global report, is published annually, and covers most economies worldwide.

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 and newly renamed [Regulatory Efficiency](#) (DECRE) project.

4. Development Purpose. B-READY's granular data and summary report aims to improve the business environment for private sector development not only by advancing the interests of individual firms but also by elevating the interests of workers, consumers, potential new enterprises, and the natural environment. To achieve this purpose, B-READY focuses on three main areas: (1) reform advocacy; (2) policy guidance; and (3) analysis and 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 lag behind international good practices. 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.

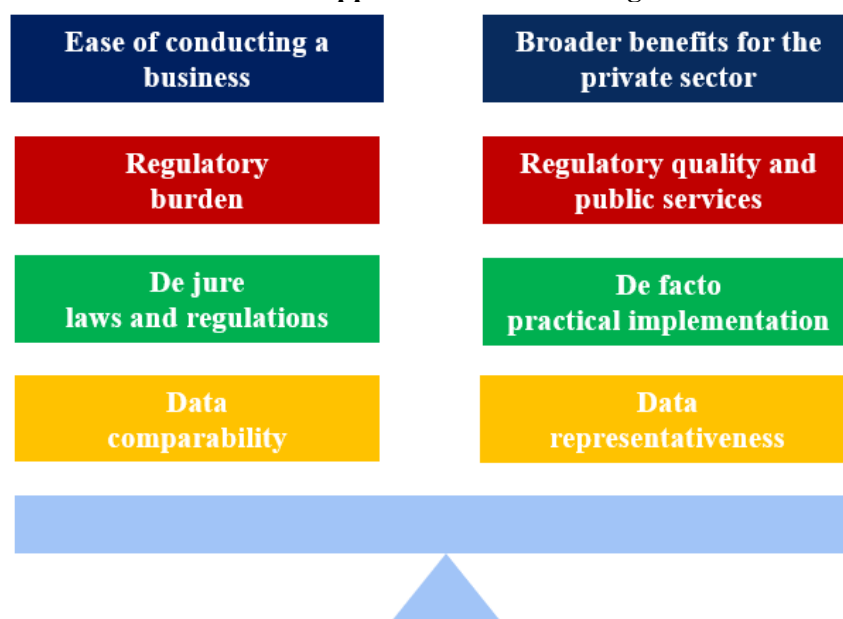
Through its focus on private sector development, B-READY can effectively contribute to meeting the WBG's twin goals of eliminating poverty and boosting shared prosperity on a livable planet. The private sector is essential to successful development because it is the primary source of employment and a 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*.¹ Appendix 1.1 presents the key features of *Business Ready* and its predecessor, the discontinued *Doing Business*.²

¹ An *External Panel Review* at the WBG refers to an independent assessment conducted by a group of external experts. The *External Panel Review* for B-READY assessed the methodology and recommended safeguards and improvements to the new approach.

² 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 (including workers, consumers, new enterprises and the natural environment). 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 are scored 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 to balance 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 maintains 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.

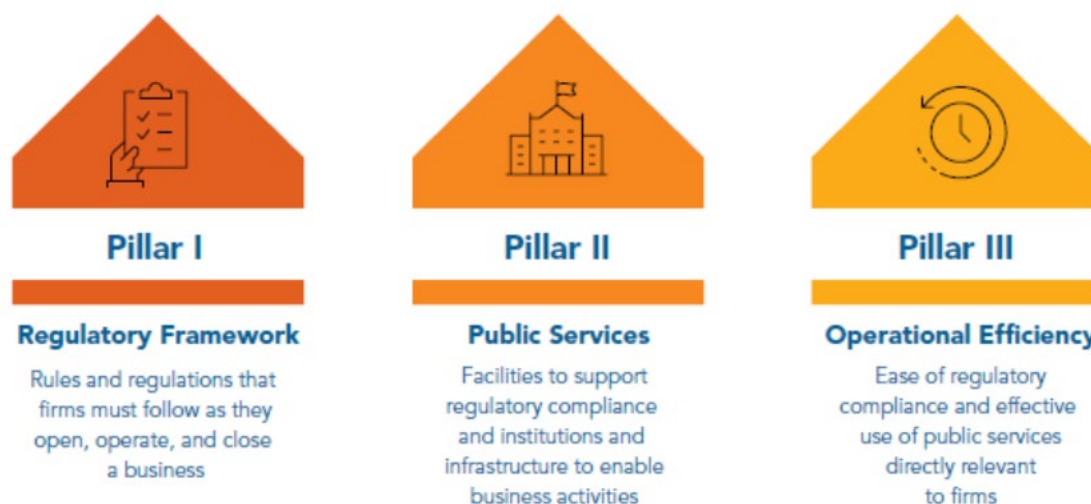
B-READY is designed for comparability across economies and over time. This requires the application of a homogeneous methodology across economies in different geographic locations, and with different income levels and development statuses. By proposing good practices as the measurement anchor, B-READY 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* 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 environmental areas related to the life cycle of the firm, as described below. Lastly, *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



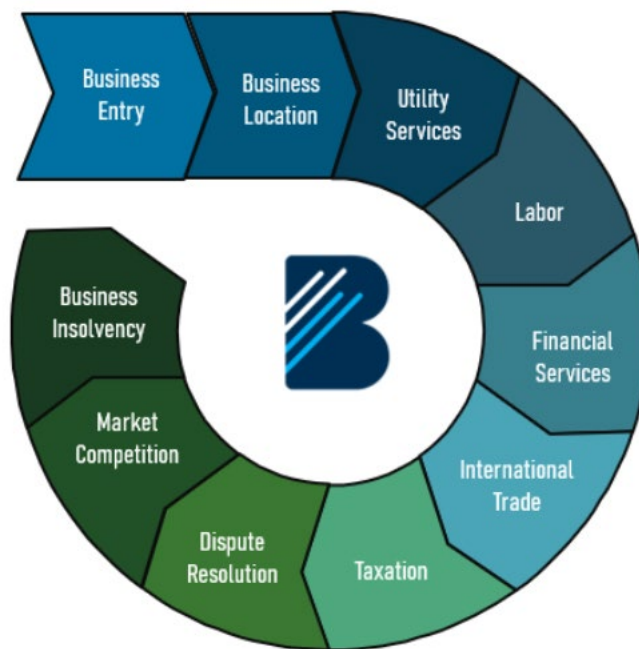
Source: B-READY project.

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). For analytical purposes, the topics can be grouped into three broad domains: Inputs (Business Location, Labor, Financial Services, Utility Services), which relate to the production function; Markets (Business Entry, International Trade, Market Competition), which focus on firm behavior within their operating environment; and Institutions (Taxation, Dispute Resolution, Business Insolvency), which address interactions between firms and the state. This grouping serves as a flexible framework for analysis rather than a rigid classification.

Within each of the ten topics, B-READY includes data on three critical themes: 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 manner that complements the [Women, Business, and the Law](#) (WBL) project, also housed in DECIG.

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 strictly suggest that these phases ought to be the exact ones, 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 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 indicators on the Operational Efficiency pillar are assessed through expert consultations and firm-level surveys.

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 firms (*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 assigned only 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) 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 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 address 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 policymakers readily identify areas for improvement in their economy in terms of regulations, public services, and operational efficiency, as well as in 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, or large firms. Expert consultations ask experts questions about existing laws and regulations, as well as 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 more than 75 B-READY-specific questions, cutting across most topic areas, designed to give de facto information on the operational efficiency pillar 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 \(M&G\)](#) also provides detailed information on the experts' selection process.

11. Integrity and Transparency. The B-READY data collection and reporting process are 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](#), where all results presented in its reports are replicable using straightforward toolkits.

The B-READY project follows the World Bank Group's guidelines on [Accountability and Decision Making \(ADM\)](#) framework for WBG corporate flagship products. Furthermore, DECIG engages 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 provides design and assurance reviews of the end-to-end process of data collection and reporting processes; EBC advises on ways to protect the project from undue influence from internal and external stakeholders and provides guidance to avoid potential conflicts of interest within the B-READY team and in its relationship with the rest of the WBG; and ITS supports B-READY to maintain 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 set forth in its companion [Business Ready Manual and Guide \(M&G\)](#). The M&G is publicly available on the B-READY website and establishes the protocols, safeguards, processes, and resources related to B-READY governance.

12. Structure of the Methodology Handbook. The *B-READY Methodology Handbook* for the B-READY 2026 report comprises this Overview, 4 Appendixes, a separate chapter for each of the ten topics, and 3

Annexes. Each topic chapter sets forth 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 provides detailed scoring on *firm flexibility* as well as *social benefits* for each indicator of each pillar. Lastly, the annotated questionnaire sets forth a glossary and a detailed mapping between each indicator, its scores, and the corresponding question(s). Topics that have multiple questionnaires consolidate them into their comprehensive annotated questionnaire annex.

13. What is New: Improving the Methodology After the Second 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 is expanded, and methodology is 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* reflects the methodological refinements, with a new edition accompanying 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 Methodology Handbook, which was published at the same time as the 2024 report. The Second Edition of the Handbook, prepared for the B-READY 2025 report, was published in October 2024. Following the completion of the second round of data collection in 2025, the methodology for each topic was again reviewed and refined as appropriate. Changes incorporated in the B-READY 2025 report were subsequently reflected in the Second Edition of the Handbook, published concurrently with the 2025 report.

The present Third Edition reflects the refinements that are planned to be implemented for the B-READY 2026 report. These changes are categorized as either major or minor revisions.

The **major** revisions implemented for the 2026 cycle include:

- **Addition or deletion of parameters or scenarios:** Parameters or scenarios were added or removed to improve the comparability of expert responses, increase data representativeness or for simplification purposes.
- **Adjustment of weight:** The weight of categories or subcategories was adjusted to ensure a better balance that reflects the relative importance of each category and subcategory.
- **Adjustment of structure:** The structure of topics was adjusted to provide a more appropriate distribution of points among pillars/indicators and better reflect the importance of good practices measured.
- **Addition of specific questions, indicators, subcategories, or categories:** Certain questions, indicators, subcategories or categories were added to improve the quality of the questionnaires as well as to strengthen the assessment of the business environment in the covered economies.
- **Deletion of specific questions, indicators, subcategories, or categories:** Certain elements were removed due to factors such as low data variation, low informed response rate, interpretation issues, and redundancy. If weight was adjusted due to deletion, the change is listed under this major revision.
- **Splitting or merging of specific questions, indicators, subcategories or categories:** Questions, indicators, subcategories or categories were merged or split due to factors such as low data variation,

low informed response rate, interpretation issues, and redundancy. If weight was adjusted due to splitting and/or merging, the change is listed under this major revision.

- **Revision of scoring approach and thresholds:** Adjustments were made to the scoring approach or to the thresholds for best and worst performance within relevant indicators to enhance the methodology of the respective topics.

Changes implemented in this Edition consist mostly of **minor revisions**, including:

- **Rephrasing specific questions:** Certain questions were rephrased, improved, or reorganized to provide more clarity in the questionnaire.
- **Refinement and update of terminology:** Names of pillars, categories, subcategories, indicators, and components were revised for clarity across topics.
- **Reorganization of questionnaire:** The questionnaire structure was reorganized to improve user experience.
- **Addition of non-scored questions:** New non-scored questions were introduced for testing purposes or to gather additional insight.
- **Deletion of non-scored questions:** Some questions that were not intended for scoring but were initially included for testing purposes or to gather additional insights were removed.

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

Business Entry

Major revisions: In Pillar I, under Subcategory 1.1.3–Simplified Registration, indicators on the availability of simplified registration were restructured to improve consistency. Previously, questions combined all company types and foreign entrepreneurs without clearly distinguishing between them. The revised approach asks about simplified registration processes and standardized forms for LLCs only, with separate questions for domestic and foreign companies, creating a clearer, more parallel structure. Under Category 1.2–Restrictions on Domestic and Foreign Firms, indicators with minimal cross-country variation were removed. Two questions on restrictions were refined to present different scenarios reflecting varying levels of restrictions rather than asking broadly whether restrictions exist, better capturing the range of barriers companies face when entering the market. In Pillar III, case study parameters were updated to include two new assumptions—number of shareholders and number of employees—providing greater detail on the registration process. Start-up capital assumptions were also revised: for domestic companies in low-income to upper-middle-income economies, start-up capital remains at five times GNI per capita, while for high-income economies, it is now capped at USD 13,936 (the World Bank’s income threshold for high-income classification for fiscal year 2026) to ensure assumptions remain representative of typical new businesses. For foreign companies, start-up capital is now set at a fixed amount of USD 500,000 across all economies, independent of the recipient’s economy income level.

Minor revisions: The questionnaire structure was reorganized to improve user experience. Previously, Pillar I (legal framework) and Pillar II (public services) questions were separated by type. Now, questions are grouped thematically — for example, asking whether company name registration is legally required, followed immediately by whether company names can be searched online. This pattern is applied consistently across registration-related topics. In Pillars I and II, several subcategory and indicator names were updated, and various questions were rephrased to improve clarity and readability. For example, in Pillar II, under Subcategory 2.1.2–Storage of Company and Beneficial Ownership Information, questions on business registry platforms were simplified. Previously, a single question asked about all features a registry platform should have; now, the questionnaire first asks whether a publicly accessible platform exists, followed by three separate questions on specific features.

Business Location

Major revisions: In Pillars I and II, new indicators and subcategories were added to capture more comprehensive good practices while broadening the scope of measurement. For example, in Pillar I under Category 1.1–Property Transfer and Land Administration, a new Subcategory 1.1.4–Property Market Governance was introduced with four indicators measuring protections against arbitrary expropriations and lease terminations, as well as public tender requirements for state-owned immovable property transactions. In Pillar II, Subcategory 2.1.3–Coverage of the Land Registry and Cadaster was expanded from 2 to 5 indicators, separating city-level and national-level coverage metrics for both land registry and cadaster, plus adding a new indicator on Share of Public Land Mapped. Furthermore, in Pillars I and II, several indicators were removed or consolidated due to low data variability or interpretation challenges. For example, in Pillar I under Subcategory 1.4.1–Environmental Permits for Construction, six indicators — Qualified Professional/Professional Agency to Conduct EIA, Criteria that Trigger an EIA, EIA for Projects with Low Environmental Impact, Qualified Professional to Review EIA, Public Consultations Requirement Elements, and Disclosure of EIA Information — were deleted. Additionally, weights were adjusted across multiple categories to better reflect data variation and relative importance of good practices measured. For instance, in Pillar I, Subcategory 1.2.3–Zoning and Land Use Regulations increased from 5.00 to 10.00 rescaled points, while Subcategory 1.2.2–Building Energy Efficiency Standards decreased from 15.00 to 10.00 rescaled points.

Minor revisions: In both Pillars I and II, several subcategories and indicators were renamed for better clarity and consistency. For example, in Pillar I, Subcategory 1.2.2 was renamed from "Building Energy Standards" to "Building Energy Efficiency Standards" to better reflect the scope of measurement, and Category 1.3 was updated from "Absence of Restriction on Owning and Leasing Property" to "Absence of Restrictions on Owning and Leasing Property" (plural form) for grammatical consistency. In Pillar II, Subcategory 2.1.2 was renamed from "Property Transfer–Digital Land Management and Identification System" to "Property Transfer–Digital Land Management" for clarity, and Subcategory 2.1.3 was renamed from "Property Transfer–Coverage of the Land Registry and Mapping Agency" to "Property Transfer–Coverage of the Land Registry and Cadaster" to align with standard terminology. Additionally, in Pillar III, under Subcategory 3.2.2–Time to Obtain a Building Permit and 3.2.3–Cost to Obtain a Building Permit, non-scored questions concerning certificates of compliance from utility providers and inspections conducted prior to permit issuance were removed. These changes sharpen the focus on the core, verifiable steps of the building-permit process and streamline the questionnaire.

Utility Services

Major Revisions: In Pillars I and II, new indicators were added to capture more advanced good practices while broadening the scope of the measurement. For example, in Pillar I under Category 1.1–Electricity, two new indicators were introduced: Regulatory Enablers for Renewable Energy Integration into the Grid and Regulatory Enablers for Renewable Energy Self-Generation. These additions expand the scope of assessments on requirements related to the environmental sustainability of electricity provision and use by including renewable energy integration. Furthermore, in Pillars I and II, several questions and indicators were removed due to low data variability. For example, in Pillar II, under the Subcategories on Digital Services and Interoperability — 2.1.1 for Electricity, 2.2.1 for Water, and 2.3.1 for Internet — questions that measure availability of online payment for electricity, water and internet bills, respectively, were removed. Additionally, within Pillars I and II, certain indicator components were divided into individual indicators. For instance, in Pillar I, under Category 1.1–Electricity, Category 1.2–Water and Category 1.3–Internet, questions on joint construction of infrastructure and questions on timeline for approvals are now assessed as two separate indicators, allowing to capture distinct elements of best practices more effectively.

Minor revisions: In both Pillars I and II, specific questions were rephrased to improve clarity and more accurately capture best practices. For example, in Pillar I, questions on the approval of tariffs under Category 1.1–Electricity and Category 1.2–Water were updated: the reference to ‘regulator’ was changed to ‘designated independent authority (e.g., regulator or other government institution)’ with final decision-

making power in the approval of tariffs. In both Pillars I and II, several subcategories and indicators were also renamed for better clarity and consistency. For example, the name of the Availability of Information and Transparency Subcategory was revised to Availability of Information and Customer Notification under Category 2.1–Electricity, 2.2–Water and 2.3–Internet, highlighting the importance of direct communication to the customers, and adherence to stricter standards. In Pillar III, within the Affordability subcategories — 3.1.1 for Electricity, 3.2.1 for Water, and 3.3.1 for Internet — non-scored questions on cost components were removed to streamline the questionnaire. These questions were initially included to provide further details when the scored questions on the cost of connection were included for the first time into the questionnaires.

Labor

Major revisions: In Pillar I, under Subcategory 1.1.1–Labor Rights and Subcategory 1.2.1–Terms of Employment, new indicators pertaining to informality and remote work were added to recognize the importance of combating informality and exploring flexibility in working arrangements. In addition, some indicators have been merged or disaggregated to provide better balance within subcategories. For example, under Subcategory 1.1.1–Labor Rights, a single indicator, Freedom of Association and the Right to Collective Bargaining, now replaces the two separate indicators. In addition, two distinct indicators — Platform Workers’ Rights and Benefits under Subcategory 1.1.1–Labor Rights and Regulation of Platform Workers under Subcategory 1.2.1–Terms of Employment — have replaced the previous single, general indicator. In Pillar II, under Subcategory 2.2.1–Employment Centers and Training, a new indicator Employment Platforms and Digital Skills was introduced to underscore the role of digitalization in the effective delivery of public services. Moreover, in line with good practice in collecting sex-disaggregated data, new indicators — Sex-Disaggregated Data on Informal Employment and Sex-Disaggregated Data on Wages — were added under Subcategory 2.2.4–Labor Statistics to support the development of sound, evidence-based policies.

Minor revisions: In Pillars I and II, some indicator names were refined to improve clarity — for example, by adding “scheme” to all social protection–related questions. Furthermore, numerous questions were refined to ensure clarity and precision. This includes, for example, adding the term “directly” to specify that the question refers to direct payments rather than general payments, and extending certain questions related to the enforcement of forced or child labor and Occupational Safety and Health (OSH) regulations to include “other governmental bodies”, thereby ensuring that enforcement by both labor inspectors and/or constitutionally mandated authorities, such as the police, is considered. In addition, many clarifying notes were revised or introduced to eliminate potential ambiguity. For example, in the question on notice period and severance pay, a note has been included to specify that dismissals for economic reasons are considered, with further clarification of what this entails.

Financial Services

Major revisions: In Pillar I, the new Category 1.3–Credit Bureaus and Registries was introduced, comprising Subcategories 1.3.1–Legal Framework and Governance, 1.3.2–Data Management, Integrity and Protection, 1.3.3–Advanced Features, and 1.3.4–Data Subject and Consumer Rights, to better reflect the role of credit information regulations in modern financial ecosystems. In addition, new subcategories and indicators were added across Categories 1.1–Commercial Lending, 1.2–Secured Transactions and 1.4–E-Payments to broaden the measurement scope and add nuanced depth, thereby enhancing the relevance and precision of the assessment of the regulatory framework in these areas. For example, under Category 1.1–Commercial Lending, two new subcategories were introduced — Subcategory 1.1.5–Digital ID System and Subcategory 1.1.6–Digital Commercial Lending. Similarly, In Pillar II, Category 2.1–Commercial Lending and Category 2.4–E-Payments were added to better align the distribution of weights between Pillars I and II, while some categories were expanded with new subcategories and indicators to capture important elements of public service delivery. For example, Subcategory 2.2.4–Reliability of the Registration System was added under Category 2.2–Operation of Collateral Registries. Lastly, in Pillar I and II, several

questions and indicators were removed due to limited variation in responses and existence of established frameworks. This streamlines the assessment to focus on emerging regulatory areas. For example, in Subcategories 1.4.1–Risk Management and 1.4.2–Consumer Protection, questions relevant to bank payment service providers were removed to emphasize non-bank payment service providers.

Minor revisions: In Pillars I, II, and III, some questions were updated to provide more clarity and nuance. For example, in Pillar III, under Subcategory 3.1.2–Operational Efficiency of Security Interest, the questions on the time and cost of registering a security interest previously referred to a single collateral registry in the economy. These questions have now been rephrased and split into three separate questions to account for economies with multiple (up to three) relevant registries where security interests can be registered. Similarly, the question on timeliness requirement, under Subcategory 3.1.3–Operational Efficiency of Credit Data Update was rephrased to explicitly focus on the average number of calendar days required in practice for information submitted to a Credit Reporting Service Provider to be reflected in credit reports, thereby reducing ambiguity about timing and operational realities.

International Trade

Major revisions: The scoring structure was rearranged to enhance clarity and facilitate the interpretation of scores. Pillar I shifted from two categories based on the type of regulations to three categories based on the type of trade covered: 1.1–Trade in Goods, 1.2–Trade in Transport and Logistics Services and 1.3–Digital Trade. The subcategories were also revised, with each type of trade assessed along the same four dimensions: Absence of Restrictions, Facilitating Practices, Trade Cooperation, and Sustainable Trade. For Pillar II, former Category 2.1–Digital and Physical Infrastructure was split into three, for a total of four categories: 2.1–Transparency of Trade Regulations, 2.2–Digitalization and Interoperability of Trade Facilitation Services, 2.3–Infrastructure at Main Customs Border Posts, and 2.4–Border Management Services. Additional subcategories were created to reflect the changes at the category level. For Pillar III, Categories 3.1–Compliance with Export Requirements and 3.2–Compliance with Import Requirements were revised by adding one subcategory in each of them: 3.1.2–Compliance with Export Requirements (Dispersion) and 3.2.2–Compliance with Import Requirements (Dispersion). Accordingly, weights were redistributed within the new categories and subcategories across all pillars, taking into account their relative importance. Major revisions were also made to the parameters. The following specific parameters were deleted for improved comparability and simplification: Agricultural Product Chapters, Manufactured Product Chapters, Traded Products, and Traded Environmental Products. The specific parameter, Main Border, was replaced by a new parameter named Main Customs Border Post. Finally, the general Geographical Location parameter was replaced by the Active Trade Flows by Transport Mode parameter. The new parameters allow, inter alia, broader coverage: the indicators on trade infrastructure and freight transport services are now assessed for all active transport modes and main customs border posts in each economy.

Minor revisions: For all Pillars, some questions were updated to provide more clarity to respondents. For example, in Pillar II, the questions under Subcategory 2.2.1–Electronic Trade Facilitation Services now ask respondents about the possibility of completing specific formalities online rather than asking about the integration of agencies in the electronic trade platforms. Further, the names of several categories, subcategories, and indicators were updated to provide more clarity and align with the revised questionnaires and scoring structure. For example, In Pillar III, Subcategory 3.1.1–Total Time to Comply with Export Requirements and Subcategory 3.2.1–Total Time to Comply with Import Requirements were renamed to Subcategory 3.1.1–Total Time to Comply with Export Requirements (Average) and Subcategory 3.2.1–Total Time to Comply with Import Requirements (Average).

Taxation

Major revisions: In Pillar I, under Subcategory 1.3.3–Transparency of Changes in Environmental Fiscal Instruments, the indicator Availability of Public Consultations was removed due to limited relevance and

potentially skewed interpretation of good practices. In addition, Subcategory–1.3.3 was merged into Subcategory 1.3.1–Existence of Environmental Fiscal Instruments creating a new Subcategory 1.3.1–Carbon Pricing Instruments. The weight of the merged subcategory was redistributed across other subcategories within Category 1.3–Environmental Fiscal Instruments. As a result, Subcategory 1.3.1–Carbon Pricing Instruments now includes two indicators: Existence of Carbon Pricing Instruments (9 rescaled points) and Transparency in Changes to Carbon Pricing Instruments (1 rescaled point). This restructuring improves clarity and ensures a more meaningful distribution of scores across indicators. In Pillar II, a new Subcategory 2.1.5–Tax Accounting Integration was introduced to expand the measuring of good practices related to the integration of tax administration systems with corporate accounting data and the use of e-invoicing.

Minor revisions: In Pillar I, several questions were rephrased and/or answer options simplified to improve clarity in the questionnaire. For example, the question assessing whether changes to registration details are notified to the tax administration no longer distinguishes between notification channels (e.g., directly by the taxpayer or through the company registrar). In Pillar II, the names of several subcategories and indicators were updated to provide more clarity and align with the revised questionnaire structure. For example, Subcategory 2.3.1–Annual Performance and Gender Diversity in the Tax Administration was renamed to Annual Performance following the removal of the indicator Gender Composition of the Staff in The Tax Administration. In addition, the name of Pillar III–Operational Efficiency of Tax System in Practice was revised to Efficiency of Tax System in Practice to better reflect the scope of good practices.

Dispute Resolution

Major revisions: In Pillar I, under Subcategory 1.1.2–Judicial Competence (includes gender and environment), a new indicator on establishing liability for engaging in bribery of foreign public officials was added to acknowledge the critical importance of fighting corruption in the business context. In Pillar II, Subcategory 2.2.2–Public Services for Mediation (includes gender) was supplemented with a new question on the availability of court-annexed mediation at the appellate level to reflect the high value of offering mediation services beyond first instance dispute resolution. With regards to Pillar III, two indicators under Subcategory 3.2.1–Reliability of ADR were replaced to better capture the actual experience of firms: the Perceptions of Arbitration Being a Reliable Mechanism to Resolve Commercial Disputes indicator was substituted with Use of Arbitration by Businesses, while the Perceptions of Mediation Being a Reliable Mechanism to Resolve Commercial Disputes indicator was replaced with Use of Mediation by Businesses.

Minor revisions: In both Pillars I and II, the wording of several questions was updated to enhance clarity and ensure technical accuracy. In this vein, in Pillar I, the question on the code of ethics for enforcement agents was modified to specify that when enforcement agents are part of the court personnel, a code of ethics for nonjudicial court employees can be considered. In Pillar II, the instructions for the questions on the availability of arbitration and mediation services omitted the reference to arbitration and mediation institutions to account for instances in which these services are available in practice even when such institutions have not been established.

Market Competition

Major revisions: In Pillar I of the Competition Law questionnaire, under Subcategory 1.1.1–Antitrust, the indicator Consideration of Multiple Factors when Defining Market Dominance was added to assess whether the regulatory framework considers factors beyond market share when defining market dominance. This expands the scope of the subcategory to capture dominance arising from structural advantages that may not be reflected in market-share measures. In Subcategory 1.1.3–State-Owned Enterprises Framework and Scope of Competition Law, the indicator SOEs Receive Preferential Treatment Compared to Private Firms was expanded to capture preferential treatment in access to land, natural resources, public procurement, and taxes or fiscal obligations. This captures other advantages embedded in policy frameworks that can distort

competitive conditions between SOEs and private firms. In Pillar I of the Innovation questionnaire, under Subcategory 1.2.3–Fair Access to Innovation (includes environment), two new indicators were added to reflect emerging challenges related to Intellectual Property ownership and copyright enforcement arising from the growing use of generative Artificial Intelligence. In Pillar II, under Subcategory 2.2.1–Institutional Framework to Support Innovation, three new indicators were added to assess the practical enforcement of civil, criminal procedures and provisional measures, complementing existing indicators that capture *de jure* trademark, copyright, and patent protection.

Minor revisions: In Pillar I of the Competition Law questionnaire, under Subcategory 2.1.2–Advocacy and Transparency, indicator names were streamlined for readability, such as replacing “Guidance Documents” with “Guidelines”. In Pillar I of the Public Procurement questionnaire, under Subcategory 1.3.4–Transparency of Key Procurement Documents, the indicator Publication of Procurement Plans, Tender Documents, and Award Decisions now excludes the component of tender notices, as its *de facto* implementation is already measured under Pillar II. Notes at the question level in Subcategory 2.3.1–Digitalization of Procurement Procedures (includes environment), under Pillar II, were reinforced to specify the level of sophistication measured in the e-procurement portal. For example, notes defining publication of contracts and award decisions were enhanced.

Business Insolvency

Major revisions: In Pillar I, a new question relating to Hybrid Workouts (as defined in the Business Insolvency questionnaire) replaces a question relating to contractual out-of-court workouts, under Subcategory 1.1.1–Pre-Commencement and Commencement Standards in Liquidation and Reorganization on account of the growing relevance and utility of Hybrid Workouts for resolving insolvency. In Pillar II, several questions relating to the availability of public information, under Category 2.3–Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners, have been modified to specifically ask whether such public information has been made available through electronic means, recognizing the importance for such information to be accessible widely and electronically. In Pillar III, under Categories 3.1–Reorganization Proceedings and 3.2–Liquidation Proceedings, questions relating to time and cost estimates for in-court reorganization and liquidation proceedings have been split into several questions to arrive at disaggregated time and cost estimates. This aims to broaden the scope of measurement and provide actionable inputs to policymakers by identifying specific procedural and substantive bottlenecks contributing to time delays and higher costs.

Minor revisions: In Pillar I, non-scored questions under Subcategory 1.1.1–Pre-Commencement and Commencement Standards in Liquidation and Reorganization relating to whether reorganization proceedings are regulated under the legal framework, and Subcategory 1.2.1–Management of Debtor’s Assets during Liquidation and Reorganization (includes environment) relating to whether the legal framework provides for exceptions to stay of proceedings, were removed as they were initially included for testing purposes. In Pillar II and Pillar III, questions were rephrased to improve clarity and consistency. Additionally, a non-scored question was added to Pillar III to determine the most likely procedure used to resolve insolvency in each economy.

Appendix 1.1-Comparison of *Doing Business* (DB) and *Business Ready* (B-READY) Key Features

On September 16, 2021, the World Bank Group (WBG) Senior Management discontinued the *Doing Business* (DB) report and data and the WBG shifted to a new approach for assessing the business and investment climate, the present B-READY project. Below is a comparison of the approaches:

	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 [World Bank Enterprise Surveys](#) (WBES) program, which is also housed in DECIG and has conducted over 400 Enterprise Surveys more than 170 economies over the past two decades. The expanded World Bank Enterprise Surveys is a full-fledged WBES with B-READY-specific questions integrated into the main survey module. The expansion of the WBES program offers substantial benefits as 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 global coverage, which is unique and unavailable 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 WBES done in their economies. Third, the combination of B-READY data with rich data on firm attributes (included in the main WBES 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 WBES 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 as well.

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, compared to 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):

- Depending on the indicator, scores for Pillar III are calculated using either a linear transformation method or 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 consist of asking 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, given that 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 to ensure 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 *B-READY Methodology Handbook* contains a section that provides details on the parameters relied upon, 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 are 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 conducive to 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 their 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, 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 companies. 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 (31 indicators)	
1.1	Information and Procedural Standards (19 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 (4 indicators)
1.1.4	Risk-Based Assessment for Operating Business Licenses (2 indicators)
1.2	Absence of Restrictions on Registering a Business (12 indicators)

1.2.1	Domestic Companies (5 indicators)
1.2.2	Foreign Companies (7 indicators)
Pillar II–Digital Public Services and Transparency of Information for Business Entry (24 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 (9 indicators)
2.3.1	Business Incorporation (includes gender) (4 indicators)
2.3.2	Availability of General Company Information (2 indicators)
2.3.3	General and Sex-Disaggregated Company Statistics (3 indicators)
Pillar III–Operational Efficiency of Business Entry (4 indicators)	
3.1	Domestic Company (2 indicators)
3.1.1	Time to Complete the Entire Company Entry Process for a Domestic Company (1 indicator)
3.1.2	Cost to Complete the Entire Company Entry Process for a Domestic Company (1 indicator)
3.2	Foreign Company (2 indicators)
3.2.1	Time to Complete the Entire Company Entry Process for a Foreign Company (1 indicator)
3.2.2	Cost to Complete the Entire Company Entry Process for a Foreign Company (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 Licenses
1.2	Absence of Restrictions on Registering a Business
1.2.1	Domestic Companies
1.2.2	Foreign Companies

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 companies. 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	i) Requiring the approval of the company name ii) 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 and Document the Identity of Entrepreneurs	Requiring verification and documentation 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	i) Requiring registration of the information about the full name of the beneficial owners ii) Requiring registration of the information about the identification number of the beneficial owners iii) Requiring registration of the information about the date of birth of the beneficial owners iv) Requiring registration of the information about the 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 and Document Beneficial Owners' Identity	Requiring verification and documentation of beneficial owners' identity
5	Mandatory to Register Changes to the Beneficial Ownership Information	Requiring registration of changes to beneficial ownership information
6	Mandatory Disclosure or Ban on 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 four indicators (table 5).

Table 5. Subcategory 1.1.3–Availability of Simplified Registration

	Indicators	Components
1	Registration for Domestic Entrepreneurs Without the Mandatory Use of Intermediaries	Possibility for domestic entrepreneurs to register a business by themselves without the mandatory use of third-party intermediaries
2	Registration for Foreign Entrepreneurs Without the Mandatory Use of Intermediaries	Possibility for foreign entrepreneurs to register a business by themselves without the mandatory use of third-party intermediaries
3	Simple Standard Registration Form for Domestic Entrepreneurs	Possibility for domestic entrepreneurs to register a business by themselves, using a simple, standard company registration form or process
4	Simple Standard Registration Form for Foreign Entrepreneurs	Possibility for foreign entrepreneurs to register a business by themselves, using a simple, standard company registration form or process

1.1.4 Risk-Based Assessment for Operating Business 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 that may be required before the start of business operations (for example, operating licenses). Therefore, Subcategory 1.1.4–Risk-Based Assessment for Operating Business Licenses comprises two indicators (table 6).

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

	Indicators	Components
1	Risk-Based Regulations for Business Licensing	Providing a risk-based approach for issuing operating business licenses
2	Operating Licenses for Low-Risk Activities	Providing a risk-based approach for issuing indefinite operating licenses

1.2 Absence of Restrictions on Registering a Business

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

1.2.1 Domestic Companies

Entry restrictions can create obstacles to setting up a business and diminish entrepreneurial activity.¹¹ Restrictions for domestic private companies 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 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 Companies comprises five indicators (table 7).

Table 7. Subcategory 1.2.1–Domestic Companies

	Indicators	Components
1	No Paid-in Minimum Capital Requirements for Domestic Companies	Not requiring a mandated paid-in minimum capital for domestic private limited liability companies
2	No Criminal History Records or Affidavits Checks for Entrepreneurs	Not requiring an entrepreneur who wants to register a company and start business operations to present criminal history records or affidavits

3	No General Operating License	Not requiring an entrepreneur who wants to register a company and start business operations to get a general operating license
4	No Sociodemographic Restrictions for Domestic Entrepreneurs	Absence of Sociodemographic restrictions to register a company and to open a bank
5	No Sector-Specific Restrictions for Domestic Entrepreneurs	Not 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 Companies

A more restrictive regulatory framework for international investors is associated with reduced inflows of foreign direct investment.¹² Similar to the case of domestic companies, restrictions for foreign private companies can be either general or specific.¹³ In addition to general restrictions that apply to domestic private companies, foreign companies may face unique barriers. These can include limitations on ownership, dividend distribution, or the nationality of their employees. Foreign companies 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 Companies comprises seven indicators (table 8).

Table 8. Subcategory 1.2.2–Foreign Companies

	Indicators	Components
1	No Paid-in Minimum Capital Requirements for Foreign Companies	Not requiring a mandated paid-in minimum capital for foreign private limited liability companies
2	No Screening and Approval Requirements	i) Not requiring investment screening or approval ii) Absence of requirements on the minimum size of investment
3	No Restrictions on the Nationality of Key Personnel and Directors	i) Absence of restrictions on the nationality of the management of foreign subsidiaries ii) Absence of restrictions on the nationality of company board members or managers
4	No Local Personnel Requirements	Not requiring a minimum number or percentage of national employees
5	No Dividend and Foreign Currency Bank Account Restrictions	i) Absence of restrictions on dividend distribution ii) Absence of restrictions on the setting up or holding a foreign currency commercial bank account
6	No Foreign Equity and Local Partner Requirements	i) Absence of restrictions on percentage of shares for foreign investors ii) Not requiring a foreign entrepreneur to have a local partner to register a business
7	No Sector-Specific Restrictions for Foreign Entrepreneurs	i) Not 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 Incorporation (includes gender)
2.3.2	Availability of General Company Information
2.3.3	General and Sex-Disaggregated Company Statistics

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	Payment of Incorporation Fees Available Through Online Portal	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-duplication 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	i) Database on Company Information publicly accessible ii) Database on Company Information fully online iii) Database on Company Information centralized with full national coverage iv) Database on Company Information covers all types of companies and establishments

3	Database on Beneficial Ownership	i) Database on Beneficial Ownership publicly accessible ii) Database on Beneficial Ownership fully online iii) Database on Beneficial Ownership centralized with full national coverage iv) Database on Beneficial Ownership 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	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. Therefore, Subcategory 2.2.1–Exchange of Company Information comprises 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 comprises 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 Incorporation (includes gender)

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 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 Incorporation (includes gender) comprises four indicators (table 15).

Table 15. Subcategory 2.3.1–Business Incorporation (includes gender)

	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 Information on Active Publicly Funded Programs to Support Entrepreneurs, including Women Entrepreneurs	i) Online availability of information on publicly funded programs to support entrepreneurship ii) Online availability of information on publicly funded programs to support women entrepreneurship

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 comprises 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 registration address (not physical) ix) Online availability of information on the physical operating address(es) x) Online availability of information on the type of activity

2.3.3 General and Sex-Disaggregated Company Statistics

Information on company 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 companies 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 Company Statistics comprises three indicators (table 17).

Table 17. Subcategory 2.3.3–General and Sex-Disaggregated Company Statistics

	Indicators	Components
1	Statistics Publicly Available Online on New Company Registration (General)	Online availability of new company registration statistics
2	Statistics Publicly Available Online on New Company Registration (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 Company
3.1.1	Time to Complete the Entire Company Entry Process for a Domestic Company
3.1.2	Cost to Complete the Entire Company Entry Process for a Domestic Company
3.2	Foreign Company
3.2.1	Time to Complete the Entire Company Entry Process for a Foreign Company
3.2.2	Cost to Complete the Entire Company Entry Process for a Foreign Company

3.1 Domestic Company

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

3.1.1 Time to Complete the Entire Company Entry Process for a Domestic Company

The ease of incorporating a company is associated with more domestic companies 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 required to incorporate a domestic company. Therefore, Subcategory 3.1.1–Time to Complete the Entire Company Entry Process for a Domestic Company comprises one indicator (table 19).

Table 19. Subcategory 3.1.1–Time to Complete the Entire Company Entry Process for a Domestic Company

	Indicators	Components
1	Total Time to Complete the Entire Company Entry Process for a Domestic Company	Total time required to register a new domestic company

3.1.2 Cost to Complete the Entire Company Entry Process for a Domestic Company

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–Cost to Complete the Entire Company Entry Process for a Domestic Company comprises one indicator (table 20).

Table 20. Subcategory 3.1.2–Cost to Complete the Entire Company Entry Process for a Domestic Company

	Indicators	Components
1	Total Cost to Complete the Entire Company Entry Process for a Domestic Company	Total cost required to register a new domestic company

3.2 Foreign Company

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

3.2.1 Time to Complete the Entire Company Entry Process for a Foreign Company

The time-efficiency of the incorporation process is also relevant for foreign companies, as it affects their ability to initiate operations and participate in the domestic market. Therefore, the Business Entry topic assesses the time required to incorporate a foreign company. Therefore, Subcategory 3.2.1–Time to Complete the Entire Company Entry Process for a Foreign Company comprises one indicator (table 21).

Table 21. Subcategory 3.2.1–Time to Complete the Entire Company Entry Process for a Foreign Company

	Indicators	Components
1	Total Time to Complete the Entire Company Entry Process for a Foreign Company	Total time required to register a new foreign company

3.2.2 Cost to Complete the Entire Company Entry Process for a Foreign Company

The cost of incorporating a foreign company also influences the ease with which foreign firms can establish operations in the economy. Subsequently, Subcategory 3.2.2–Cost to Complete the Entire Company Entry Process for a Foreign Company comprises one indicator (table 22).

Table 22. Subcategory 3.2.2–Cost to Complete the Entire Company Entry Process for a Foreign Company

	Indicators	Components
1	Total Cost to Complete the Entire Company Entry Process for a Foreign Company	Total cost required to register a new foreign company

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 23).

Table 23. 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 opening of bank account

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 (across all pillars), corporate legal form (across all pillars), and start-up capital (Pillar III only).

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 Company with 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 legal forms. For the economies where regulations differ across corporate legal 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 Start-up Capital (5 times GNI per capita for domestic companies; USD \$500,000 for foreign companies)

Justification:

Start-up capital is an essential parameter for assessing the cost of business entry. Start-up capital directly shapes incorporation fees and other initial financial obligations. Empirical evidence indicates that capital requirements influence incorporation costs in about 35% of economies, and in those cases, they represent nearly half of total entry costs.²⁶ Given this empirical significance, start-up capital is included as a core parameter in the Efficiency Pillar.

The Business Entry topic examines entry of an LLC with varying start-up capital levels based on company size and origin. The analysis uses the following benchmarks:

- Five times GNI per capita for domestic companies, except for high income economies.

The standard reference value for start-up capital is five times the economy's GNI per capita (GNIpc). However, for high-income economies, the start-up capital is set at the World Bank high-income threshold, which corresponds to the income level from which an economy is classified as high-income (USD 13,936).¹ This ensures comparability across high-income economies.

- USD \$500,000 for foreign companies.

For foreign companies, the start-up capital is independent of the income level of the recipient economy and is instead set at a fixed amount of USD 500,000 for all economies.

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.

5.2.2 Number of Shareholders (5 shareholders)

Justification:

The number of shareholders can significantly impact the ease of business entry. Registration requirements, such as notarization, shareholder agreements, and verification procedures, typically increase with each additional shareholder, affecting both time and cost. Thus, the number of shareholders is an essential parameter for assessing business entry.

Application:

For Pillar III, the parameter is relevant for measures on time and cost because they can vary significantly depending on ownership structure. For example, each additional shareholder may require separate identity verification, notarized documents, and approval signatures. The methodology measures a scenario with five shareholders representing an ownership structure common among SMEs with multiple founders or investors. This applies to both domestic and foreign companies.

5.2.3 Number of Employees (5 employees; 12 employees)

Justification:

The number of employees affects business entry requirements, as employment-related obligations often scale with workforce size. Businesses crossing certain employee thresholds may trigger additional labor registration obligations, mandatory social security enrollments, workplace safety compliance, or employment contract formalization requirements. Thus, the number of employees is an essential parameter for assessing business entry for SMEs. The two employee levels are based on empirical evidence from World Bank Enterprise Surveys.

Application:

For Pillar III, the parameter is relevant for measures on time and cost because employment-related requirements can vary significantly depending on workforce size. The methodology measures two scenarios: 5 employees for domestic businesses and 12 employees for larger foreign companies.

¹ We use \$13,936 as the cutoff because, for the 2026 fiscal year (based on 2024 GNI per capita data), the World Bank defines high-income economies as those with GNI per capita above \$13,935, with thresholds updated annually using the Atlas method. For more information, please see: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

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 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 company (captured as company flexibility points) and benefits to society’s broader interests (captured as social benefits points). Table 24 shows the scoring for the Business Entry topic. For further scoring details please see Annex A, which complements this section.

Table 24. 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	31	18	20	38	100	0.33
II	Digital Public Services and Transparency of Information for Business Entry	24	24	24	48	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 31 indicators with a total score of 38 points (18 points on firm flexibility and 20 points on social benefits) (table 25). The scoring for each category under this pillar is as follows:

- 6.1.1** *Information and Procedural Standards* has 19 indicators with a total maximum score of 25 points (6 points on firm flexibility and 19 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 4 indicators; and the *Risk-Based Assessment for Operating Business 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** *Absence of Restrictions on Registering a Business* has 12 indicators with a total maximum score of 13 points (12 points on firm flexibility and 1 point on social benefits). Specifically, the *Domestic Companies* Subcategory has 5 indicators; and the *Foreign Companies* Subcategory has another 7. While a regulatory framework with less restrictions benefits firms (firm flexibility), in most cases, it shows ambiguous effects on society (social benefits).

Table 25. 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	19	6	19	25	50.00
1.1.1	Company Information Filing Requirements	7	n/a	7	7	10.00
1.1.2	Beneficial Ownership Filing Requirements	6	n/a	6	6	20.00

1.1.3	Availability of Simplified Registration	4	4	4	8	15.00
1.1.4	Risk-Based Assessment for Operating Business Licenses	2	2	2	4	5.00
1.2	Absence of Restrictions on Registering a Business	12	12	1	13	50.00
1.2.1	Domestic Companies	5	5	1	6	25.00
1.2.2	Foreign Companies	7	7	n/a	7	25.00
	Total	31	18	20	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 24 indicators with a total score of 48 points (24 points on firm flexibility and 24 points on social benefits) (table 26). 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, equal points are 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, equal points are assigned to both categories.

6.2.3 *Transparency of Online Information* has 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 points on social benefits). Specifically, *Business Incorporation (includes gender)* Subcategory has 4 indicators; the *Availability of General Company Information* Subcategory has 2 indicators; and the *General and Sex-Disaggregated Company Statistics* Subcategory has another 3. A business entry system that provides information online and promotes transparency benefits society (social benefits) and firms (firm flexibility). Hence, equal points are assigned to both categories.

Table 26. 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	9	9	9	18	40.00
2.3.1	Business Incorporation (includes gender)	4	4	4	8	20.00

2.3.2	Availability of General Company Information	2	2	2	4	10.00
2.3.3	General and Sex-Disaggregated Company Statistics	3	3	3	6	10.00
	Total	24	24	24	48	100.00

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

6.3 Pillar III–Operational Efficiency of Business Entry

Pillar III covers 4 indicators with scores ranging from 0 to 100 on firm flexibility (table 27). 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 Company* has 2 indicators with a total maximum score of 50 points. Specifically, the *Time to Complete the Entire Company Entry Process for a Domestic Company* Subcategory and the *Cost to Complete the Entire Company Entry Process for a Domestic Company* Subcategory have 1 indicator each.

6.3.2 *Foreign Company* has 2 indicators with a total maximum score of 50 points. Specifically, the *Time to Complete the Entire Company Entry Process for a Foreign Company* Subcategory and the *Cost to Complete the Entire Company Entry Process for a Foreign Company* Subcategory have 1 indicator each.

Table 27. Aggregate Scoring Pillar III

Pillar III-Operational Efficiency of Business Entry		No. of Indicators	Rescaled Points
3.1	Domestic Company	2	50.00
3.1.1	Time to Complete the Entire Company Entry Process for a Domestic Company	1	25.00
3.1.2	Cost to Complete the Entire Company Entry Process for a Domestic Company	1	25.00
3.2	Foreign Company	2	50.00
3.2.1	Time to Complete the Entire Company Entry Process for a Foreign Company	1	25.00
3.2.2	Cost to Complete the Entire Company Entry Process for a Foreign Company	1	25.00
	Total	4	100.00

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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	1.43	CRF (2020); IFC and World Bank (2013); UNCITRAL (2019)
Mandatory to Register Changes to the Company Name	n/a	1	1	1.43	FATF (2022); OECD and IDB (2021); UNCITRAL (2019)
Mandatory to Verify and Document the Identity of Entrepreneurs	n/a	1	1	1.43	CRF (2020); FATF (2022); IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019)
Mandatory to Register Shareholders' Information	n/a	1	1	1.43	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	1.43	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	1.43	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	1.43	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	10.00	
1.1.2 Beneficial Ownership Filing Requirements					
Mandatory to Register Beneficial Owners' Information	n/a	1	1	3.33	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	3.33	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	3.33	IFC and World Bank (2013); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory to Verify and Document Beneficial Owners' Identity	n/a	1	1	3.33	FATF (2022); World Bank (2020)

Mandatory to Register Changes to the Beneficial Ownership Information	n/a	1	1	3.33	FATF (2022); OECD and IDB (2021); UNCITRAL (2019); World Bank (2020)
Mandatory Disclosure or Ban on Nominee Shareholders and Directors	n/a	1	1	3.33	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	20.00	
1.1.3 Availability of Simplified Registration					
Registration for Domestic Entrepreneurs Without the Mandatory Use of Intermediaries	1	1	2	3.75	IFC and World Bank (2013); UNCITRAL (2019)
Registration for Foreign Entrepreneurs Without the Mandatory Use of Intermediaries	1	1	2	3.75	IFC and World Bank (2013); UNCITRAL (2019)
Simple Standard Registration Form for Domestic Entrepreneurs	1	1	2	3.75	IFC and World Bank (2013); UNCITRAL (2019)
Simple Standard Registration Form for Foreign Entrepreneurs	1	1	2	3.75	IFC and World Bank (2013); UNCITRAL (2019)
Total Points for Subcategory 1.1.3	4	4	8	15.00	
1.1.4 Risk-Based Assessment for Operating Business Licenses					
Risk-Based Regulations for Business Licensing	1	1	2	2.50	Blanc and Franco-Temple (2013)
Operating Licenses for Low-Risk Activities	1	1	2	2.50	Blanc and Franco-Temple (2013)
Total Points for Subcategory 1.1.4	2	2	4	5.00	
Total Points for Category 1.1	6	19	25	50.00	
1.2 ABSENCE OF RESTRICTIONS ON REGISTERING A BUSINESS					
1.2.1 Domestic Companies					
No Paid-in Minimum Capital Requirements for Domestic Companies	1	n/a	1	4.17	Armour (2006); Hornuf et al. (2011); Kübler (2004); Mülbert and Birke (2002); Simon (2004); Van Stel, Storey, and Thurik (2007)
No Criminal History Records or Affidavits Checks for Entrepreneurs	1	n/a	1	4.17	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
No General Operating License	1	n/a	1	4.17	Blanc and Franco-Temple (2013); Klapper, Laeven, and Rajan (2006)
No Sociodemographic Restrictions for Domestic Entrepreneurs	1	1	2	8.33	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
No Sector-Specific Restrictions for Domestic Entrepreneurs	1	n/a	1	4.17	Branstetter et al. (2013); Klapper, Laeven, and Rajan (2006); OECD (2018)
Total Points for Subcategory 1.2.1	5	1	6	25.00	

1.2.2 Foreign Companies					
No Paid-in Minimum Capital Requirements for Foreign Companies	1	n/a	1	3.57	Armour (2006); Hornuf et al. (2011); Kübler (2004); Mülbert and Birke (2002); Simon (2004); Van Stel, Storey, and Thurik (2007)
No Screening and Approval Requirements	1	n/a	1	3.57	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
No Restrictions on the Nationality of Key Personnel and Directors	1	n/a	1	3.57	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
No Local Personnel Requirements	1	n/a	1	3.57	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
No Dividend and Foreign Currency Bank Account Restrictions	1	n/a	1	3.57	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
No Foreign Equity and Local Partner Requirements	1	n/a	1	3.57	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
No Sector-Specific Restrictions for Foreign Entrepreneurs	1	n/a	1	3.57	IFC, MIGA, and World Bank (2010); Mistura and Roulet (2019); OECD (2020); UNCTAD (2015, 2022)
Total Points for Subcategory 1.2.2	7	n/a	7	25.00	
Total Points for Category 1.2	12	1	13	50.00	
Total Points for Pillar I	18	20	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)
Payment of Incorporation Fees Available Through Online Portal	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 Incorporation (includes gender)					
Online Availability of the List of Documents	1	1	2	5.00	UNCITRAL (2019); UNCTAD (n.d.)
Online Availability of the List of Fees	1	1	2	5.00	UNCITRAL (2019); UNCTAD (n.d.)
Online Availability of the Service Standards	1	1	2	5.00	UNCITRAL (2019); UNCTAD (n.d.)
Online Availability of the Information on Active Publicly Funded Programs to Support Entrepreneurs, including Women Entrepreneurs	1	1	2	5.00	Halabisky (2018); Koźluk (2014); OECD (2021); UNCITRAL (2019); UNCTAD (n.d.)
Total Points for Subcategory 2.3.1	4	4	8	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 Company Statistics					
Statistics Publicly Available Online on New Company Registration (General)	1	1	2	3.33	UNCITRAL (2019); UNECE (2018)
Statistics Publicly Available Online on New Company Registration (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	9	9	18	40.00	
Total Points for Pillar II	24	24	48	100.00	

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

PILLAR III—OPERATIONAL EFFICIENCY OF BUSINESS ENTRY					
3.1 DOMESTIC COMPANY					
3.1.1 Time to Complete the Entire Company Entry Process for a Domestic Company					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Total Time to Complete the Entire Company Entry Process for a Domestic Company	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 Cost to Complete the Entire Company Entry Process for a Domestic Company					
Total Cost to Complete the Entire Company Entry Process for a Domestic Company	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 COMPANY					
3.2.1 Time to Complete the Entire Company Entry Process for a Foreign Company					
Total Time to Complete the Entire Company Entry Process for a Foreign Company	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 Cost to Complete the Entire Company Entry Process for a Foreign Company					
Total Cost to Complete the Entire Company Entry Process for a Foreign Company	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: 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: Elements that would allow to identify a beneficial owner: name, identification number, address or date of birth.

Centralized registry: A single, unified authority or database that serves as the official repository for company registration and related information within an economy.

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.

Foreign company: A company in which foreign individuals or entities hold any ownership stake or exert any level of participation.

Foreign entrepreneur: An entrepreneur from a foreign country residing in the measured economy.

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

Nominee shareholder: A person or legal entity that is officially registered as the holder of shares in a company with limited liability, but who holds those shares on behalf of another person—the beneficial owner—under a legal or contractual arrangement. The nominee does not typically exercise control or receive economic benefits from the shares, which remain with the beneficial owner. Nominee arrangements are often used to provide anonymity or to fulfill legal or administrative requirements, and their recognition and regulations vary across legal systems. For example, an entrepreneur may ask their lawyer or a trusted associate to be listed as the legal shareholder of a company while retaining actual ownership and decision-making power behind the scenes.

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

Paid-in minimum capital: The minimum amount of capital that a company's founders or shareholders are legally required to contribute and deposit into the company, usually at the time of incorporation.

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: Initiatives financed by the government, such as grant schemes, training programs, or business advisory services. These exclude privately funded or donor-run programs.

Publicly available information: Information that is accessible to the public without restriction, regardless of whether a fee is required to access it.

Risk-based approach: The requirements, procedures, and scrutiny applied to businesses when obtaining operating licenses or permits that are proportionate to the level of risk their activities pose.

Service standards: Officially published information outlining the expected steps, processing times, and costs associated with registering a [LLC legal form] in [economy]. They typically define what applicants can expect from the responsible authority in terms of procedure, efficiency, and transparency during the company registration process.

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

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

Statutory information: The legally required details about a company that must be registered with the business registry or relevant authority. This typically includes the company's name, legal form, registered address, directors and shareholders, share capital, and any other information mandated by law.

Third-party intermediaries: Professionals—such as notaries, lawyers, accountants, or similar service providers—who are authorized to incorporate a company on behalf of an entrepreneur.

BUSINESS ENTRY 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → provide response to question ...” or “N → provide response to question ...” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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

- Does the legal framework require entrepreneurs to obtain mandatory company name approval from the business registry or another corresponding public authority before registering a new company? (Y/N)**
Y → provide response to questions 2, 3 and 4.
- Does the legal framework establish specific rules for rejecting proposed company names by the business registry or another corresponding public authority? (Y/N)**
- Does the legal framework require registering changes to the company name at the business registry or another corresponding public authority? (Y/N)**

4. **Does an electronic and fully automated platform exist which verifies the proposed company name's uniqueness and compliance with legal naming requirements at the time of registration? (Y/N)**
Note: this question is part of Subcategory 2.1.1.
5. **Does the legal framework require the entrepreneur's identity to be verified by the business registry, a public authority, or an authorized intermediary (e.g. a notary or lawyer) to register a company? (Y/N)**
Y → provide response to question 6.
6. **Is there an electronic process—accessible through the official online company registration platform—that verifies the identity of domestic entrepreneurs without requiring in-person steps or manual intervention by the authority? (Y/N)**
Note: this question is part of Subcategory 2.1.3.
7. **Does the legal framework explicitly require a company to file shareholder details with the business registry or another public authority at incorporation? (Y/N)**
8. **Does the legal framework explicitly require a company to file changes to the shareholder details with the business registry or another public authority at incorporation? (Y/N)**
9. **Does the legal framework require a company to file annual financial accounts or statements at the business registry or at another corresponding public authority? (Y/N)**
10. **Does the legal framework require a company to register amendments to its articles of association at the business registry or another corresponding public authority? (Y/N)**
11. **Does a fully functional electronic platform exist allowing an entrepreneur to complete the entire registration process for a new company online—from submitting the application to receiving all official company documents—without needing to visit any authority in person or submit or collect physical documents? (Y/N)**
Note: this question is part of Subcategory 2.1.1.
12. **In practice, is the electronic platform for company incorporation fully operational? (Y/N)**
Note: this question is part of Subcategory 2.1.1.
13. **Is there a fully electronic platform—provided by the business registry or another corresponding public authority—through which companies can update their statutory information entirely online, without submitting paper documents or visiting any authority in person? (Y/N)**
Note: this question is part of Subcategory 2.1.1.
14. **Are electronic signatures or electronic identification available to complete the online registration of a company through the business registry or corresponding authority's portal? (Y/N)**
Note: this question is part of Subcategory 2.1.3.
15. **Is there an electronic payment option—accessible online or via mobile device—for all mandatory fees charged by public authorities to complete company incorporation, such that no in-person payment is required? (Y/N)**
Note: this question is part of Subcategory 2.1.1.

- 16. Does the business registry issue the certificate of company incorporation in an official electronic format that is legally valid and accepted by public authorities without requiring a paper original? (Y/N)**

Note: this question is part of Subcategory 2.1.1.

1.1.2 Beneficial Ownership Filing Requirements

- 17. Does the legal framework explicitly require companies to file beneficial ownership information with a public authority? (Y/N)**

Y → provide response to questions 18 to 23, 25, 26, 57 and 85.

Does the legal framework require new limited liability companies to register the following type of information about the beneficial owners with a public authority? (questions 18 through 21)

- 18. Full name (Y/N)**

- 19. Identification number and information (Y/N)**

- 20. Date of birth (Y/N)**

- 21. Full address (Y/N)**

- 22. Does the legal framework specify a time limit for registering the beneficial ownership information in the case of a newly registered limited liability company? (Y/N)**

- 23. For a newly registered company, does the legal framework explicitly require verification of the identity of each beneficial owner —beyond self-declaration—as part of the registration process with a public authority? (Y/N)**

- 24. Is there an electronic process—accessible through the official beneficial ownership registration platform—that verifies the identity of each natural-person beneficial owner without requiring in-person steps or manual intervention by the authority? (Y/N)**

Note: this question is part of Subcategory 2.1.3.

- 25. Does an operational fully electronic platform exist for newly registered companies to submit information on their beneficial owners—without any paper-based or in-person steps? (Y/N)**

Note: this question is part of Subcategory 2.1.1.

- 26. Does the legal framework require a registered company to file any post-incorporation changes to their beneficial ownership information with a public authority? (Y/N)**

- 27. Does the legal framework or established practice allow the appointment or use of nominee shareholders in a registered company? (Y/N)**

Y → provide response to question 28.

- 28. Does the legal framework explicitly require the company, at incorporation and upon any subsequent change, to register with a public authority whether any of its shareholders are acting as nominee shareholders? (Y/N)**

Note: Questions 27 and 28 relate to the indicator Mandatory Disclosure or Ban on Nominee Shareholders and Directors. The good practice is reflected in either of the following: A ban on nominee

shareholders and directors (i.e., Question 27 = N), or a mandatory disclosure of nominee shareholders and directors status (i.e., Question 27 = Y and Question 28 = Y).

1.1.3 Availability of Simplified Registration

29. Does the legal framework allow domestic entrepreneurs to register a company independently without the mandatory use of third-party intermediaries? (Y/N)
30. Does the legal framework allow resident foreign entrepreneurs to register a company independently without the mandatory use of third-party intermediaries? (Y/N)
31. Does the legal framework allow the use of a simple, standard company registration form or process for domestic entrepreneurs when registering a company? (Y/N)
32. Does the legal framework allow the use of a simple, standard company registration form or process for resident foreign entrepreneurs when registering a company? (Y/N)

1.1.4 Risk-Based Assessment for Operating Business Licenses

33. Does the legal framework require a risk-based approach to business licensing for new companies, where licensing rules depend on the company's activity and level of risk (e.g., low-risk activities may have simpler or no licensing, high-risk activities require stricter licensing)? (Y/N)
Y → provide response to question 34.
34. Does the law/regulation provide the option of indefinite operating licenses for low-risk activities? (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	n/a	1	1
- Requiring the approval of the company name (1)	n/a	0.5	0.5
- Providing specific rules for rejecting proposed company names (2)		0.5	0.5
Mandatory to Register Changes to the Company Name (3)	n/a	1	1
Mandatory to Verify and Document the Identity of Entrepreneurs (5)	n/a	1	1
Mandatory to Register Shareholders' Information (7)	n/a	1	1
Mandatory to Register Changes to the Shareholders' Information (8)	n/a	1	1
Mandatory to File Annual Returns/Financial Statements (9)	n/a	1	1
Mandatory to Register Changes in the Articles of Association (10)	n/a	1	1
Total Points	n/a	7	7
1.1.2 Beneficial Ownership Filing Requirements			
Indicators	FFP	SBP	Total Points
Mandatory to Register Beneficial Owners' Information (17)	n/a	1	1
Mandatory Type of Information Required for Beneficial Owners	n/a	1	1

- Requiring registration of the information about the full name of the beneficial owners (18)	n/a	0.25	0.25
- Requiring registration of the information about the identification number of the beneficial owners (19)	n/a	0.25	0.25
- Requiring registration of the information about the date of birth of the beneficial owners (20)	n/a	0.25	0.25
- Requiring registration of the information about the address of the beneficial owners (21)	n/a	0.25	0.25
Mandatory Time Limit to Register Beneficial Owners' Information (22)	n/a	1	1
Mandatory to Verify and Document Beneficial Owners' Identity (23)	n/a	1	1
Mandatory to Register Changes to the Beneficial Ownership Information (26)	n/a	1	1
Mandatory Disclosure or Ban on Nominee Shareholders and Directors (27 OR 28)	n/a	1	1
Total Points	n/a	6	6
1.1.3 Availability of Simplified Registration			
Indicators	FFP	SBP	Total Points
Registration for Domestic Entrepreneurs Without the Mandatory Use of Intermediaries (29)	1	1	2
Registration for Foreign Entrepreneurs Without the Mandatory Use of Intermediaries (30)	1	1	2
Simple Standard Registration Form for Domestic Entrepreneurs (31)	1	1	2
Simple Standard Registration Form for Foreign Entrepreneurs (32)	1	1	2
Total Points	4	4	8
1.1.4 Risk-Based Assessment for Operating Business Licenses			
Indicators	FFP	SBP	Total Points
Risk-Based Regulations for Business Licensing (33)	1	1	2
Operating Licenses for Low-Risk Activities (34)	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 ABSENCE OF RESTRICTIONS ON REGISTERING A BUSINESS

1.2.1 Domestic Companies

35. Does the legal framework require a mandated paid-in minimum capital for companies owned by domestic entrepreneurs? (Y/N; N – good practice)

36. Does the legal framework require a verification of an entrepreneur's criminal history to register a company and begin general business operations? (Y/N; N – good practice)

37. Does the legal framework require obtaining a general business operating license to register a company and begin general business operations? (Y/N; N – good practice)

38. Does the legal framework mandate any additional or different requirements for entrepreneurs based on sociodemographic characteristics to register a company? (Y/N; N – good practice)
39. Does the legal framework mandate any additional or different requirements for entrepreneurs based on sociodemographic characteristics (e.g., gender, ethnicity, migration status) to open a business bank account for a company? (Y/N; N – good practice)

The following questions pertain to nationals only, not foreign investors.

40. To what extent does the legal framework impose restrictions on 100% ownership by private companies or individuals across business sectors? (i.e., is private participation capped, and public/state participation required in some areas?)

Note: Please select the option that best describes the legal framework.

40a. No restrictions: Law allows 100% private ownership in all sectors; no limits on domestic private participation.

40b. Security-only restrictions: Limits apply solely to defense or national security sectors requiring state participation or control.

40c. Selected sectors restricted: Full private ownership barred in a few strategic or public-interest sectors (e.g., energy, mining, banking, telecom, media).

40d. Widespread restrictions: The law limits private ownership across multiple sectors, requiring public participation in many commercial and industrial activities, beyond those listed in option 3.

1.2.2 Foreign Companies

41. Does the legal framework require a mandated paid-in minimum capital requirement for companies owned by foreign entrepreneurs? (Y/N; N – good practice)
42. Does the legal framework set a maximum percentage of shares that foreign investors (natural or legal persons) may own in a company? (Y/N; N – good practice)
43. Does the legal framework require foreign entrepreneurs to undergo a foreign direct investment (FDI) screening or obtain prior approval from a government authority before registering a company or commencing operations? (Y/N; N – good practice)
44. Does the legal framework establish a minimum investment requirement that applies specifically or differently to foreign entrepreneurs? (Y/N; N – good practice)
45. Does the legal framework impose any nationality (citizenship) on the directors of a foreign owned company? (Y/N; N – good practice)
46. Does the legislation have any requirement with respect to the nationality of the board members for companies owned by foreign entrepreneurs? (Y/N; N – good practice)
47. Does the legal framework in any way mandate a minimum number, percentage, or ratio of national employees in companies? (Y/N; N – good practice)
48. Does the legal framework require foreign entrepreneurs to have a local partner when establishing a company? (Y/N; N – good practice)

49. Does the legal framework impose any restrictions on dividend distribution for foreign entrepreneurs (such as lower payment caps, additional paperwork, special approvals, or processing delays) that do not apply to domestic entrepreneurs, aside from standard tax obligations? (Y/N; N – good practice)

50. Are there any legal restrictions on foreign entrepreneurs opening or maintaining foreign currency bank accounts that do not apply to domestic entrepreneurs? (Y/N; N – good practice)

51. To what extent does the legal framework impose restrictions on full ownership by private foreign companies or individuals across business sectors?

Note: Please select the option that best describes the legal framework.

51a. No restrictions: The legal framework imposes no limits on foreign private ownership; 100% foreign ownership is allowed in all sectors.

51b. Security-only restrictions: Limits apply solely to sectors tied to national security or defense (e.g., arms, military tech, defense contracting).

51c. Selected sector restrictions: Foreign ownership is limited in a few strategic sectors (e.g., energy, mining, banking, telecom, media).

51d. Widespread restrictions (e.g. existence of a "negative list"): The law broadly restricts or prohibits foreign ownership across many sectors (e.g., transport, retail, construction, professional services).

1.2 ABSENCE OF RESTRICTIONS ON REGISTERING A BUSINESS			
1.2.1 Domestic Companies			
Indicators	FFP	SBP	Total Points
No Paid-in Minimum Capital Requirements for Domestic Companies (35)	1	n/a	1
No Criminal History Records or Affidavits Checks for Entrepreneurs (36)	1	n/a	1
No General Operating License (37)	1	n/a	1
No Sociodemographic Restrictions for Domestic Entrepreneurs (38 AND 39)	1	1	2
No Sector-Specific Restrictions for Domestic Entrepreneurs (40a OR 40b)	1	n/a	1
Total Points	5	1	6
1.2.2 Foreign Companies			
Indicators	FFP	SBP	Total Points
No Paid-in Minimum Capital Requirements for Foreign Companies (41)	1	n/a	1
No Screening and Approval Requirements	1	n/a	1
- Not requiring investment screening or approval (43)	0.5	n/a	0.5
- Absence of requirements on the minimum size of investment (44)	0.5	n/a	0.5
No Restrictions on the Nationality of Key Personnel and Directors	1	n/a	1
- Absence of restrictions on the nationality of the management of foreign subsidiaries (45)	0.5	n/a	0.5
- Absence of restrictions on the nationality of company board members or managers (46)	0.5	n/a	0.5
No Local Personnel Requirement (47)	1	n/a	1
No Dividend and Foreign Currency Bank Account Restrictions	1	n/a	1
- Absence of restrictions on dividend distribution (49)	0.5	n/a	0.5

- Absence of restrictions on the setting up or holding a foreign currency commercial bank account (50)	0.5	n/a	0.5
No Foreign Equity and Local Partner Requirements	1	n/a	1
- Absence of restrictions on percentage of shares for foreign investors (42)	0.5	n/a	0.5
- Not requiring a foreign entrepreneur to have a local partner to register a business (48)	0.5	n/a	0.5
No Sector-Specific Restrictions for Foreign Entrepreneurs (51a OR 51b)	1	n/a	1
Total Points	7	n/a	7

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

Please see questions 4, 11, 12, 13, 15, 16, 25.

2.1.2 Storage of Company and Beneficial Ownership Information

52. Does the business registry or another corresponding public authority store company registration records for newly registered companies in digital format, rather than relying on paper-based files or scanned copies? (Y/N)

Y → provide response to question 53.

53. Is there a publicly accessible database of company information maintained by the business registry or another public authority? (Y/N)

Y → provide response to questions 54-56.

54. Is the publicly available company information database at the business registry fully online? (Y/N)

55. Is the publicly available company information database at the business registry centralized with full national coverage? (Y/N)

56. 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)

57. Is there an electronic publicly accessible beneficial ownership database maintained by the business registry or another public authority? (Y/N)

Y → provide response to questions 58-60.

58. Is the publicly available beneficial ownership database fully online? (Y/N)

59. Is the publicly available beneficial ownership database centralized with full national coverage? (Y/N)

60. 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

Please see questions 6, 14, 24.

2.1 DIGITAL SERVICES			
2.1.1 Business Start-Up Process			
Indicators	FFP	SBP	Total Points
Electronic Company Name Verification (4)	1	1	2
Entirely Electronic Company Registration Process (11 AND 12)	1	1	2
Electronic Update of Company Information (13)	1	1	2
Electronic Registration and Update of Beneficial Ownership Information (25)	1	1	2
Payment of Incorporation Fees Available Through Online Portal (15)	1	1	2
Electronic Issuance of Company Incorporation Certificate (16)	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 (52)	1	1	2
Database on Company Information	1	1	2
- Database on Company Information publicly accessible (53)	0.25	0.25	0.50
- Database on Company Information fully online (54)	0.25	0.25	0.50
- Database on Company Information centralized with full national coverage (55)	0.25	0.25	0.50
- Database on Company Information covers all types of limited liability companies (56)	0.25	0.25	0.50
Database on Beneficial Ownership	1	1	2
- Database on Beneficial Ownership publicly accessible (57)	0.25	0.25	0.50
- Database on Beneficial Ownership fully online (58)	0.25	0.25	0.50
- Database on Beneficial Ownership centralized with full national coverage (59)	0.25	0.25	0.50
- Database on Beneficial Ownership covers all types of limited liability companies (60)	0.25	0.25	0.50
Total Points	3	3	6

2.1.3 Identity Verification			
Indicators	FFP	SBP	Total Points
Availability of Electronic Signature and Authentication (14)	1	1	2
Electronic Identity Verification Process	1	1	2
- Availability of an electronic and fully automated process to verify the identity of entrepreneurs (6)	0.5	0.5	1
- Availability of an electronic and fully automated process to verify the identity of beneficial owners (24)	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

61. At the time of initial company registration, is the information submitted to the business registry—such as company name, registered address, or tax ID—automatically and electronically shared with all relevant public authorities involved in business entry, without the company needing to take any further action? (Y/N)

Y → provide response to question 62.

62. When a change to company information (such as the company name or registered address) is filed with one key public authority for business entry, is that change automatically and electronically updated at other key public authorities for business entry, without requiring any further action from the company? (Y/N)

2.2.2 Unique Business Identification

63. At the time of registration, does the business registry or another corresponding public authority assign a Unique Business Identification number (UBI) to each company nationwide? (Y/N)

Y → provide response to question 64.

64. Do all key public authorities involved in business entry in [economy] use the same Unique Business Identification number (UBI)—as assigned by the business registry or another corresponding public authority—to identify individual businesses, without requiring them to obtain or use a separate identification number for interactions with those authorities? (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 (61)	1	1	2
Update of Company Information Fully Automated (62)	1	1	2
Total Points	2	2	4
2.2.2 Unique Business Identification			
Indicators	FFP	SBP	Total Points
Unique Business Identification Number Existence (63)	1	1	2

Unique Business Identification Number Used by Key Agencies (64)	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 Incorporation (includes gender)

Which of the following types of information for company incorporation process is readily and clearly available online? (questions 65 through 67)

65. A complete list of all required documents to fully incorporate a company. (Y/N)

66. A detailed schedule of all official government fees. (Y/N)

67. Clear service standards (i.e., the step-by-step process and an expected timeline). (Y/N)

68. Is there an official government website that provides a publicly accessible, consolidated list of publicly funded programs to support entrepreneurship, including the program names and links to where more information can be found? (Y/N)

69. Is there an official government website that provides a publicly accessible, consolidated list of publicly funded programs to support women entrepreneurship, including the program names and links to where more information can be found? (Y/N)

2.3.2 Availability of General Company Information

70. Is it possible to electronically search for company records at the business registry's website (or that of another corresponding public authority)? (Y/N)

Y → provide response to questions 71-80.

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 71 through 80)

71. Name of the company (Y/N)

72. Company ID (Y/N)

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

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

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

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

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

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

79. Company's physical operating address(es) (Y/N)

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

2.3.3 General and Sex-Disaggregated Company Statistics

81. Are official statistics on newly registered limited companies for the 2024 calendar year available to the public online? (Y/N)

82. Is sex-disaggregated data on the ownership of companies for the 2024 calendar year publicly available online? (Y/N)

Does a public authority, such as the official business registry or national statistics office, publish a freely accessible online dataset or statistical report for the 2024 calendar year (or a more recent period) that includes a breakdown by gender for the following categories: (questions 83 through 85)

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

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

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

2.3 TRANSPARENCY OF ONLINE INFORMATION			
2.3.1 Business Incorporation (includes gender)			
Indicators	FFP	SBP	Total Points
Online Availability of the List of Documents (65)	1	1	2
Online Availability of the List of Fees (66)	1	1	2
Online Availability of the Service Standards (67)	1	1	2
Online Availability of the Information on Active Publicly Funded Programs to Support Entrepreneurs, including Women Entrepreneurs	1	1	2
- Online availability of information on publicly funded programs to support entrepreneurship (68)	0.5	0.5	1
- Online availability of information on publicly funded programs to support women entrepreneurship (69)	0.5	0.5	1
Total Points	4	4	8
2.3.2 Availability of General Company Information			
Indicators	FFP	SBP	Total Points
Electronic Search Available for All Company Records (70)	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 (71)	0.1	0.1	0.2
- Online availability of information on the company ID (72)	0.1	0.1	0.2
- Online availability of information on the name of directors (73)	0.1	0.1	0.2
- Online availability of information on the name of shareholders (74)	0.1	0.1	0.2
- Online availability of information on the name of beneficial owners (75)	0.1	0.1	0.2
- Online availability of information on the year of incorporation (76)	0.1	0.1	0.2
- Online availability of information on the annual financial accounts (77)	0.1	0.1	0.2

- Online availability of information on the legal registration address (not physical) (78)	0.1	0.1	0.2
- Online availability of information on the physical operating address(es) (79)	0.1	0.1	0.2
- Online availability of information on the type of activity (80)	0.1	0.1	0.2
Total Points	2	2	4
2.3.3 General and Sex-Disaggregated Company Statistics			
Indicators	FFP	SBP	Total Points
Statistics Publicly Available Online on New Company Registration (General) (81)	1	1	2
Statistics Publicly Available Online on New Company Registration (Sex-disaggregated) (82)	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 (83)	0.33	0.33	0.67
- Online availability of sex-disaggregated data on the number of directors of limited liability companies (84)	0.33	0.33	0.67
- Online availability of sex-disaggregated data on the number of beneficial owners (85)	0.33	0.33	0.67
Total Points	3	3	6

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

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 GNI per capita (for high income economies, start-up capital is 5 times USD 13,936), 5 shareholders and 5 employees for domestic companies. Start-up capital is USD\$500,000, 5 shareholders, 12 employees for foreign companies. The parameter applies to all questions under Pillar III.

Operational efficiency of business entry measures the time and cost to complete the different tasks that an entrepreneur must undergo to set up and formally operate a domestic company in practice.

Please provide responses to the questions based on the scenarios, parameters, and information below.

General Instructions:

- Report average practical time, not legal deadlines
- Note simultaneity: consider in your calculations steps that can be completed together.
Simultaneity of procedures refers to the ability for multiple regulatory or administrative steps to be carried out at the same time rather than sequentially; in such cases, time should be counted based on the longest overlapping procedure
- Report official fees only (exclude VAT)
- Add third-party costs only if mandatory

Consider incorporation as the process from company name verification to registration with tax authorities and employees, when the company can fully operate.

How to count time and cost?

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).

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.

3.1 DOMESTIC COMPANY

Scenario 1 – Domestic Company

- Ownership: Domestic
- Company type: Most Common LLC in the Economy
- Shareholders: 5
- Start-up capital: 5 × GNI per capita (for high income economies: 5 x USD 13,936)
- Employees: 5
- Annual turnover: Meets the threshold required for tax/VAT registration
- Activities: General industrial or commercial activities (not requiring a special permit)
- City: Largest City in the Economy

According to the information provided in the previous section, please respond to the following questions:

3.1.1 Time to Complete the Entire Company Entry Process for a Domestic Company

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

3.1.2 Cost to Complete the Entire Company Entry Process for a Domestic Company

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

3.1 DOMESTIC COMPANY			
3.1.1 Time to Complete the Entire Company Entry Process for a Domestic Company			
Indicators	FFP	SBP	Total Points
Total Time to Complete the Entire Company Entry Process for a Domestic Company (86)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Cost to Complete the Entire Company Entry Process for a Domestic Company			
Indicators	FFP	SBP	Total Points

Total Cost to Complete the Entire Company Entry Process for a Domestic Company (87)	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 COMPANY

Scenario 2 – Foreign Company

- Ownership: Foreign
- Company type: Most Common LLC in the Economy
- Shareholders: 5
- Start-up capital: USD 500,000
- Employees: 12
- Annual turnover: Meets the threshold required for tax/VAT registration
- Activities: General industrial or commercial activities (not requiring a special permit and not involving national security issues)
- City: Largest City in the Economy

Considering the second scenario described above, please respond to the following questions:

3.2.1 Time to Complete the Entire Company Entry Process for a Foreign Company

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

3.2.2 Cost to Complete the Entire Company Entry Process for a Foreign Company

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

90. Is the foreign company required to undergo any mandatory Foreign Direct Investment (FDI) screening or review as part of the entry process? (*not scored*)

91. What is the total time (calendar days) from initial application to final, non-appealable approval? (*not scored*)

92. What is the total cost (including all government fees and any legal/advisory fees) associated with completing this entire screening/approval process? (*not scored*)

93. Can a foreign entrepreneur complete the entirety of the business bank account opening process within [name of the economy] remotely, without being physically present in the country? (i.e. all verification and finalization steps be completed online without physically visiting a branch?) (*not scored*)

94. What is the total time (calendar days) to complete the process? (*not scored*)

3.2 FOREIGN COMPANY			
3.2.1 Time to Complete the Entire Company Entry Process for a Foreign Company			
Indicators	FFP	SBP	Total Points
Total Time to Complete the Entire Company Entry Process for a Foreign Company (88)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Cost to Complete the Entire Company Entry Process for a Foreign Company			
Indicators	FFP	SBP	Total Points
Total Cost to Complete the Entire Company Entry Process for a Foreign Company (89)	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.

MOST COMMON TYPE OF COMPANY WITH LIMITED LIABILITY

95. Is the [MOST COMMON TYPE OF COMPANY] still the most common type of limited liability company in [name of the economy]? (Y/N) (not scored)

N → provide response to question 95.1.

95.1 Please specify the most common type of limited liability company in your country and provide the details of the change. (not scored)

CHAPTER 3. BUSINESS LOCATION–METHODOLOGY NOTE

I. MOTIVATION

Acquiring the right physical location remains a cornerstone of business success for many firms, even in the digital age. The selected location can influence business access to customers, transportation, labor, and materials, as well as determine taxes, regulations, and environmental commitments the business must comply with.¹ Whether an entrepreneur is leasing, building 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 Effective property rights administration signals strong 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 and construction permitting, covering de jure features of a regulatory framework that are necessary for immovable property ownership and lease, as well as construction-related urban planning and environmental licenses. The second pillar measures the quality of public services and transparency of information in the provision of property transfer and construction 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 (54 indicators)	
1.1	Property Transfer and Land Administration (17 indicators)

1.1.1	Property Transfer Standards (5 indicators)
1.1.2	Land Dispute Mechanisms (3 indicators)
1.1.3	Land Administration System (5 indicators)
1.1.4	Property Market Governance (4 indicators)
1.2	Building, Zoning and Land Use (15 indicators)
1.2.1	Building Standards (9 indicators)
1.2.2	Building Energy Efficiency Standards (2 indicators)
1.2.3	Zoning and Land Use Regulations (4 indicators)
1.3	Absence of Restrictions on Owning and Leasing Property (16 indicators)
1.3.1	Domestic Firms–Ownership (3 indicators)
1.3.2	Domestic Firms–Leasehold (4 indicators)
1.3.3	Foreign Firms–Ownership (4 indicators)
1.3.4	Foreign Firms–Leasehold (5 indicators)
1.4	Environmental Permits (6 indicators)
1.4.1	Environmental Permits for Construction (5 indicators)
1.4.2	Dispute Mechanisms for Construction-Related Environmental Permits (1 indicator)
Pillar II–Quality of Public Services and Transparency of Information for Business Location (46 indicators)	
2.1	Availability and Reliability of Digital Services (24 indicators)
2.1.1	Property Transfer–Digital Public Services (8 indicators)
2.1.2	Property Transfer–Digital Land Management (6 indicators)
2.1.3	Property Transfer–Coverage of the Land Registry and Cadaster (5 indicators)
2.1.4	Building Permits–Digital Public Services (3 indicators)
2.1.5	Environmental Permits–Digital Public Services (2 indicators)
2.2	Interoperability of Services (4 indicators)
2.2.1	Interoperability of Services for Property Transfer (3 indicators)
2.2.2	Interoperability of Services for Building Permits (1 indicator)
2.3	Transparency of Information (18 indicators)
2.3.1	Immovable Property (includes gender) (9 indicators)
2.3.2	Building, Zoning and Land Use (6 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 Permit (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
1.1.4	Property Market Governance
1.2	Building, Zoning and Land Use
1.2.1	Building Standards

1.2.2	Building Energy Efficiency Standards
1.2.3	Zoning and Land Use Regulations
1.3	Absence of 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 four 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 five indicators (table 3).

Table 3. Subcategory 1.1.1–Property Transfer Standards

	Indicators	Components
1	Legal Obligation to Register Sales Transactions	Legal requirement to register all property sale transactions with the immovable property registry
2	Legal Obligation to Record Co-owners' Consent for Property Transfer	Legal requirement to record co-owners' consent for any change affecting immovable properties
3	Legal Possibility to Register Commercial Lease Agreements	Legal possibility to register a commercial lease agreement at the immovable property registry
4	E-signature for Property Registration Documents	Mandatory electronic signature of immovable property registration documents by officials
5	E-signature for Cadastral Plans	Mandatory electronic signature of cadastral plans by surveyors or officials

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 Therefore, Subcategory 1.1.2–Land Dispute Mechanisms comprises three indicators (table 4).

Table 4. Subcategory 1.1.2–Land Dispute Mechanisms

	Indicators	Components
1	Legal Provisions for Arbitration as an Alternative Land Disputes Resolution Mechanism	Arbitration available as an out-of-court resolution mechanism for land disputes
2	Legal Provisions for Mediation as Alternative Land Disputes Resolution Mechanisms	Mediation available as an out-of-court resolution mechanism for land disputes

3	Legal Provisions for Protection of Property Title	Property title subject to a guarantee

1.1.3 Land Administration System

Having a reliable, transparent, and secure land registration system is important to support the security of land tenure and facilitate 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.⁹ 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.¹⁰ Therefore, Subcategory 1.1.3–Land Administration System comprises five indicators (table 5).

Table 5. Subcategory 1.1.3–Land Administration System

	Indicators	Components
1	Existence of National Immovable Property Registry	Existence of an immovable property registry with national scope
2	Disclosure of Immovable Property Registry Information	Access to property ownership information
3	Existence of National Cadaster/Mapping Agency	Existence of a cadaster/mapping agency with national scope
4	Disclosure of Cadastral Information	Access to cadastral plans of privately held land plots
5	Disclosure of Assessed Property Values	Access to assessed values of immovable properties

1.1.4 Property Market Governance

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. Therefore, legitimate tenure rights should be safeguarded from threats and violations, protecting rights holders from arbitrary deprivation of their tenure.¹¹ Having the government participate in the immovable property transfer market via public tenders for state-owned immovable property increases revenues, decreases corruption and inefficient use.¹² Therefore, Subcategory 1.1.4–Property Market Governance comprises four indicators (table 6).

Table 6. Subcategory 1.1.4–Property Market Governance

	Indicators	Components
1	Protections against Arbitrary Expropriations	Clear and exhaustive definition of public purposes for which the state may expropriate immovable property
2	Protections against Arbitrary Lease Terminations	Clear and exhaustive definition of circumstances under which parties may unilaterally terminate commercial leases of immovable property
3	Public Tender for Purchase of State-Owned Immovable Property	Purchase of state-owned immovable property through a public tender
4	Public Tender for Lease of State-Owned Immovable Property	Lease of state-owned immovable property through a public tender

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.¹³ Therefore, Subcategory 1.2.1–Building Standards comprises nine indicators (table 7).

Table 7. 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	i) Building Classification ii) Land Use Regulations iii) Structural Design Standards iv) Fire Safety Standards v) Accessibility Standards vi) Minimum Health and Sanitation Standards
3	Qualifications to Conduct Technical Supervision/Inspections	Requirement for technical inspectors in construction to possess legally mandated qualifications such as post-university examinations, a minimum number of years of practical experience, or registration with a professional association
4	Type of Inspections Carried Out During Construction	Legally required construction inspections to ensure structural safety: i) Phased ii) Risk-based
5	Responsibility for Conducting Inspections During Construction	i) Self-certification (i.e. inspections carried out internally by the building company's own staff, such as architects or engineers) ii) Third-party engineer or engineering firm iii) Governmental agencies
6	Requirement of Final Inspection by Law	Requirement of final inspection by law before a building can be occupied
7	Occupancy Permit	Requirement of an occupancy permit before a building can be occupied
8	Ability to Dispute Building Permit Decisions	Ability to dispute building permit decisions
9	Building Control Agency Authority	i) Ability to issue emergency orders to address building safety concerns ii) Authority to initiate prosecution in a court for building codes violation iii) Authority to recommend license suspension for non-compliant building practitioners

1.2.2 Building Energy Efficiency Standards

Building energy efficiency standards are essential tools for promoting energy efficiency and reducing greenhouse gas emissions in the building sector. Building energy efficiency standards are regulatory requirements that set minimum energy efficiency requirements for new buildings.¹⁴ Energy efficiency performance standards in building energy codes typically include several key elements, including building envelope requirements, lighting, and heating and cooling requirements.¹⁵ Therefore, Subcategory 1.2.2–Building Energy Efficiency Standards comprises two indicators (table 8).

Table 8. Subcategory 1.2.2–Building Energy Efficiency Standards

	Indicators	Components
1	Mandatory Minimum Energy Efficiency Performance Standards	Mandatory minimum energy efficiency performance standards
2	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.¹⁶ Hazard maps and related means are also essential to identify areas where construction of buildings is not permitted due to natural hazards.¹⁷ Zoning can also provide the opportunity to stimulate or slow down development in specific areas.¹⁸ Therefore, Subcategory 1.2.3–Zoning and Land Use Regulations comprises four indicators on land use and zoning regulations (table 9).

Table 9. Subcategory 1.2.3–Zoning and Land Use Regulations

	Indicators	Components
1	Requirements for Essential Infrastructure Service Access	Requirements for essential infrastructure service access (water, electricity, sanitation, and drainage)
2	Maps for Residential, Commercial, Agricultural, Recreational, Public/Institutional, and Mixed Use Areas	Land use maps that identify areas allocated to residential, commercial, agricultural, recreational, public/institutional, mixed use
3	Hazard Maps that Identify Areas where Building is not Permitted due to Natural Hazards	Hazard maps that identify areas where construction is not permitted due to natural hazards
4	Planning Regulation Feature Compliance	Requirement for urban planning rules to specify parameters like height limits, floor area ratio, and setbacks

1.3 Absence of 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.¹⁹ Therefore, Subcategory 1.3.1–Domestic Firms–Ownership comprises three indicators (table 10).

Table 10. Subcategory 1.3.1–Domestic Firms–Ownership

	Indicators	Components
1	Absence of Restrictions on Ownership based on the Size of the Land for Domestic Firms	Absence of restrictions on ownership based the size of the land for domestic firms
2	Absence of Restrictions on Ownership of Agricultural Land for Domestic Firms	Absence of restrictions on ownership of agricultural land for domestic firms
3	Absence of Restrictions on Ownership based on the Type of Property for Domestic Firms	Absence of restrictions on ownership based on the type of property 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.²⁰ Leasing restrictions on land can limit the ability of domestic firms to acquire a property, which can hinder their growth and development.²¹ Therefore, Subcategory 1.3.2–Domestic Firms–Leasehold comprises four indicators (table 11).

Table 11. Subcategory 1.3.2–Domestic Firms–Leasehold

	Indicators	Components

1	Absence of Restrictions on Leasehold based on the Size of the Land for Domestic Firms	Absence of restrictions on leasehold based on the size of the land for domestic firms
2	Absence of Restrictions on the Duration of the Lease for Domestic Firms	Absence of restrictions on the duration of the lease for domestic firms
3	Absence of Restrictions on Leasehold of Agricultural Land for Domestic Firms	Absence of restrictions on leasehold of agricultural land for domestic firms
4	Absence of Restrictions on Leasehold based on the Type of Property for Domestic Firms	Absence of restrictions on leasehold based on the type of property 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.²² Such restrictions can hinder the ability of foreign firms to invest in a particular country, leading to reduced economic performance and lower financial development.²³ Therefore, Subcategory 1.3.3–Foreign Firms–Ownership comprises four indicators (table 12).

Table 12. Subcategory 1.3.3–Foreign Firms–Ownership

	Indicators	Components
1	Absence of Restrictions on Ownership based on the Size of the Land for Foreign Firms	Absence of restrictions on ownership for foreign firms based on the size of the land
2	Absence of Restrictions on Ownership based on the Location of Property for Foreign Firms	Absence of restrictions on ownership for foreign firms based on the location of property for foreign firms
3	Absence of Restrictions on Ownership of Agricultural Land for Foreign Firms	Absence of restrictions on ownership of agricultural land for foreign firms
4	Absence of Restrictions on Ownership based on the Type of Property for Foreign Firms	Absence of restrictions on ownership based on the type of property 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.²⁴ 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 lease to be decided by the contractual parties. Restrictions on leasing can hinder the ability of foreign firms to invest in and develop operations in a particular country.²⁵ Therefore, Subcategory 1.3.4–Foreign Firms–Leasehold comprises five indicators (table 13).

Table 13. Subcategory 1.3.4–Foreign Firms–Leasehold

	Indicators	Components
1	Absence of Restrictions on Leasehold based on the Size of the Land for Foreign Firms	Absence of restrictions on leasehold based on the size of the land for foreign firms
2	Absence of Restrictions on the Duration of Lease for Foreign Firms	Absence of restrictions on the duration of lease for foreign firms
3	Absence of Restrictions on Leasehold based on the Location of Property for Foreign Firms	Absence of restrictions on leasehold based on the location of property for foreign firms

4	Absence of Restrictions on Leasehold of Agricultural Land for Foreign Firms	Absence of restrictions on leasehold of agricultural land for foreign firms
5	Absence of Restrictions on Leasehold based on the Type of Property for Foreign Firms	Absence of restrictions on leasehold based on the type of property 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.²⁶ 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.²⁷ Therefore, Subcategory 1.4.1–Environmental Permits for Construction comprises five indicators (table 14).

Table 14. 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 i) Biodiversity and natural resources ii) Greenhouse gas emissions or climate change impacts iii) Water resources
2	Environmental Permits Requirements for Construction	i) Requirement for binding legal standards on environmental protection or sustainability in building construction, such as biodiversity, water conservation, or pollution control ii) Requirement for legal classification of building projects according to their potential environmental impact.
3	Environmental Permit Compliance for Occupancy Approval	Requirement for full environmental compliance checks (both on-site and document review) before granting occupancy permits for projects needing environmental approval
4	Environmental Compliance Monitoring During Construction	Requirement for comprehensive environmental compliance checks during construction for projects needing environmental permits
5	Requirement for Accredited Environmental Monitoring During Construction	Requirement for environmental compliance to be verified by an independent, accredited professional for projects with environmental permits

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 one indicator (table 15).

Table 15. Subcategory 1.4.2–Dispute Mechanisms for Construction-Related Environmental Permits

	Indicator	Component
1	Ability to Dispute Environmental Clearances and Permits	Ability to dispute environmental clearances and permits

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

Table 16 shows the structure for Pillar II, Quality of Public Services and Transparency of Information for Business Location. Each category and subcategory of this pillar will be discussed in more detail in the order shown in the table.

Table 16. 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
2.1.3	Property Transfer–Coverage of the Land Registry and Cadaster
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 the increased internet availability globally, public services can offer secure online services such as due diligence checking and property registration for real estate transactions in most economies. 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 eight indicators (table 17).

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

	Indicators	Components
1	Online Due Diligence Checking	i) Title search (ownership) ii) Cadastral plan iii) Outstanding taxes (tax agency) iv) Bankruptcy search
2	Online Due Diligence Checking – Encumbrances	i) Liens (including mortgages) ii) Leases iii) Easements iv) Restrictions and charges
3	Single Online Platform for Due Diligence Checking	Single online platform to conduct all the necessary due diligence checks for property transfer

4	Processes Available Online for Property Transfer	i) Submitting documents ii) Getting notifications iii) Processing payments
5	Single Online Platform for Property Transfer	Single online platform for registering the transfer of property
6	Online Platform for Commercial Lease Agreements Registration	Online platform for registering the commercial lease agreements
7	Online Appeals against Immovable Property Registry Decisions	Online appeals against decisions of the immovable property registry
8	Online Appeals against Cadaster Decisions	Online appeals against decisions of the cadaster

2.1.2 Property Transfer–Digital Land Management

In a good land management system, the institutional framework must ensure that both the land registry and the 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 comprises six indicators (table 18).

Table 18. Subcategory 2.1.2–Property Transfer–Digital Land Management

	Indicators	Components
1	Availability of Digital Property Title Certificates	i) Certificates are digital (i.e., maintained in digital format, either digitized or digitalized) ii) Certificates are digitalized (i.e., created in digital format and digitally modifiable)
2	Availability of Digital Cadastral Plans	i) Plans are digital (i.e., maintained in digital format, either digitized or digitalized) ii) Plans are digitalized (i.e., created in digital format and digitally modifiable)
3	Availability of Information on Assessed Property Values	Information on the assessed value of privately held immovable properties is publicly available online
4	Availability of Information on Property Sales Price History	Information on the sales price history of privately held immovable properties is publicly available online
5	Availability of Contracts for Purchase of State-Owned Immovable Property	Contracts for purchasing state-owned immovable property are publicly available online
6	Availability of Contracts for Lease of State-Owned Immovable Property	Contracts for leasing state-owned immovable property are publicly available online

2.1.3 Property Transfer–Coverage of the Land Registry and Cadaster

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 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 Cadaster comprises five indicators (table 19).

Table 19. Subcategory 2.1.3–Property Transfer–Coverage of the Land Registry and Cadaster

	Indicators	Components
1	Property Registration Coverage at National Level	i) Property registration coverage at national level ii) Share of land covered by registry: 91-100%

2	Property Registration Coverage at Main City Level	Property registration coverage at main city level
3	Cadastral Coverage at National Level	i) Cadastral coverage at national level ii) Share of land covered by cadaster: 91-100%
4	Cadastral Coverage at Main City Level	Cadastral coverage at main city level
5	Public Land Registration and Cadastral Coverage	i) Public land plots are formally mapped, surveyed and registered to a public owner ii) Share of public land mapped: 91-100%

Note: The data for components - Share of land covered by registry, Share of land covered by cadaster, and Share of Public Land mapped - are collected by World Bank's Sustainability and Infrastructure Team of the Development Research Group through consultations with public sector.

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 three indicators (table 20).

Table 20. Subcategory 2.1.4–Building Permits–Digital Public Services

	Indicators	Components
1	Online Permitting Systems with Several Functionalities	i) Integrated online payment of fees ii) Online communication iii) Complete online submission
2	Online Permitting Systems to Submit Building Permits	Availability of digital building permits that can be issued and downloaded directly through the online platform
3	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 two indicators (table 21).

Table 21. Subcategory 2.1.5– Environmental Permits–Digital Public Services

	Indicators	Components
1	Online Permitting Systems with Several Functionalities	i) Online application ii) Online payment iii) Online submission
2	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 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 transactions.³⁶ 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 three indicators (table 22).

Table 22. 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 with the cadaster
2	Interoperability between Immovable Property Registry and Tax Authority	Information recorded by the immovable property registry is shared with the tax authority
3	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 process.³⁸ Ensuring that spatial plans and zoning requirements are readily available to all stakeholders, such as project developers and architects, through digital platforms (e.g., GIS or national spatial planning platforms) helps promote informed decision-making and compliance with land-use regulations. Linking 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. Therefore, Subcategory 2.2.2–Interoperability of Services for Building Permits comprises one indicator (table 23).

Table 23. Subcategory 2.2.2–Interoperability of Services for Building Permits

	Indicator	Component
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

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 making 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 nine indicators (table 24).

Table 24. 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 Data on Land Ownership	Updated anonymized sex-disaggregated statistics on land ownership available online
9	Availability of Sex-Disaggregated Data on Land Ownership by Ownership Type	Sex-disaggregated statistics on land ownership differentiated by sole and joint proprietorship

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 online 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. Moreover, it is essential that applicable fee schedules for construction are not only publicly available but also regularly updated to reflect current standards. Lastly, the city's master plan, including zoning, must be current and available for public scrutiny, ensuring strict adherence to established zoning regulations. Therefore, Subcategory 2.3.2–Building, Zoning and Land Use comprises six indicators (table 25).

Table 25. Subcategory 2.3.2–Building, Zoning and Land Use

	Indicators	Components
1	Public Online Accessibility of Planning and Building Control Regulations	i) Zoning regulation, using officially recognized zoning maps or digital planning tools, without needing prior approval from planning authorities ii) Building control regulations, accessible to all stakeholders, including residents, developers, architects, and other interested parties
2	Public Online Availability of Detailed Criteria Required to Obtain a Building Permit	Detailed criteria and steps necessary to obtain building permits
3	Public Online Availability of the List of Documents Required to Obtain a Building Permit	List of documents required to apply for a building permit
4	Applicable Fee Schedules for All Types of Construction Publicly Available and Up to Date	Applicable fee schedules for all types of construction currently in effect
5	Updated City Master Plan/Zoning Plan	Updated city master plan/zoning plan

6	Adherence to Zoning Regulations	i) Adherence to zoning regulations verified before submitting a building permit application ii) Ability to verify zoning compliance online without requiring separate government approval before building permit application

2.3.3 Environmental Permits

Transparency in environmental licenses ushers a new standard in environmental governance. 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 26).

Table 26. Subcategory 2.3.3–Environmental Permits

	Indicators	Components
1	Public Online Availability of Environmental Licensing Requirements	Complete official requirements for the environmental permit application are available online
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 Environmental Permits/Clearances	Public, official and updated information shows a list or total number of approved environmental permits/clearances

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

Table 27 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 27. 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 28).

Table 28. Subcategory 3.1.1–Major Constraints on Access to Land

	Indicator	Component
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 29).

Table 29. 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 30).

Table 30. 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 31).

Table 31. Subcategory 3.2.1–Time to Obtain a Construction-Related Permit

	Indicator	Component

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

Note: These permits refer to both those related to the expansion or construction of the establishment's premises and to permits required 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 32).

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

	Indicator	Component
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 33).

Table 33. Subcategory 3.2.3–Cost to Obtain a Building Permit

	Indicator	Component
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, each consisting of one indicator.

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 34).

Table 34. Subcategory 3.3.1–Time to Obtain an Environmental Permit

	Indicator	Component
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 35).

Table 35. Subcategory 3.3.2–Cost to Obtain an Environmental Permit

	Indicator	Component
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 and construction permitting such as property lawyers, notaries, conveyancers, construction lawyers, architects, and engineers.

The data for Pillar II components - Share of Land covered by Registry, Share of Land covered by Cadaster, and Share of Public Land mapped - are validated with inputs from the World Bank’s Sustainability and Infrastructure Team of the Development Research Group, through consultations with the public sector.¹

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 Enterprise Surveys, please refer to the Overview Chapter of this Methodology Handbook.

The data on time and cost to transfer a 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 two questionnaires, one for each area: Property Transfer and Construction Permitting. Each questionnaire targets experts in their respective areas of expertise. A screener questionnaire is used to assist in the selection of experts receiving the Business Location topic questionnaires based on a set of criteria (table 36).

Table 36. Screener Questionnaire and Respondent Criteria

Relevant Experts’ Professions	
Property Transfer	Property lawyers, notaries, conveyancers
Construction Permitting	Architects, engineers, construction lawyers
Relevant Areas of Specialization	
Property Transfer	Property law, notarial services, conveyancing
Construction Permitting	Architecture, civil engineering, construction law, environmental engineering, environmental planning

¹ In the event of delayed data collection by Development Research Group’s Sustainability and Infrastructure Team, only data collected by B-READY team through consultations with private sector experts will be used for respective indicators.

Assessment of the Experts' Knowledge and Experience Related to Property Transfer and Construction 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
Construction Permitting	Experience with obtaining all necessary pre-approvals, environmental clearances, and construction permits for new building projects; preparing and submitting applications and Environmental Impact Assessments; familiarity with building codes, environmental laws, and related regulations; awareness of permitting fees, approval processes, and complaint mechanisms; and effective engagement with building control agencies and municipalities

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 and Construction 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 construction (building and environmental) permits. In many economies, legislation governing building and environmental permits is defined at city and municipal level. For property transfer and construction 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 choosing 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 a property, to obtain 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 regards to the transfer of a 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, 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. Put simply, the rationale behind setting a value of property is to ensure that related taxes and fees are comparable across all surveyed economies.

Application:

Pillar III of the Business Location topic for Property Transfer assumes the sale value of a property, that is referenced in relation to applicable taxes and fees, to be 100 times the gross national income (GNI) per capita. A parameter for the book value of the property is computed based on 80 times the GNI gross national income (GNI) per capita. These reference values are shown as equivalents 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 for sale value and by 80 for book value 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 the 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 permits, the type and size of building are used as a unit of measurement. The process and costs for obtaining building permits differ across economies based on the type and size of the building—residential, commercial, or industrial—with residential projects typically facing fewer requirements and lower fees. The building's size influences permit costs, inspections, and, in some locations, property transaction fees. Similarly, environmental permit requirements and costs vary according to project size, location, and environmental impact, especially regarding water quality and management. Clear criteria for environmental clearances enhance transparency and public trust, ensuring that all significant projects are properly reviewed to protect resources, particularly in densely populated areas.

Application:

Pillar III of the Business Location topic for Construction Permitting provides specific parameters for two project types: a standard office building (Scenario A) and a complex commercial facility (Scenario B):

Scenario A – Standard Office Building:

- Type of building: commercial building—in particular, an office building.
- Size of commercial building: 1800 square meters (19,375 square feet)⁵¹.
- Building height: 5 floors, with each floor assumed to be 3 meters (9 ft and 10 inches) high.

Scenario B – Complex Commercial Facility:

- Building use: Office work, research and development laboratories, light technical operations
- Size of commercial building: 20,000 square meters (215,278 square feet) (6 stories above ground and 2 stories underground for parking).
- Site area: 10,000 m² (107,639 square feet)
- Number of employees: ~800 employees.

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 rescaled to values from 0 to 100 and subsequently aggregated into a total topic score, with each pillar contributing one-third to the total topic score. Table 37 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 37. 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	54	46	38	84	100	0.33
II	Quality of Public Services and Transparency of Information for Business Location	46	46	46	92	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 54 indicators with a total score of 84 points (46 points on firm flexibility and 38 points on social benefits) (table 38). The scoring for each category under this pillar is as follows:

- 6.1.1** *Property Transfer and Land Administration* has 17 indicators with a total maximum score of 34 points (17 points on firm flexibility and 17 points on social benefits). Specifically, this category has four subcategories. The *Property Transfer Standards* Subcategory has 5 indicators; the *Land Dispute Mechanisms* Subcategory has 3 indicators; the *Land Administration System* Subcategory has 5 indicators; and the *Property Market Governance* 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 15 indicators with a total maximum score of 27 points (12 points on firm flexibility and 15 points on social benefits). Specifically, the *Building Standards* Subcategory has 9 indicators; the *Building Energy Efficiency Standards* Subcategory has 2 indicators; and the *Zoning and Land Use Regulations* Subcategory has 4 indicators. Some measures under this category have either a neutral or ambiguous impact on firms and hence are not scored.
- 6.1.3** *Absence of Restrictions on Owning and Leasing Property* has 16 indicators with a total maximum score of 16 points (16 points on firm flexibility and 0 on social benefits). Specifically, this category has 4 subcategories: the *Domestic Firms–Ownership* Subcategory has 3 indicators; the *Domestic Firms–Leasehold* Subcategory has 4 indicators; the *Foreign Firms–Ownership* Subcategory has 4 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 restrictions on society is ambiguous (social benefits). Hence, points are only assigned to firm flexibility.
- 6.1.4** *Environmental Permits* has 6 indicators with a total maximum score of 7 points (1 point on firm flexibility and 6 points on social benefits). Specifically, this category has 2 subcategories; the *Environmental Permits for Construction* Subcategory has 5 indicators, and the *Dispute Mechanisms for Construction-Related Environmental Permits* Subcategory has 1 indicator. 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 or an ambiguous impact on firms and hence are not scored.

Table 38. 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	17	17	17	34	40.00
1.1.1	Property Transfer Standards	5	5	5	10	10.00
1.1.2	Land Dispute Mechanisms	3	3	3	6	5.00
1.1.3	Land Administration System	5	5	5	10	15.00
1.1.4	Property Market Governance	4	4	4	8	10.00
1.2	Building, Zoning and Land Use	15	12	15	27	40.00
1.2.1	Building Standards	9	8	9	17	20.00
1.2.2	Building Energy Efficiency Standards	2	n/a	2	2	10.00
1.2.3	Zoning and Land Use Regulations	4	4	4	8	10.00
1.3	Absence of Restrictions on Owning and Leasing Property	16	16	n/a	16	10.00
1.3.1	Domestic Firms–Ownership	3	3	n/a	3	2.50
1.3.2	Domestic Firms–Leasehold	4	4	n/a	4	2.50
1.3.3	Foreign Firms–Ownership	4	4	n/a	4	2.50
1.3.4	Foreign Firms–Leasehold	5	5	n/a	5	2.50
1.4	Environmental Permits	6	1	6	7	10.00
1.4.1	Environmental Permits for Construction	5	n/a	5	5	7.00
1.4.2	Dispute Mechanisms for Construction-Related Environmental Permits	1	1	1	2	3.00
Total		54	46	38	84	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 46 indicators with a total score of 92 points (46 points on firm flexibility and 46 points on social benefits) (table 39). The scoring for each category under the pillar is as follows:

- 6.2.1** *Availability and Reliability of Digital Services* has 24 indicators with a total maximum score of 48 points (24 points on firm flexibility and 24 points on social benefits). Specifically, the *Property Transfer–Digital Public Services* Subcategory has 8 indicators; the *Property Transfer–Digital Land Management* Subcategory has 6 indicators; the *Property Transfer–Coverage of the Land Registry and Cadaster* Subcategory has 5 indicators; the *Building Permits–Digital Public Services* has 3 indicators and the *Environmental Permits–Digital Public Services* Subcategory has 2 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 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 points on social benefits). Specifically, the *Interoperability of Services for Property Transfer* Subcategory has 3 indicators; and the *Interoperability of Services for Building Permits* Subcategory has 1 indicator. 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 18 indicators with a total maximum score of 36 points (18 points on firm flexibility and 18 on social benefits). Specifically, the *Immovable Property (includes gender)* Subcategory has 9 indicators; the *Building, Zoning and Land Use* Subcategory has 6 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 benefit both firms (firm flexibility) and society (social benefits). Hence, equal points are assigned to both categories.

Table 39. 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	24	24	24	48	45.00
2.1.1	Property Transfer–Digital Public Services	8	8	8	16	8.00
2.1.2	Property Transfer–Digital Land Management	6	6	6	12	8.00
2.1.3	Property Transfer–Coverage of the Land Registry and Cadaster	5	5	5	10	12.00
2.1.4	Building Permits–Digital Public Services	3	3	3	6	10.00
2.1.5	Environmental Permits– Digital Public Services	2	2	2	4	7.00
2.2	Interoperability of Services	4	4	4	8	15.00
2.2.1	Interoperability of Services for Property Transfer	3	3	3	6	10.00

2.2.2	Interoperability of Services for Building Permits	1	1	1	2	5.00
2.3	Transparency of Information	18	18	18	36	40.00
2.3.1	Immovable Property (includes gender)	9	9	9	18	20.00
2.3.2	Building, Zoning and Land Use	6	6	6	12	15.00
2.3.3	Environmental Permits	3	3	3	6	5.00
	Total	46	46	46	92	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 40). 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 time 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 45 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 45 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 10 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 40. 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	45.00
3.1.1	Major Constraints on Access to Land	1	15.00
3.1.2	Time to Transfer a Property	1	15.00
3.1.3	Cost to Transfer a Property	1	15.00
3.2	Construction Permits	3	45.00
3.2.1	Time to Obtain a Construction-Related Permit	1	15.00
3.2.2	Time to Obtain a Building Permit	1	15.00
3.2.3	Cost to Obtain a Building Permit	1	15.00
3.3	Environmental Permit	2	10.00
3.3.1	Time to Obtain an Environmental Permit	1	5.00
3.3.2	Cost to Obtain an Environmental Permit	1	5.00
	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 Register Sales Transactions	1	1	2	2.00	Bennison (2006); Deininger and Feder (2009)
Legal Obligation to Record Co-owners' Consent for Property Transfer	1	1	2	2.00	FAO (2022)
Legal Possibility to Register Commercial Lease Agreements	1	1	2	2.00	Deininger and Feder (2009)
E-signature for Property Registration Documents	1	1	2	2.00	Deininger, Hilhorst, Zevenbergen, Nkurunziza (2025)
E-signature for Cadastral Plans	1	1	2	2.00	Deininger, Hilhorst, Zevenbergen, Nkurunziza (2025)
Total Points for Subcategory 1.1.1	5	5	10	10.00	
1.1.2 Land Dispute Mechanisms					
Legal Provisions for Arbitration as an Alternative Land Disputes Resolution Mechanism	1	1	2	1.67	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provisions for Mediation as an Alternative Land Disputes Resolution Mechanism	1	1	2	1.67	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Legal Provision for Protection of Property Title	1	1	2	1.67	Deininger and Feder (1996); Gathii (2013); Wehrmann (2008)
Total Points for Subcategory 1.1.2	3	3	6	5.00	
1.1.3 Land Administration System					
Existence of National Immovable Property Registry	1	1	2	3.00	Deininger and Feder (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)

Disclosure of Immovable Property Registry Information	1	1	2	3.00	Deininger and Fedor (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Existence of National Cadaster/Mapping Agency	1	1	2	3.00	Deininger and Fedor (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Disclosure of Cadastral Information	1	1	2	3.00	Deininger and Fedor (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Disclosure of Assessed Property Values	1	1	2	3.00	Deininger and Fedor (2009); Deininger and Selod (2012); Zakout, Wehrmann, and Törhönen (2006)
Total Points for Subcategory 1.1.3	5	5	10	15.00	
1.1.4 Property Market Governance					
Protections against Arbitrary Expropriations	1	1	2	2.50	FAO (2022)
Protections against Arbitrary Lease Terminations	1	1	2	2.50	FAO (2022)
Public Tender for Purchase of State-Owned Immovable Property	1	1	2	2.50	Deininger, Hilhorst, Zevenbergen, Nkurunziza (2025)
Public Tender for Lease of State-Owned Immovable Property	1	1	2	2.50	Deininger, Hilhorst, Zevenbergen, Nkurunziza (2025)
Total Points for Subcategory 1.1.4	4	4	8	10.00	
Total Points for Category 1.1	17	17	34	40.00	
1.2 BUILDING, ZONING AND LAND USE					
1.2.1 Building Standards					
Building Codes/Standards Applicable to All Constructions	1	1	2	2.35	IFC, World Bank, and MIGA (2013)
Clear Provisions or Guidelines Regarding Safety Standards	n/a	1	1	1.18	IFC, World Bank, and MIGA (2013)
Qualifications to Conduct Technical Supervision/Inspections	1	1	2	2.35	IFC, World Bank, and MIGA (2013)
Type of Inspections Carried Out During Construction	1	1	2	2.35	IFC, World Bank, and MIGA (2013)
Responsibility for Conducting Inspections During Construction	1	1	2	2.35	IFC, World Bank, and MIGA (2013)
Requirement of Final Inspection by Law	1	1	2	2.35	IFC, World Bank, and MIGA (2013)
Occupancy Permit	1	1	2	2.35	Kuprenas and Chalmers (1999)
Ability to Dispute Building Permit Decisions	1	1	2	2.35	IFC, World Bank, and MIGA (2013)
Building Control Agency Authority	1	1	2	2.35	Lovegrove and Cotton (2022)
Total Points for Subcategory 1.2.1	8	9	17	20.00	

1.2.2 Building Energy Efficiency Standards					
Mandatory Minimum Energy Efficiency Performance Standards	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	2	2	10.00	
1.2.3 Zoning and Land Use Regulations					
Requirements for Essential Infrastructure Service Access	1	1	2	2.50	Babatunde, Yusuf, and Ogunbode (2016); Boonyabancha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Maps for Residential, Commercial, Agricultural, Recreational, Public/Institutional, and Mixed Use Areas	1	1	2	2.50	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	2.50	Babatunde, Yusuf, and Ogunbode (2016); Boonyabancha, Singhadej, and Dhanapal (2017); World Bank Group, Zoning and Land Use Planning
Planning Regulation Feature Compliance	1	1	2	2.50	World Bank, GFDRR, and IDB, 2025
Total Points for Subcategory 1.2.3	4	4	8	10.00	
Total Points for Category 1.2	12	15	27	40.00	
1.3 ABSENCE OF RESTRICTIONS ON OWNING AND LEASING PROPERTY					
1.3.1 Domestic Firms–Ownership					
Absence of Restrictions on Ownership Based on the Size of the Land for Domestic Firms	1	n/a	1	0.83	Dasgupta and Singh (2006)
Absence of Restrictions on Ownership of Agricultural Land for Domestic Firms	1	n/a	1	0.83	Dasgupta and Singh (2006)
Absence of Restrictions on Ownership Based on the Type of Property for Domestic Firms	1	n/a	1	0.83	Dasgupta and Singh (2006)
Total Points for Subcategory 1.3.1	3	n/a	3	2.50	
1.3.2 Domestic Firms–Leasehold					
Absence of Restrictions on Leasehold Based on the Size of the Land for Domestic Firms	1	n/a	1	0.63	Halpern and Lutz (2014); Hodge and Greve (2017)
Absence of Restrictions on the Duration of the Lease for Domestic Firms	1	n/a	1	0.63	Halpern and Lutz (2014); Hodge and Greve (2017)
Absence of Restrictions on Leasehold of Agricultural Land for Domestic Firms	1	n/a	1	0.63	Halpern and Lutz (2014); Hodge and Greve (2017)

Absence of Restrictions on Leasehold Based on the Type of Property for Domestic Firms	1	n/a	1	0.63	Halpern and Lutz (2014); Hodge and Greve (2017)
Total Points for Subcategory 1.3.2	4	n/a	4	2.50	
1.3.3 Foreign Firms–Ownership					
Absence of Restrictions on Ownership Based on the Size of the Land for Foreign Firms	1	n/a	1	0.63	Liao and Zhang (2016); Tan (2004)
Absence of Restrictions on Ownership Based on the Location of Property for Foreign Firms	1	n/a	1	0.63	Liao and Zhang (2016); Tan (2004)
Absence of Restrictions on Ownership of Agricultural Land for Foreign Firms	1	n/a	1	0.63	Liao and Zhang (2016); Tan (2004)
Absence of Restrictions on Ownership Based on the Type of Property for Foreign Firms	1	n/a	1	0.63	Liao and Zhang (2016); Tan (2004)
Total Points for Subcategory 1.3.3	4	n/a	4	2.50	
1.3.4 Foreign Firms–Leasehold					
Absence of Restrictions on Leasehold Based on the Size of the Land for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Absence of Restrictions on the Duration of Lease for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Absence of Restrictions on Leasehold Based on the Location of Property for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Absence of Restrictions on Leasehold of Agricultural Land for Foreign Firms	1	n/a	1	0.50	Golub (2003); Lee, Lee, and Lee (2014)
Absence of Restrictions on Leasehold Based on the Type of Property 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	16	n/a	16	10.00	
1.4 ENVIRONMENTAL PERMITS					
1.4.1 Environmental Permits for Construction					
Environmental Risks as Defined by Legal Framework	n/a	1	1	1.40	Grunwald, Bendt, and Kopfmüller (2016); Gupta, and Bansal (2014); Ryan and O'Regan (2015)
Environmental Permits Requirements for Construction	n/a	1	1	1.40	Grunwald, Bendt, and Kopfmüller (2016); Gupta, and Bansal (2014); Ryan and O'Regan (2015)
Environmental Permit Compliance for Occupancy Approval	n/a	1	1	1.40	World Bank, GFDRR, and IDB, 2025
Environmental Compliance Monitoring During Construction	n/a	1	1	1.40	World Bank, GFDRR, and IDB, 2025
Requirement for Accredited Environmental Monitoring During Construction	n/a	1	1	1.40	World Bank, GFDRR, and IDB, 2025
Total Points for Subcategory 1.4.1	n/a	5	5	7.00	

1.4.2 Dispute Mechanisms for Construction-Related Environmental Permits					
Ability to Dispute Environmental Clearances and Permits	1	1	2	3.00	Ramanathan et al. (2018); Sánchez-Triana et al. (2014); Wang and Liu (2015); World Bank (2014)
Total Points for Subcategory 1.4.2	1	1	2	3.00	
Total Points for Category 1.4	1	6	7	10.00	
Total Points for Pillar I	46	38	84	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	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Online Due Diligence Checking – Encumbrances	1	1	2	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Single Online Platform for Due Diligence Checking	1	1	2	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Processes Available Online for Property Transfer	1	1	2	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Single Online Platform for Property Transfer	1	1	2	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Online Platform for Commercial Lease Agreements Registration	1	1	2	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Online Appeals against Immovable Property Registry Decisions	1	1	2	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Online Appeals against Cadaster Decisions	1	1	2	1.00	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Total Points for Subcategory 2.1.1	8	8	16	8.00	
2.1.2 Property Transfer–Digital Land Management					
Availability of Digital Property Title Certificates	1	1	2	1.33	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Availability of Digital Cadastral Plans	1	1	2	1.33	Gao et al. (2020); Green and Moser (2013); Gupta, Dunning, and McAllister (2020)
Availability of Information on Assessed Property Values	1	1	2	1.33	Van der Molen (2007)
Availability of Information on Property Sales Price History	1	1	2	1.33	Deininger, Hilhorst, Zevenbergen, and Nkurunziza (2025)
Availability of Contracts for Purchase of State-Owned Immovable Property	1	1	2	1.33	Deininger, Hilhorst, Zevenbergen, and Nkurunziza (2025)
Availability of Contracts for Lease of State-Owned Immovable Property	1	1	2	1.33	Deininger, Hilhorst, Zevenbergen, and Nkurunziza (2025)
Total Points for Subcategory 2.1.2	6	6	12	8.00	
2.1.3 Property Transfer–Coverage of the Land Registry and Cadaster					

Property Registration Coverage at National Level	1	1	2	2.40	Deiningering and Feder (2009)
Property Registration Coverage at Main City Level	1	1	2	2.40	Deiningering and Feder (2009)
Cadastral Coverage at National Level	1	1	2	2.40	Deiningering and Feder (2009)
Cadastral Coverage at Main City Level	1	1	2	2.40	Deiningering and Feder (2009)
Public Land Registration and Cadastral Coverage	1	1	2	2.40	Deiningering, Hilhorst, Zevenbergen, and Nkurunziza (2025)
Total Points for Subcategory 2.1.3	5	5	10	12.00	
2.1.4 Building Permits–Digital Public Services					
Online Permitting Systems with Several Functionalities	1	1	2	3.33	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Online Permitting Systems to Submit Building Permits	1	1	2	3.33	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
File Dispute Online on Building Permits	1	1	2	3.33	Ramanathan et al. (2018); Sánchez-Triana et al. (2014); Wang and Liu (2015); World Bank (2014)
Total Points for Subcategory 2.1.4	3	3	6	10.00	
2.1.5 Environmental Permits–Digital Public Services					
Online Permitting Systems with Several Functionalities	1	1	2	3.50	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
File Dispute Online on Environmental Licensing	1	1	2	3.50	Charalambous, Cimren, and Bano (2018); Linnenberg, Gür, and Gür (2020)
Total Points for Subcategory 2.1.5	2	2	4	7.00	
Total Point for Category 2.1	24	24	48	45.00	
2.2 INTEROPERABILITY OF SERVICES					
2.2.1 Interoperability of Services for Property Transfer					
Interoperability between Immovable Property Registry and Cadaster	1	1	2	3.33	ILC (2017); NIST (2007)
Interoperability between Immovable Property Registry and Tax Authority	1	1	2	3.33	ILC (2017); NIST (2007)
Existence of a Unique Identifier between Immovable Property Registry and Cadaster	1	1	2	3.33	ILC (2017); NIST (2007)
Total Points for Subcategory 2.2.1	3	3	6	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)

Total Points for Subcategory 2.2.2	1	1	2	5.00	
Total Points for Category 2.2	4	4	8	15.00	
2.3 TRANSPARENCY OF INFORMATION					
2.3.1 Immovable Property (includes gender)					
Publication of Property Transactions Requirements	1	1	2	2.22	Van der Molen (2007)
Transparency of Property Transactions Costs	1	1	2	2.22	Van der Molen (2007)
Service Standards at the Immovable Property Registry	1	1	2	2.22	Van der Molen (2007)
Transparency of Cadaster Costs	1	1	2	2.22	Van der Molen (2007)
Service Standards for Cadaster	1	1	2	2.22	Van der Molen (2007)
Availability of Statistics on Land Transactions	1	1	2	2.22	Van der Molen (2007)
Availability of Statistics on Number and Type of Land Disputes	1	1	2	2.22	Van der Molen (2007)
Availability of Sex-Disaggregated Data on Land Ownership	1	1	2	2.22	FAO (2013)
Availability of Sex-Disaggregated Data on Land Ownership by Ownership Type	1	1	2	2.22	FAO (2013)
Total Points for Subcategory 2.3.1	9	9	18	20.00	
2.3.2 Building, Zoning and Land Use					
Public Online Accessibility of Planning and Building Control Regulations	1	1	2	2.50	OECD (2019)
Public Online Availability of Detailed Criteria Required to Obtain a Building Permit	1	1	2	2.50	OECD (2019)
Public Online Availability of the List of Documents Required to Obtain a Building Permit	1	1	2	2.50	OECD (2019)
Applicable Fee Schedules for all Types of Construction Publicly Available and Up to Date	1	1	2	2.50	OECD (2019)
Updated City Master Plan/Zoning Plan	1	1	2	2.50	OECD (2019)
Adherence to Zoning Regulations	1	1	2	2.50	OECD (2019)
Total Points for Subcategory 2.3.2	6	6	12	15.00	
2.3.3 Environmental Permits					
Public Online Availability of Environmental Licensing Requirements	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 Environmental Permits/Clearances	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	18	18	36	40.00	
Total Points for Pillar II	46	46	92	100.00	

Note: FFP = Firm Flexibility Point; 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	15.00	Amadi-Enchendu and Pellissier (2014)
Total Points for Subcategory 3.1.1	100	n/a	100	15.00	
3.1.2 Time to Transfer a Property					
Time to Transfer a Property	100	n/a	100	15.00	Moussa and Li (2020); Wang and Cen (2016)
Total Points for Subcategory 3.1.2	100	n/a	100	15.00	
3.1.3 Cost to Transfer a Property					
Cost to Transfer a Property	100	n/a	100	15.00	Kuprenas and Chalmers (1999); NAHB (2021)
Total Points for Subcategory 3.1.3	100	n/a	100	15.00	
Total Points for Category 3.1	100	n/a	100	45.00	
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	15.00	IBA (2019); UNECE (2018)
Total Points for Subcategory 3.2.1	100	n/a	100	15.00	
3.2.2 Time to Obtain a Building Permit					
Time to Obtain a Building Permit	100	n/a	100	15.00	IBA (2019); UNECE (2018)
Total Points for Subcategory 3.2.2	100	n/a	100	15.00	
3.2.3 Cost to Obtain a Building Permit					
Cost to Obtain a Building Permit	100	n/a	100	15.00	Kuprenas and Chalmers (1999); NAHB (2021)
Total Points for Subcategory 3.2.3	100	n/a	100	15.00	
Total Points for Category 3.2	100	n/a	100	45.00	

3.3 ENVIRONMENTAL PERMITS					
3.3.1 Time to Obtain an Environmental Permit					
Time to Obtain an Environmental Permit	100	n/a	100	5.00	Ghosh (2013)
Total Points for Subcategory 3.3.1	100	n/a	100	5.00	
3.3.2 Cost to Obtain an Environmental Permit					
Cost to Obtain an Environmental Permit	100	n/a	100	5.00	Ghosh (2013)
Total Points for Subcategory 3.3.2	100	n/a	100	5.00	
Total Points for Category 3.3	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). 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 and Construction Permitting. The Annotated Questionnaire provides the mapping between each indicator and the corresponding question(s).

Glossary

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

Adopted model code: A set of standardized regulations or guidelines – often developed by regional or international experts – that a country or jurisdiction formally approves and modifies to fit its local context, thereby establishing a legal framework for areas such as building safety, accounting, or public sector management.

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: The set criteria for categorizing buildings based on their use, occupancy type, and size.

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

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.

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

Digitalization: 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.

Digitization: The conversion of paper-based documents (such as property title certificates and cadastral plans) into digital format (such as a PDF), usually through scanning.

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.

Easement (also referred to as servitude): A legal right for someone to use another party's land for a specific purpose, without owning it (for example a right of way to cross the land, or a utility easement letting water or electricity lines run through it).

Energy efficiency performance standards: 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.

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: 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.

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

Hazard maps: Official maps that show areas exposed to specific hazards; they may be used to guide planning decisions and to restrict or condition construction in risky areas. They include: (i) natural hazard maps, prohibiting construction in zones exposed to earthquakes, floods, or similar risks; (ii) use-separation maps, setting minimum buffer distances between residential areas and hazardous occupancies (e.g., chemical plants, fuel depots); and (iii) environmental hazard maps, protecting conservation areas, water bodies, or other sensitive ecosystems.

Immovable property (also referred to as Real Property): Land and anything permanently attached to it. For the purposes of this questionnaire, the term refers to land and buildings only.

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

Inspections: 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.

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.

Minimum health and sanitation requirements: 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.

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

Occupancy permit: Also known as a certificate of occupancy, 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: A communication feature such as messaging or email notification that can be crucial for efficient interaction between users and authorities regarding permit applications.

Online payment of fees: The feasibility of paying fees online in one process on a given portal. Making transfers from a self-owned bank portal and providing proof of the transfer afterwards does not count as online payment in this case.

Online platform (building permits): A transactional digital system that allows applicants to submit applications, upload documents, pay fees, communicate with the authority, and receive decisions online. Information-only websites (PDF downloads, static maps) do not qualify as platforms.

Planning approval: 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.

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 discovered in the property later on.

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 of transfer.

Risk-based type inspections: 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.

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.

Structural design standards: 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.

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.

PROPERTY TRANSFER 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → provide response to question...” or “N → provide response to question...” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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 Pillar I, if regulations differ across states within an economy, the experts will be asked to provide information regarding regulations of the largest city.
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.

PART I. IMMOVABLE PROPERTY ADMINISTRATION

Immovable Property Registry

1. According to the regulatory framework, is there an immovable property registry in [ECONOMY]? (Y/N)

Note: Please answer “Yes” only if there is one centralized property registry with national scope or multiple local property registries that have a nation-wide data integration among themselves.

2. **According to the regulatory framework, can any person access immovable property ownership information (either for free or by paying a fee)? (Y/N)**
Note: Any person' refers to the public in general, including those who are not property owners, legal representatives, or parties to a property transaction.
3. **Are the majority of property title certificates at the immovable property registry maintained in digital format (either digitized or digitalized) rather than in paper format? (Y/N)**
Y → provide response to question 4.
4. **Are the majority of property title certificates originally created in digital format and digitally modifiable (digitalized) rather than simply scanned from paper (digitized)? (Y/N)**
5. **To the best of your knowledge, are more than 90% of privately held immovable properties formally registered at the immovable property registry in [ECONOMY]? (Y/N)**
6. **To the best of your knowledge, are more than 90% of privately held immovable properties formally registered at the immovable property registry in [CITY]? (Y/N)**

Cadaster

7. **According to the regulatory framework, is there a cadaster/mapping agency in [ECONOMY]? (Y/N)**
Note: Please answer "Yes" only if there is one centralized cadaster with national scope or multiple local cadasters that have nation-wide data integration among themselves.
8. **According to the regulatory framework, can any person access cadastral plans of privately held land plots (either for free or by paying a fee)? (Y/N)**
Note: "Any person" refers to the public in general, including those who are not property owners, legal representatives, or parties to a property transaction.
9. **Are the majority of cadastral plans at the cadaster/mapping agency maintained in digital format (either digitized or digitalized) rather than in paper format? (Y/N)**
Y → provide response to question 10.
10. **Are the majority of cadastral plans originally created in digital format and digitally modifiable (digitalized) rather than simply scanned from paper (digitized)? (Y/N)**
11. **To the best of your knowledge, are more than 90% of privately held land plots formally mapped and surveyed by the cadaster/mapping agency in [ECONOMY]? (Y/N)**
12. **To the best of your knowledge, are more than 90% of privately held land plots formally mapped and surveyed by the cadaster/mapping agency in [CITY]? (Y/N)**

Interoperability of Services for Immovable Property Administration

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

Property Tax Administration

14. According to the regulatory framework, is immovable property subject to property taxation based on government-determined property values in [ECONOMY]? (Y/N) *(not scored)*

Note: Please answer “Yes” only if official valuations set by public authorities for tax purposes are used to determine a taxable base for property taxation.

Y → provide response to questions 15, 16, and 45.

15. According to the regulatory framework, can any person access information on assessed value of an immovable property (either for free or by paying a fee)? (Y/N)

Note: ‘Assessed value of an immovable property’ refers to an immovable property’s official value assigned by the competent public authority for tax purposes.

16. Is the information on the assessed value of privately held immovable properties in [CITY] publicly available online? (Y/N)

17. Is the information on the sales price history of privately held immovable properties in [CITY] publicly available online? (Y/N)

PART II. IMMOVABLE PROPERTY MARKET

Absence of Restrictions on Owning and Leasing Property

Domestic Firms–Ownership

18. According to the regulatory framework, can domestic firms have ownership rights to land? *(not scored)* (Y/N)

Y → provide response to questions 19, 20, 21, 39, and 40.

19. According to the regulatory framework, are there any restrictions for domestic firms on owning agricultural land? (Y/N; N – good practice)

Note: For the purposes of this questionnaire, ‘Agricultural land’ refers to land designated primarily for crop farming.

20. 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)

Note: Scope of this question does not include agricultural land.

21. 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)

Note: Types of property include, but are not limited to, residential (used for housing), commercial (used for business activities), and industrial (used for manufacturing or production). Please consider all relevant categories defined by national law or planning regulations. Scope of this question does not include agricultural land.

Domestic Firms–Leasehold

22. According to the regulatory framework, are there any restrictions for domestic firms on leasing agricultural land? (Y/N; N – good practice)

Note: For the purposes of this questionnaire, ‘Agricultural land’ refers to land designated primarily for crop farming.

23. 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)

Note: Scope of this question does not include agricultural land.

24. According to the regulatory framework, are there any restrictions for domestic firms on the duration of the lease? (Y/N; N – good practice)

Note: Scope of this question does not include agricultural land.

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)

Note: Types of property include, but are not limited to, residential (used for housing), commercial (used for business activities), and industrial (used for manufacturing or production). Please consider all relevant categories defined by national law or planning regulations. Scope of this question does not include agricultural land.

Foreign Firms–Ownership

26. According to the regulatory framework, can foreign firms have ownership rights to land? (*not scored*) (Y/N)

Y → provide response to questions 27-30.

27. According to the regulatory framework, are there any restrictions for foreign firms to own agricultural land? (Y/N; N – good practice)

Note: For the purposes of this questionnaire, 'Agricultural land' refers to land designated primarily for crop farming.

28. 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)

Note: Scope of this question does not include agricultural land.

29. According to the regulatory framework, are there any restrictions on the location of property to own for foreign firms? (Y/N; N – good practice)

Note: Scope of this question does not include agricultural land.

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)

Note: Types of property include, but are not limited to, residential (used for housing), commercial (used for business activities), and industrial (used for manufacturing or production). Please consider all relevant categories defined by national law or planning regulations. Scope of this question does not include agricultural land.

Foreign Firms–Leasehold

31. According to the regulatory framework, are there any restrictions for foreign firms on leasing agricultural land? (Y/N; N – good practice)

Note: For the purposes of this questionnaire, 'Agricultural land' refers to land designated primarily for crop farming.

32. 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)

Note: Scope of this question does not include agricultural land.

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)

Note: Scope of this question does not include agricultural land.

34. According to the regulatory framework, are there any restrictions for foreign firms on the duration of the lease? (Y/N; N – good practice)

Note: Scope of this question does not include agricultural land.

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)

Note: Types of property include, but are not limited to, residential (used for housing), commercial (used for business activities), and industrial (used for manufacturing or production). Please consider all relevant categories defined by national law or planning regulations. The scope of this question does not include agricultural land.

Property Rights and Tenure Security

36. According to the regulatory framework, are there provisions that clearly and exhaustively define the public purposes for which the state may expropriate immovable property from its rightful owner? (Y/N)

37. According to the regulatory framework, are there provisions that clearly and exhaustively define the circumstances under which either party (lessee or lessor) may unilaterally terminate commercial leases of immovable property, irrespective of any contrary terms agreed upon in the contract? (Y/N)

Note: The term 'lease' should be interpreted by reference to its legal nature; where 'leasehold' is not recognized, please consider equivalent frameworks (for example, renting) as lease.

State-Owned Immovable Property

38. To the best of your knowledge, are more than 90% of public land plots formally mapped, surveyed and registered to a public owner in [ECONOMY]? (Y/N)

39. According to the regulatory framework, is the purchase of state-owned immovable property required to be carried out through a public tender process? (Y/N)

40. Are contracts for purchasing state-owned immovable property publicly available online?

41. According to the regulatory framework, is the leasing of state-owned immovable property required to be carried out through a public tender process? (Y/N)

Note: The term 'lease' should be interpreted by reference to its legal nature; where 'leasehold' is not recognized, please consider equivalent frameworks (for example, renting) as lease.

42. Are contracts for leasing state-owned immovable property publicly available online? (Y/N)

PART III. IMMOVABLE PROPERTY DUE DILIGENCE

Ownership

43. Is it possible to conduct an online title (ownership) search when transferring immovable property? (Y/N)

Cadastral Plan

44. Is it possible to conduct an online cadastral plan search when transferring immovable property ownership? (Y/N)

Outstanding Taxes

45. Is it possible to conduct an online search for outstanding taxes on immovable property when transferring immovable property ownership? (Y/N)

Note: “Outstanding taxes on immovable property” refer to tax liabilities that are presently due and payable in respect of the immovable property and remain unpaid.

Bankruptcy

46. Is it possible to conduct an online search on the immovable property owner’s bankruptcy when transferring property ownership? (Y/N)

Encumbrances

47. Is it possible to conduct an online search on liens (including mortgages) when transferring immovable property ownership? (Y/N)

48. Is it possible to conduct an online search on leases when transferring immovable property ownership? (Y/N)

Note: The term ‘lease’ should be interpreted by reference to its legal nature; where ‘leasehold’ is not recognized, please consider equivalent frameworks (for example, renting) as lease.

49. Is it possible to conduct an online search on easements (servitudes) when transferring immovable property ownership? (Y/N)

50. Is it possible to conduct an online search on public restrictions and charges (e.g., court-ordered seizures, restraints) when transferring immovable property ownership? (Y/N)

Due Diligence – Single Online Platform

51. Can all legal due diligence checks necessary for immovable property transfer be done on a single online platform? (Y/N)

PART IV. IMMOVABLE PROPERTY REGISTRATION

Property Transfer Standards

52. According to the regulatory framework, must all property sale transactions be registered with the immovable property registry? (Y/N)

53. According to the regulatory framework, is it mandatory to record registered co-owners’ consent for any change affecting immovable properties to which they have rights with the immovable property registry? (Y/N)

54. According to the regulatory framework, is it mandatory for officials to sign immovable property registration documents using electronic signature? (Y/N)

Online Services for Property Transfer

55. Is there an online platform that allows users to electronically submit necessary documents (e.g., completed forms, copies of identification documents) related to immovable property transfer? (Y/N)

56. Is there an online platform that automatically sends electronic notifications to any holders of relevant rights in case of attempted property transfer actions that would affect their rights? (Y/N)

57. Can all required payments for transferring immovable property be made online? (Y/N)

Note: 'All required payments' refers to payments that are required to be paid to the public authorities by law, i.e. fees and taxes to the registry and tax authorities. 'Online' includes but is not limited to payment methods such as online payment by credit/debit card, online bank transfer, mobile money, or government e-payment portals.

58. Is there a single online e-conveyancing platform through which the entire process of registering the transfer of immovable property ownership can be completed, including initiation, verification, submission, and issuance of updated records? (Y/N)

Note: The scope of the question does not include due diligence checking.

Online Information for Property Transfer

59. Are the instructions (such as the list of necessary documents, sequence of procedures) for conducting all types of immovable property transfers publicly available online and effective as of September 2025? (Y/N)

60. Is the official fee schedule for all types of immovable property transfers at the immovable property registry, specifying fee types and amounts, publicly available online and effective as of September 2025? (Y/N)

61. Does the immovable property registry publish online the estimated time required to issue a legally binding document confirming ownership of the immovable property? (Y/N)

Post-Registration Steps

62. Do the parties need to complete a separate cadastral procedure after the ownership change has been registered at the immovable property registry for it to be recorded in the cadaster? (Y/N)

63. Do the parties need to complete a separate procedure with the tax authority after the ownership change has been registered at the immovable property registry for it to be recorded in the tax authority? (Y/N)

Registration of Leasehold

64. According to the legal framework, is it possible to register a commercial lease agreement at the immovable property registry? (Y/N)

Note: The term 'lease' should be interpreted by reference to its legal nature; where 'leasehold' is not recognized, please consider equivalent frameworks (e.g., renting) as lease.

Y → provide response to question 65.

- 65. Can registration of a commercial lease agreement at the immovable property registry be done via an online platform? (Y/N)**

Retrieval of Cadastral Information

- 66. According to the regulatory framework, is it mandatory for surveyors or officials to sign cadastral plans using electronic signature? (Y/N)**
- 67. Is the official fee schedule for cadastral plan access, specifying fee types and amounts, publicly available online and effective as of September 2025? (Y/N)**
- 68. Does the cadaster/mapping agency publish the estimated timeframe for delivering a certified up-to-date cadastral plan? (Y/N)**

PART V. IMMOVABLE PROPERTY DISPUTES

Disputes with Registering Authorities

- 69. According to the regulatory framework, are parties who suffer losses due to errors made by the immovable property registry compensated? (Y/N)**
Note: Compensation could be provided either by the state guarantee or private title insurance.
- 70. Can the appeals of immovable property registry decisions be filed online? (Y/N)**
- 71. Can the appeals of cadaster/mapping agency decisions be filed online? (Y/N)**

Disputes between Private Parties

- 72. According to the regulatory framework, can private parties use arbitration as an out-of-court mechanism to resolve land disputes between themselves? (Y/N)**
- 73. According to the regulatory framework, can private parties use mediation as an out-of-court mechanism to resolve land disputes between themselves? (Y/N)**

PART VI. IMMOVABLE PROPERTY DATA

Property Market Data

- 74. Are official statistics on the number of sales and mortgages at the immovable property registry in [CITY] publicly available online for the most recent calendar year (2024)? (Y/N)**

Land Disputes Data

- 75. Is official data on the number and type of pending and resolved land-related court disputes in [CITY] publicly available online for the most recent calendar year (2024)? (Y/N)**

Gender Data

76. Are official statistics on sex-disaggregated data on immovable property ownership publicly available online in [CITY] for the most recent calendar year (2024)? (Y/N)

Y → provide response to question 77.

77. Are these official statistics on sex-disaggregated data differentiated by sole and joint proprietorship? (Y/N)

1.1 PROPERTY TRANSFER AND LAND ADMINISTRATION			
1.1.1 Property Transfer Standards			
Indicators	FFP	SBP	Total Points
Legal Obligation to Register Sales Transactions (52)	1	1	2
Legal Obligation to Record Co-owners' Consent for Property Transfer (53)	1	1	2
Legal Possibility to Register Commercial Lease Agreements (64)	1	1	2
E-signature for Property Registration Documents (54)	1	1	2
E-signature for Cadastral Plans (66)	1	1	2
Total Points	5	5	10
1.1.2 Land Dispute Mechanisms			
Indicators	FFP	SBP	Total Points
Legal Provisions for Arbitration as an Alternative Land Disputes Resolution Mechanism (72)	1	1	2
Legal Provisions for Mediation as an Alternative Land Disputes Resolution Mechanism (73)	1	1	2
Legal Provisions for Protection of Property Title (69)	1	1	2
Total Points	3	3	6
1.1.3 Land Administration System			
Indicators	FFP	SBP	Total points
Existence of National Immoveable Property Registry (1)	1	1	2
Disclosure of Immoveable Property Registry Information (2)	1	1	2
Existence of National Cadaster/Mapping Agency (7)	1	1	2
Disclosure of Cadastral Information (8)	1	1	2
Disclosure of Assessed Property Values (15)	1	1	2
Total Points	5	5	10
1.1.4 Property Market Governance			
Indicators	FFP	SBP	Total points
Protections against Arbitrary Expropriations (36)	1	1	2
Protections against Arbitrary Lease Terminations (37)	1	1	2
Public Tender for Purchase of State-Owned Immoveable Property (39)	1	1	2

Public Tender for Lease of State-Owned Immovable Property (41)	1	1	2
Total Points	4	4	8
1.3 ABSENCE OF RESTRICTIONS ON OWNING AND LEASING PROPERTY			
1.3.1 Domestic Firms–Ownership			
Indicators	FFP	SBP	Total Points
Absence of Restrictions on Ownership based on the Size of the Land for Domestic Firms (20)	1	n/a	1
Absence of Restrictions on Ownership of Agricultural Land for Domestic Firms (19)	1	n/a	1
Absence of Restrictions on Ownership based on the Type of Property for Domestic Firms (21)	1	n/a	1
Total Points	3	n/a	3
1.3.2 Domestic Firms–Leasehold			
Indicators	FFP	SBP	Total Points
Absence of Restrictions on Leasehold based on the Size of the Land for Domestic Firms (23)	1	n/a	1
Absence of Restrictions on the Duration of the Lease for Domestic Firms (24)	1	n/a	1
Absence of Restrictions on Leasehold of Agricultural Land for Domestic Firms (22)	1	n/a	1
Absence of Restrictions on Leasehold based on the Type of Property for Domestic Firms (25)	1	n/a	1
Total Points	4	n/a	4
1.3.3 Foreign Firms–Ownership			
Indicators	FFP	SBP	Total Points
Absence of Restrictions on Ownership based on the Size of the Land for Foreign Firms (28)	1	n/a	1
Absence of Restrictions on Ownership based on the Location of Property for Foreign Firms (29)	1	n/a	1
Absence of Restrictions on Ownership of Agricultural Land for Foreign Firms (27)	1	n/a	1
Absence of Restrictions on Ownership based on the Type of Property for Foreign Firms (30)	1	n/a	1
Total Points	4	n/a	4
1.3.4 Foreign Firms–Leasehold			
Indicators	FFP	SBP	Total Points
Absence of Restrictions on Leasehold based on the Size of the Land for Foreign Firms (32)	1	n/a	1
Absence of Restrictions on the Duration of Lease for Foreign Firms (34)	1	n/a	1
Absence of Restrictions on Leasehold based on the Location of Property for Foreign Firms (33)	1	n/a	1
Absence of Restrictions on Leasehold of Agricultural Land for Foreign Firms (31)	1	n/a	1

Absence of Restrictions on Leasehold based on the Type of Property for Foreign Firms (35)	1	n/a	1
Total Points	5	n/a	5
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) (43)	0.25	0.25	0.5
- Cadastral plan (44)	0.25	0.25	0.5
- Outstanding taxes (tax agency) (45)	0.25	0.25	0.5
- Bankruptcy search (46)	0.25	0.25	0.5
Online Due Diligence Checking – Encumbrances	1	1	2
- Liens (including mortgages) (47)	0.25	0.25	0.5
- Leases (48)	0.25	0.25	0.5
- Easements (49)	0.25	0.25	0.5
- Public restrictions and charges (50)	0.25	0.25	0.5
Single Online Platform for Due Diligence Checking (51)	1	1	2
Processes Available Online for Property Transfer	1	1	2
- Submitting documents (55)	0.33	0.33	0.67
- Getting notifications (56)	0.33	0.33	0.67
- Processing payments (57)	0.33	0.33	0.67
Single Online Platform for Property Transfer (58)	1	1	2
Online Platform for Commercial Lease Agreements Registration (65)	1	1	2
Online Appeals against Immovable Property Registry Decisions (70)	1	1	2
Online Appeals against Cadaster Decisions (71)	1	1	2
Total Points	8	8	16
2.1.2 Property Transfer–Digital Land Management			
Indicators	FFP	SBP	Total Points
Availability of Digital Property Title Certificates	1	1	2
- Certificates are digital (3)	0.5	0.5	1
- Certificates are digitalized (4)	0.5	0.5	1
Availability of Digital Cadastral Plans	1	1	2
- Plans are digital (9)	0.5	0.5	1
- Plans are digitalized (10)	0.5	0.5	1
Availability of Information on Assessed Property Values (16)	1	1	2
Availability of Information on Property Sales Price History (17)	1	1	2
Availability of Contracts for Purchase of State-Owned Immovable Property (40)	1	1	2
Availability of Contracts for Lease of State-Owned Immovable Property (42)	1	1	2
Total Points	6	6	12
2.1.3 Property Transfer–Coverage of the Land Registry and Cadaster			
Indicators	FFP	SBP	Total Points

Property Registration Coverage at National Level (5)	1	1	2
Property Registration Coverage at Main City Level (6)	1	1	2
Cadastral Coverage at National Level (11)	1	1	2
Cadastral Coverage at Main City Level (12)	1	1	2
Public Land Registration and Cadastral Coverage (38)	1	1	2
Total Points	5	5	10
2.2 INTEROPERABILITY OF SERVICES			
2.2.1 Interoperability of Services for Property Transfer			
Indicators	FFP	SBP	Total Points
Interoperability between Immovable Property Registry and Cadaster (62)	1	1	2
Interoperability between Immovable Property Registry and Tax Authority (63)	1	1	2
Existence of a Unique Identifier between Immovable Property Registry and Cadaster (13)	1	1	2
Total Points	3	3	6
2.3 TRANSPARENCY OF INFORMATION			
2.3.1 Immovable Property (includes gender)			
Indicators	FFP	SBP	Total Points
Publication of Property Transactions Requirements (59)	1	1	2
Transparency of Property Transactions Costs (60)	1	1	2
Service Standards at the Immovable Property Registry (61)	1	1	2
Transparency of Cadaster Costs (67)	1	1	2
Service Standards at the Cadaster (68)	1	1	2
Availability of Statistics on Land Transactions (74)	1	1	2
Availability of Statistics on Number and Type of Land Disputes (75)	1	1	2
Availability of Sex-Disaggregated Data on Land Ownership (76)	1	1	2
Availability of Sex-Disaggregated Data on Land Ownership by Ownership Type (77)	1	1	2
Total Points	9	9	18

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 ESTABLISHING A BUSINESS LOCATION

The scores for Pillar III indicators are calculated using the linear 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 data collected.

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 sale value of property is provided based on 100 times GNI [gross national income] per capita. A parameter of book value of property is provided based on 80 times GNI [gross national income] per capita. These values of property are 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 Limited Liability Companies owned by private nationals. The type of property under consideration is commercial property (office building). Area of the property is 1800 sq. m. (19 375 sq. feet.). The property is already registered with the immovable property registry, free of encumbrances, and it has been under the same ownership for the past 10 years. Property transfer does not involve any bank funding. Transferring property might have a form of transferring state-owned land use rights, where applicable.

PART VII. OPERATIONAL EFFICIENCY OF PROPERTY TRANSFER

Due Diligence Clearance

- 78. On average, how many calendar days does it take to complete all steps required for due diligence clearance, if performed by the parties to the transaction as part of a property transfer?**

Note: Due diligence clearance might include (but is not limited to) verification of encumbrances, title, outstanding taxes, company profile, and similar checks. If, according to the regulatory framework, due diligence clearance is not performed by the parties but by a notary/lawyer, please mark this field as “Not Applicable”, and proceed to questions 80-81.

- 79. On average, what is the cost (in local currency) to complete all steps required for due diligence clearance, if performed by the parties to the transaction as part of a property transfer?**

Note: Due diligence clearance might include (but is not limited to) verification of encumbrances, title, outstanding taxes, company profile, and similar checks. If, according to the regulatory framework, due diligence clearance is not performed by the parties but by a notary/lawyer, please mark this field as “Not Applicable”, and proceed to questions 80-81.

Sale Deed Review and Signature

- 80. On average, how many calendar days does it take to review and sign the sale deed at a notary/lawyer’s office, if required for a property transfer?**

Note: If already accounted for in question 78, the scope of the question does not include due diligence checks.

- 81. On average, what is the cost (in local currency) to review and sign the sale deed at a notary/lawyer’s office, if required for a property transfer?**

Note: If already accounted for in question 79, the scope of the question does not include due diligence checks.

Payment of Fees and Taxes

82. On average, how many calendar days does it take to complete the payment of applicable fees and taxes?

Note: "Applicable fees and taxes" refers to payment of all fees and taxes associated with the transfer of property, such as transfer tax, registration fees, stamp duty etc.

83. What is the amount of transfer tax (or sale tax, or profit tax, or VAT, if applicable) (in local currency)?
84. What is the amount of registration fees (in local currency)?
85. What is the amount of stamp duty (in local currency)?
86. What is the amount of other applicable fees and taxes (in local currency)?

Registration of Sale Deed

87. On average, how many calendar days does it take to complete the registration of transfer with the immovable property registry and issue of new title/deed?

Note: Registration of transfer refers to the registration of the transfer with the immovable property registry to officially record the change in ownership, making it fully opposable to third parties.

88. On average, what does it cost (in local currency) to complete the registration of transfer with the immovable property registry and issue of new title/deed?

Note: Registration of transfer refers to the registration of the transfer with the immovable property registry to officially record the change in ownership, making it fully opposable to third parties. If all registration fees are already accounted for in questions 83-86, please answer "Not Applicable".

Post-Registration Steps

89. On average, how many calendar days does it take to complete post-registration procedures that enable the buyer to re-sell the property or use it as collateral?
90. On average, what does it cost (in local currency) to complete post-registration procedures that enable the buyer to re-sell the property or use it as collateral?

Other Steps

91. Please mention what other step(s)/process(es) are required but not listed above. *(not scored)*
Note: Other steps might include, but are not limited to, additional steps at the land registry to process the title transfer, property appraisal, etc.

92. On average, how many calendar days does it take to complete this(ese) step(s)?
93. On average, what does it cost (in local currency) to complete this(ese) step(s)?

Major Constraints on Access to Land

94. 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)

Time to Transfer a Property

95. On average, 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)?

Cost to Transfer a Property

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

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 (94)	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 (95) <i>Also corroborated with 78, 80, 82, 87, 89, 92</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 (96) <i>Also corroborated with 79, 81, 83-86, 88, 90, 93</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.

CONSTRUCTION PERMITTING 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “*Y → provide response to question...*” or “*N → provide response to question...*” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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.
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.

Part I – REGULATORY FRAMEWORK

Core Building and Environmental Protection Standards

Building Standards

1. As of September 1, 2025, does [ECONOMY] have a legally established National Building Code, a nationally adopted model code, or an equivalent national framework that encompasses all legislation, regulations, and standards that collectively govern building construction applicable in [CITY]? (Y/N)

Does the legal framework in [ECONOMY] include the following mandatory building standards or codes? (questions 2 through 8)

2. Building classification standard (i.e. criteria for categorizing buildings based on their use, occupancy type, and size) (Y/N)
3. Land use regulations standard (i.e. zoning regulations to govern land use, density, setbacks, and other development parameters) (Y/N)
4. Structural design standards to ensure stability and resistance to loads and natural hazards (earthquakes, floods, wind loads, seismic activity) (Y/N)
5. Fire safety standards (active and passive) for building construction and occupancy (Y/N)
6. Accessibility standards applicable to all construction (i.e. mandatory requirements ensuring buildings are physically accessible and usable for people with disabilities and diverse mobility needs) (Y/N)
7. Minimum health and sanitation standards (i.e. legally mandated baseline standards covering at least potable water supply, wastewater/sewage disposal, ventilation/indoor air quality, and sanitary plumbing) (Y/N)
8. Energy efficiency performance standards (i.e. building insulation, lighting and HVAC systems, building envelope performance or other) legally required by the building code or other binding regulations for all buildings and renovations? (Y/N)

Specialized Standards

9. Are there any incentives – financial (e.g., grants, tax rebates) or non-financial (e.g., technical support, expedited permitting) – to promote the adoption of building energy efficiency standards in new constructions or renovations? (Y/N)
10. Does the legal framework in [ECONOMY] impose binding environmental protection or sustainability standards for building construction (e.g. biodiversity protection, water resource conservation, or pollution control)? (Y/N)
Y → Provide responses to questions 46, 47, 54, 55, and 56.
11. Does the legal framework in [ECONOMY] classify building construction projects based on their potential environmental impact? (Y/N)

Y → provide responses to questions 12-14.

Please indicate which environmental risks or impact considerations are explicitly assessed as part of the classification of building construction projects: (questions 12 through 14)

12. Biodiversity and natural resources (e.g., ecosystems, protected areas, forests) (Y/N)

13. Greenhouse gas emissions or climate change impacts (Y/N)

14. Water resources, including water quality, quantity, and access (Y/N)

Professional Qualification Requirements

15. Does the legal framework require professionals conducting technical inspections of construction projects to meet specific legally mandated qualifications? (Y/N)

Note: Answer “Yes” only if the law explicitly requires at least one of the following: mandatory examination beyond university degree, minimum years of practical experience, or registration with a professional association.

Land Use and Zoning Implementation

Based on the legal framework, please indicate which features are included in the land use planning/zoning regulations for [CITY]: (questions 16 through 19)

Zoning Regulation Features

16. Requirements to connect and provide essential infrastructure as a condition for approving land development (Y/N)

17. Requirement of an official land use (zoning) map (Y/N)

18. Requirement for official hazard maps that restrict construction in specific areas (Y/N)

Planning Regulation Features

19. Requirement for official planning requirements concerning allowed heights, floor occupation ratios, setbacks, etc. (Y/N)

Land Use and Zoning Transparency of Information

20. Is there an officially adopted, legally binding master plan/zoning plan of [CITY] available online and accessible to the general public without needing a username, password, or special access credentials? (Y/N)

21. Is zoning compliance verification required before submitting a building permit application in [CITY]? (Y/N)

Y → provide response to question 22.

22. Can developers verify zoning compliance online using officially recognized zoning maps or digital planning tools, without having to get a separate official approval, certificate, or letter from the government confirming compliance from the government before applying for a building permit? (Y/N)

PART II: PERMITTING PROCESS

Before Construction

Transparency of Information and Digital Services

23. 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? (Y/N)

Note: Answer “Yes” only if valid for official purposes.

Please specify which of the following information is made available online by the building permitting agencies and accessible without login into an account: (questions 24 through 28)

24. The possibility to verify online the zoning regulation, using officially recognized zoning maps or digital planning tools, without needing prior approval from planning authorities (Y/N)
25. Building control regulations, accessible to all stakeholders, including residents, developers, architects, and other interested parties (Y/N)
26. Criteria and necessary steps to obtain building permits (e.g. technical specifications) (Y/N)
27. List of all documents required to apply for a building permit (e.g. land ownership certificate, types of drawings and plans) (Y/N)
28. An updated fee schedule for all types of construction currently in effect (as of 1 September 2025) (Y/N)

Digital Platform Capabilities

29. Is there an online platform that allows the Planning/Building Control Agency in [CITY] to process and issue building permits? (*not scored*) (Y/N)

Y → provide responses to questions 30-34.

Please specify if the following features are available in the online platform: (questions 30 through 33)

30. Integrated online payment of fees for obtaining the building permit through the online platform (Y/N)
31. Online communication (two-way exchange via text, email, online platforms beyond only listed email addresses) between users and the authorities regarding permit applications (Y/N)
32. Complete submission of building permit applications and supporting documents through the online platform? (Y/N)
- Note: Answer “Yes” only if no paper copies are required.*
33. Approved building permits issued digitally and downloaded directly from the online platform (Y/N)
34. Can administrative appeals against building permit decisions be filed online through an official government platform (excluding submission by email, text, WhatsApp, or similar platforms)? (Y/N)

Environmental Permit Transparency of Information and Digital Services

35. Is it possible to submit the environmental permit/clearance application online?(Y/N)

Please specify which of the following information and digital services are made available online by the environmental permitting agencies: (questions 36 through 40)

36. Complete official requirements for submitting an application to obtain environmental clearances or permits for constructing a building (Y/N)

37. Fee schedule currently in effect for environmental permits in [CITY] as of September 2025 (Y/N)

Note: Answer “Yes” if there are no fees involved.

38. Public, official and updated information that shows a list of total number of approved environmental permits/clearances in [CITY] (Y/N)

39. An online payment system (i.e. a portal specialized in online payment transactions) to process application fees (Y/N)

Note: Answer “Yes” if there are no fees involved.

40. An electronic system that facilitates the online submission of documents for obtaining environmental permits in [CITY] (Y/N)

During Construction

Building Inspection Requirements

41. Does the law mandate multiple inspections during different phases of the construction process (e.g., foundation, framing, final stages) to ensure that standards are met throughout the process and structural safety is assured? (Y/N)

42. 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)

Building Inspection Responsibilities

Who is legally responsible for conducting inspections during construction? (questions 43 through 45)

43. Self-certification (i.e. inspections carried out internally by the building company’s own staff, such as architects or engineers)? (Y/N)

44. A third-party engineer or engineering firm (not employed by the developer or the permitting authority)? (Y/N)

45. Governmental agencies, such as the municipal building department? (Y/N)

Environmental Compliance Monitoring During Construction

46. For projects which require environmental permits, is verification of environmental compliance comprehensively required during the construction process? (Y/N)

47. Does the legal framework require an independent and accredited professional to conduct environmental compliance verification for projects with environmental permits? (Y/N)

Post-Construction

Final Inspections

48. Is an on-site final inspection of the construction required by law before a building can be occupied? (Y/N)

Occupancy Permit

49. Is an occupancy permit (also called [OCCUPANCY PERMIT_NAME]) required by law before a building can be occupied? (Y/N)

Enforcement and Appeals

Building Permits

50. Does the legal framework mandate that appeals regarding building permits, inspections, or regulatory compliance be handled by an independent third-party agency? (Y/N)

Which of the following rights are granted by law to the agency responsible for enforcing building regulations, such as a building control agency? (questions 51 through 53)

51. The authority to issue an emergency order (e.g. evacuation, closure, stop-use) to address immediate safety concerns of a building? (Y/N)

52. The authority to initiate prosecution in a court of competent jurisdiction for violations of building codes? (Y/N)

53. The authority to recommend to the registration body the suspension or cancellation of building practitioners' licenses for non-compliance with building regulations? (Y/N)

Environmental Compliance Verification

54. Is a full environmental compliance verification required (on-site inspection and document review) before issuing an occupancy permit for projects that require environmental permits?(Y/N)

Environmental Appeals and Resolution

55. Is there an independent appeals process for environmental permit decisions that is separate from the issuing authority? (Y/N)

56. Can the environmental permit appeals process (end-to-end and e-filing) be completed entirely online? (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 (1)	1	1	2
Clear Provisions or Guidelines Regarding Safety Standards	n/a	1	1
- Building classification (2)		0.17	0.17
- Land use regulations (3)		0.17	0.17
- Structural design standards (4)		0.17	0.17
- Fire safety standards (5)	n/a	0.17	0.17
- Accessibility standards (6)		0.17	0.17
- Minimum health and sanitation standards (7)		0.17	0.17
Qualifications to Conduct Technical Supervision/Inspections (15)	1	1	2
Type of Inspections Carried Out During Construction	1	1	
- Inspections during various phases (41)	0.50	0.50	1
- Risk-based inspections (42)	0.50	0.50	1
Responsibility for Conducting Inspections During Construction	1	1	2
- Self-certification by the building company (43)	0.33	0.33	0.67
- Third-party engineer or engineering firm (44)	0.33	0.33	0.67
- Governmental agencies (45)	0.33	0.33	0.67
Requirement of Final Inspection by Law (48)	1	1	2
Occupancy Permit (49)	1	1	2
Ability to Dispute Building Permit Decisions (50)	1	1	2
Building Control Agency Authority	1	1	2
- Authority to issue emergency orders (51)	0.33	0.33	0.67
- Authority to initiate prosecution (52)	0.33	0.33	0.67
- Authority to recommend suspension or cancellation of licenses (53)	0.33	0.33	0.67
Total Points	8	9	17
1.2.2 Building Energy Efficiency Standards			
Indicators	FFP	SBP	Total Points
Mandatory Minimum Energy Efficiency Performance Standards (8)	n/a	1	1
Incentives to Promote Green Building Standards (9)	n/a	1	1
Total Points	n/a	2	2
1.2.3 Zoning and Land Use Regulations			
Indicators	FFP	SBP	Total Points
Requirements for Essential Infrastructure Service Access (16)	1	1	2
Maps for Residential, Commercial, Agricultural, Recreational, Public/Institutional, and Mixed Use Areas (17)	1	1	2
Hazard Maps that Identify Areas where Building is not Permitted due to Natural Hazards (18)	1	1	2
Planning Regulation Feature Compliance (19)	1	1	2
Total Points	4	4	8
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
- Biodiversity and natural resources (12)		0.33	0.33
- Greenhouse gas emissions or climate change impacts (13)	n/a	0.33	0.33
- Water resources (14)		0.33	0.33
Environmental Permits Requirements for Construction	n/a	1	1
- Requirement for binding legal standards on environmental protection or sustainability in building construction (10)	n/a	0.50	0.50
- Requirement for legal classification of building projects according to their potential environmental impact (11)		0.50	0.50
Environmental Permit Compliance for Occupancy Approval (54)	n/a	1	1
Environmental Compliance Monitoring During Construction (46)	n/a	1	1
Requirement for Accredited Environmental Monitoring During Construction (47)	n/a	1	1
Total Points	0	5	5
1.4.2 Dispute Mechanisms for Construction-Related Environmental Permits			
Indicators	FFP	SBP	Total Points
Ability to Dispute Environmental Clearances and Permits (55)	1	1	2
Total Points	1	1	2
2.1 AVAILABILITY AND RELIABILITY OF DIGITAL SERVICES			
2.1.4 Building Permits–Digital Public Services			
Indicators	FFP	SBP	Total Points
Online Permitting Systems with Several Functionalities	1	1	2
- Integrated online payment of fees (30)	0.33	0.33	0.67
- Online communication (31)	0.33	0.33	0.67
- Complete online submission (32)	0.33	0.33	0.67
Online Permitting Systems to Submit Building Permits (33)	1	1	2
File Dispute Online on Building Permits (34)	1	1	2
Total Points	3	3	6
2.1.5 Environmental Permits–Digital Public Services			
Indicators	FFP	SBP	Total Points
Online Permitting Systems with Several Functionalities	1	1	2
- Online application (35)	0.33	0.33	0.67
- Online payment (39)	0.33	0.33	0.67
- Online submission (40)	0.33	0.33	0.67
File a Dispute Online on Environmental Licensing (56)	1	1	2
Total Points	2	2	4
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 (23)	1	1	2

Total Points	1	1	2
2.3 TRANSPARENCY OF INFORMATION			
2.3.2 Building, Zoning and Land use			
Indicators	FFP	SBP	Total Points
Public Online Accessibility of Planning and Building Control Regulations	1	1	2
- Zoning regulation, using officially recognized zoning maps or digital planning tools, without needing prior approval from planning authorities (24)	0.5	0.5	1
- Building control regulations, accessible to all stakeholders, including residents, developers, architects, and other interested parties (25)	0.5	0.5	1
Public Online Availability of Detailed Criteria Required to Obtain a Building Permit (26)	1	1	2
Public Online Availability of the List of Documents Required to Obtain a Building Permit (27)	1	1	2
Applicable Fee Schedules for all Types of Construction Publicly Available and Up to Date (28)	1	1	2
Updated City Master Plan/Zoning Plan (20)	1	1	2
Adherence to Zoning Regulations	1	1	2
- Adherence to zoning regulations verified before submitting a building permit application (21)			
- Online zoning compliance verification without separate government approval (22)			
Total Points	6	6	12
2.3.3 Environmental Permits			
Indicators	FFP	SBP	Total Points
Public Online Availability of Environmental Licensing Requirements (36)	1	1	2
Applicable and Up to Date Fee Schedule for Environmental Clearances (37)	1	1	2
Availability of Official, Updated and Publicly Available List of approved Environmental Permits/Clearances (38)	1	1	2
Total Points	3	3	6

Note: n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent).
FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF ESTABLISHING A BUSINESS LOCATION

The scores for Pillar III indicators are calculated using the linear 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 data collected.

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	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: Scenario A: 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)) - Each floor is assumed to be 3 meters high (9ft 10 inches) - Land plot: 603.8 square meters (6,500 square feet) 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. Scenario B: - Type of building: Commercial building that will be used for offices, research and development laboratories and light technical operations. - Size of commercial building: 20,000 square meters (215,278 square feet) (6 stories above ground and 2 stories underground for parking). - Site area: 10,000 m² (107,639 square feet) - Building use: Office work, research and development laboratories, light technical operations. - Number of employees: ~800 employees - Parking: 200 parking spaces (underground)

BUILDING PERMITS AND ENVIRONMENTAL PERMITS

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

57. 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 taken in practice to obtain a building permit to construct a commercial building used for office space. Please consider only what is applicable in [CITY] based on the regulatory framework to obtain building permits. 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.

58. Is an ownership/property certificate required or commonly done in practice? (Y/N) *(not scored)*
Y → provide response to questions 59 and 60.

59. How many calendar days does it take to obtain an ownership/property certificate?

60. On average, how much does it cost to obtain an ownership/property certificate?

61. Is a topographical survey required or commonly done in practice? (Y/N) *(not scored)*
Y → provide response to questions 62 and 63.

62. How many calendar days does it take to carry out or commission a topographical survey? (Y/N)

63. On average, how much does it cost to complete this step?

64. Is obtaining a geotechnical investigation required or commonly done in practice? *(not scored)*
Y → provide response to questions 65 and 66.

65. How many calendar days does it take to commission and obtain a geotechnical investigation?

66. On average, how much does it cost to complete this step?

67. Is an urban planning approval certificate required or commonly done in practice? *(not scored)*
Y → Provide response to questions 68 and 69.

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

69. On average, how much does it cost to complete this step?

70. How many calendar days does it take for the authority to review and issue the building permit once the complete application is submitted?

Note: Do not include time for preparatory steps such as obtaining surveys, certificates, or other required documents.

71. What is the administrative fee charged by the permitting authority to review the application and issue the building permit?

Note: Do not include costs for surveys, certificates, utilities connections, or other preparatory requirements.

Time to Obtain a Construction-Related Permit

72. Over the last two years, has this establishment applied for a construction-related permit? (*not scored*)

Y → provide response to question 73.

73. Approximately how many days did it take to obtain it from the date of the application to the day the permit was granted?

Note: ES questionnaire version – 2023 and 2024

How many days did it take to obtain it from the day of the application to the day the permit was granted?

Note: ES questionnaire version – 2025

Time to Obtain a Building Permit

74. 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?

Cost to Obtain a Building Permit

75. 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?

Environmental Permits

Environmental Permits: Scenario A

76. Based on the information provided in Scenario A, are any environmental permits, clearances, or environmental assessments required by law before construction can begin? (*not scored*) (Y/N)

Y → provide response to questions 77-85.

For the parameters described above, what kind of environmental permits/clearances would be required? (*not scored*) (questions 77 through 82)

77. Full Environmental Impact Assessment (*not scored*) (Y/N)

78. Simplified Environmental Impact Assessment (*not scored*) (Y/N)

79. Construction environmental management permit/clearance (controls for dust, noise, vibration, site management during construction) *(not scored)* (Y/N)
80. Extraction of water resources from public or protected sources from public or protected sources *(not scored)* (Y/N)
81. Construction Waste management (permit for managing and disposing of construction debris and materials) *(not scored)* (Y/N)
82. Stormwater drainage or runoff management approval (approval for how rainwater will be managed on the site) *(not scored)* (Y/N)
83. Please comment if there are any other steps that are required or commonly done in practice with regard to environmental permits *(not scored)*
84. What is the total time to obtain the required environmental permit/clearances (time required to obtain permits from public agencies excluding preparation by possibly external experts)?
85. What is the official total cost associated?

Environmental Permits: Scenario B

86. Based on the information provided in Scenario B, are ANY environmental permits, clearances, or environmental assessments required by law before construction can begin? *(not scored)* (Y/N)
Y → provide response to questions 87-97.

For the parameters described above, what kind of environmental permits/clearances would be required? (questions 87 through 95)

87. Full Environmental Impact Assessment *(not scored)* (Y/N)
88. Simplified Environmental Impact Assessment *(not scored)* (Y/N)
89. Pollution from construction (air, chemical emissions, toxic waste) *(not scored)* (Y/N)
90. Hazardous materials storage permit (for storage of flammable and corrosive chemicals) *(not scored)* (Y/N)
91. Construction Waste management (permit for managing and disposing of construction debris and materials) *(not scored)* (Y/N)
92. Hazardous waste management permit (for chemical/laboratory waste disposal) *(not scored)* (Y/N)
93. Air quality or emissions permit (for generators, laboratory ventilation systems, or other air emissions) *(not scored)* (Y/N)
94. Wastewater discharge or pre-treatment permit (for the on-site wastewater pre-treatment system and discharge to municipal sewer) *(not scored)* (Y/N)
95. Water use or extraction permit (if extracting groundwater or using water beyond normal municipal supply thresholds) *(not scored)* (Y/N)

96. What is the total time to obtain the required environmental permit/clearances (time required to obtain permits from public agencies excluding preparation by possibly external experts)?

97. What is the official total cost associated?

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 (73)	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100
3.2.2 Time to Obtain a Building Permit			
Indicators	FFP	SBP	Total Points
Time to Obtain a Building Permit (74) <i>Further corroborated with data from 59, 62, 65, 68, 70</i>	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100
3.2.3 Cost to Obtain a Building Permit			
Indicators	FFP	SBP	Total Points
Cost to Obtain a Building Permit (75) <i>Further corroborated with data from 60, 63, 66, 69, 71</i>	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100
3.3 ENVIRONMENTAL PERMIT			
3.3.1 Time to Obtain an Environmental Permit			
Indicators	FFP	SBP	Total Points
Time to Obtain an Environmental Permit (84 AND 96)	100 (100%)	n/a	100 (100%)
Total Points	100	n/a	100
3.3.2 Cost to Obtain an Environmental Permit			
Indicators	FFP	SBP	Total Points
Cost to Obtain an Environmental Permit (85 AND 97)	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 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 (40 indicators)	
1.1	Electricity (14 indicators)
1.1.1	Regulatory Oversight of Tariffs and Service Quality (3 indicators)
1.1.2	Requirements on Coordination in Electricity Connections and Infrastructure Development (2 indicators)
1.1.3	Regulations on Safety of Electricity Connections (3 indicators)
1.1.4	Requirements on Environmental Sustainability (6 indicators)
1.2	Water (14 indicators)
1.2.1	Regulatory Oversight of Tariffs and Service Quality (3 indicators)
1.2.2	Requirements on Coordination in Water Connections and Infrastructure Development (2 indicators)
1.2.3	Regulations on Safety of Water Connections (3 indicators)
1.2.4	Requirements on Environmental Sustainability (6 indicators)
1.3	Internet (12 indicators)
1.3.1	Regulatory Oversight of Anticompetitive Practices and Service Quality (3 indicators)
1.3.2	Requirements on Coordination in Internet Connections and Infrastructure Development (4 indicators)
1.3.3	Cybersecurity Regulations (3 indicators)
1.3.4	Requirements on Environmental Sustainability (2 indicators)
Pillar II—Quality of the Governance and Transparency of Utility Services (37 indicators)	
2.1	Electricity (12 indicators)
2.1.1	Digital Services and Interoperability (4 indicators)
2.1.2	Monitoring of Service Supply in Practice (includes environment) (2 indicators)
2.1.3	Availability of Information and Customer Notification (4 indicators)
2.1.4	Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms (2 indicators)
2.2	Water (14 indicators)
2.2.1	Digital Services and Interoperability (5 indicators)
2.2.2	Monitoring of Service Supply in Practice (includes environment) (3 indicators)
2.2.3	Availability of Information and Customer Notification (4 indicators)
2.2.4	Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms (2 indicators)
2.3	Internet (11 indicators)
2.3.1	Digital Services and Interoperability (4 indicators)
2.3.2	Monitoring of Service Supply in Practice (1 indicator)
2.3.3	Availability of Information and Customer Notification (4 indicators)
2.3.4	Enforcement of Cybersecurity Regulations in Practice 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 Oversight of Tariffs and Service Quality
1.1.2	Requirements on Coordination in Electricity Connections and Infrastructure Development
1.1.3	Regulations on Safety of Electricity Connections
1.1.4	Requirements on Environmental Sustainability
1.2	Water
1.2.1	Regulatory Oversight of Tariffs and Service Quality
1.2.2	Requirements on Coordination in Water Connections and Infrastructure Development
1.2.3	Regulations on Safety of Water Connections
1.2.4	Requirements on Environmental Sustainability
1.3	Internet
1.3.1	Regulatory Oversight of Anticompetitive Practices and Service Quality
1.3.2	Requirements on Coordination in Internet Connections and Infrastructure Development
1.3.3	Cybersecurity Regulations
1.3.4	Requirements on Environmental Sustainability

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

1.1.1, 1.2.1 Regulatory Oversight of Tariffs and Service Quality (Electricity, and Water), 1.3.1 Regulatory Oversight of Anticompetitive Practices and Service Quality (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

Service interruptions and delays in service restoration are 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.¹³ 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.¹⁴ Therefore, Subcategories 1.1.1, 1.2.1, and 1.3.1–Regulatory Oversight of Tariffs and Service Quality and Regulatory Oversight of Anticompetitive Practices and Service Quality respectively comprise nine indicators: three for Electricity (Subcategory 1.1.1) (table 3), three for Water (Subcategory 1.2.1) (table 4), and three for Internet (Subcategory 1.3.1) (table 5).

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

	Indicators	Components
1	Approval of Electricity Tariffs	Designated independent authority (e.g., regulator or other government institution) has the final decision-making power in approving tariffs
2	Adherence to Performance Standards	Monitoring standards to ensure the quality of electricity service supply
3	Penalties for Electricity Outages	Existence in the regulatory framework of penalties paid by the service provider to discourage supply disruption

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

	Indicators	Components
1	Approval of Water Tariffs	Designated independent authority (e.g., regulator or other government institution) has the final decision-making power in approving tariffs

2	Adherence to Performance Standards	Monitoring standards to ensure the quality of water service supply
3	Penalties for Water Supply Interruptions	Existence in the regulatory framework of penalties paid by the service provider to discourage supply disruption

Table 5. Subcategory 1.3.1–Regulatory Oversight of Anticompetitive Practices and Service Quality (Internet)

	Indicators	Components
1	Oversight of Anticompetitive Practices	i) Investigations of anticompetitive practices ii) Fines for anticompetitive practices
2	Adherence to Performance Standards	Monitoring adherence to advertised speed, latency, uptime and downtime of services
3	Penalties for Breaches of Reliability Obligations	Existence in the regulatory framework of penalties paid by the service provider for breaches of reliability obligations

1.1.2, 1.2.2, 1.3.2 Requirements on Coordination in Utility Connections and Infrastructure Development (Electricity, Water, 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.¹⁵ Furthermore, regulations that facilitate access to government or privately owned infrastructure result in more efficient and faster broadband network expansion.¹⁶ In addition, regulations that promote infrastructure sharing among telecom network service providers improve broadband affordability and access.¹⁷

Therefore, Subcategories 1.1.2, 1.2.2, and 1.3.2–Requirements on Coordination in Utility Connections and Infrastructure Development 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–Requirements on Coordination in Electricity Connections and Infrastructure Development (Electricity)

	Indicators	Components
1	Joint Construction of Infrastructure	Regulatory provisions requiring coordination in the joint construction of infrastructure
2	Timeline for Approvals	Timeline for approval processes on applications for construction, excavation works or permits required for electricity connections

Table 7. Subcategory 1.2.2–Requirements on Coordination in Water Connections and Infrastructure Development (Water)

	Indicators	Components
1	Joint Construction of Infrastructure	Regulatory provisions requiring coordination in the joint construction of infrastructure
2	Timeline for Approvals	Timeline for approval processes on applications for construction, excavation works or permits required for water connections

Table 8. Subcategory 1.3.2–Requirements on Coordination in Internet Connections and Infrastructure Development (Internet)

	Indicators	Components
1	Joint Construction of Infrastructure	Regulatory provisions requiring coordination in the joint construction of infrastructure

2	Timeline for Approvals	Timeline for approval processes on applications for construction, excavation works or permits required for fixed broadband infrastructure
3	Rights of Way	i) Regulations on equal access to government-owned infrastructure ii) Regulations on rights of way for digital infrastructure service providers
4	Open Infrastructure	i) Passive and active infrastructure sharing ii) Local loop unbundling and line access iii) Asymmetric regulations for dominant carriers

1.1.3, 1.2.3 Regulations on Safety of Utility Connections (Electricity, Water), 1.3.3 Cybersecurity Regulations (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—Regulations on Safety of Utility Connections and Cybersecurity Regulations respectively comprise nine indicators: three for Electricity (Subcategory 1.1.3) (table 9), three for Water (Subcategory 1.2.3) (table 10), and three 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 requirements to ensure the professional qualifications of practitioners performing installations
2	Inspection Regimes	i) Internal installation works ii) External installation works <i>For each of these two components, the indicator evaluates whether there is a regulatory requirement for a final inspection to verify the compliance and quality of electricity installations</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 requirements to ensure the professional qualifications of practitioners performing installations
2	Inspection Regimes	i) Internal installation works ii) External installation works <i>For each of these two components, the indicator evaluates whether there is a regulatory requirement for a final inspection to verify the compliance and quality of water installations</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 11. Subcategory 1.3.3–Cybersecurity Regulations

	Indicators	Components
1	Liability Regimes	i) Liability for personal data protection breaches ii) Data breach incident reporting
2	Cybersecurity Coordination	i) Mandate for risk-assessment strategies ii) Mandate for cybersecurity audits iii) Procedures for collective response against cyber incidents iv) Mandate to enforce cybersecurity laws and regulations
3	Cybersecurity Safeguards	i) Cybersecurity protection or minimum standards ii) Computer Security Incident Response Teams

1.1.4, 1.2.4, 1.3.4 Requirements on 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 In addition, regulatory frameworks that enable technological advancements in the electricity grid—such as the use of smart meters and the development of innovative ancillary and forecasting services for variable renewable energy—are crucial for facilitating the integration of renewable energy sources.³² For instance, allowing renewable energy generators to participate in ancillary services, such as frequency and voltage regulation, can mitigate their intermittent nature and improve grid stability.³³ In the same vein, photovoltaic self-consumption systems have been identified as a sustainable approach to reducing energy bills.³⁴

Improving water quality, increasing water-use efficiency and safe water reuse are imperative to sustainable development.³⁵ 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.³⁶ 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.³⁷ 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.³⁸ Recognizing wastewater as a resource, it should be reused and recycled whenever possible.³⁹

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.⁴⁰ 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—Requirements on Environmental Sustainability comprise fourteen indicators: six for Electricity (Subcategory 1.1.4) (table 12), six for Water (Subcategory 1.2.4) (table 13), and two for Internet (Subcategory 1.3.4) (table 14).

Table 12. Subcategory 1.1.4—Requirements on Environmental Sustainability (Electricity)

	Indicators	Components
1	Environmental Sustainability of Electricity Generation	i) Enforcement of energy efficiency requirements on generation ii) Enforcement of requirements on reduction of emissions
2	Environmental Sustainability of Electricity Transmission and Distribution	i) Enforcement of energy efficiency requirements on transmission and distribution ii) Requirements for the roll-out of smart meters iii) Requirements for the deployment of smart grid components
3	Environmental Sustainability of Electricity Use	Enforcement mechanisms to foster businesses' compliance with energy-saving standards
4	Incentives to Adopt Energy-Saving Practices	Financial and non-financial incentives for businesses to adopt energy-saving practices
5	Regulatory Enablers for Renewable Energy Integration into the Grid	i) Priority access to the grid ii) Permission to sell to customers iii) Access to balancing or ancillary services iv) Forecasting services
6	Regulatory Enablers for Renewable Energy Self-Generation	i) Permission to install renewable energy self-generation facilities ii) Permission to sell excess self-generated electricity to the grid

Table 13. Subcategory 1.2.4—Requirements on Environmental Sustainability (Water)

	Indicators	Components
1	Requirements on Water Quality	i) Water quality standards ii) Enforcement of water quality standards
2	Environmental Sustainability of Water Supply	Enforcement of targets or requirements aimed at reducing non-revenue water
3	Environmental Sustainability of Water Use	i) Permitting requirements for water withdrawal ii) Enforcement mechanism to foster businesses' compliance with water-efficiency standards
4	Incentives to Adopt Water-Saving Practices	Financial and non-financial incentives for businesses to adopt water-saving practices
5	Sustainability of Wastewater Treatment	Enforcement of wastewater discharge requirements such as discharge limits and emission limit values
6	Wastewater Reuse	i) Standards or guidelines for the use of reclaimed water ii) Effluent quality limits for wastewater intended for reuse

Table 14. Subcategory 1.3.4—Requirements on Environmental Sustainability (Internet)

	Indicators	Components
1	Environmental Disclosure for Data Centers	Mandatory reporting or disclosure of specified environmental metrics

2	Emissions and Energy Efficiency of Data Centers	i) Targets for emissions ii) Targets for energy efficiency

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

Table 15 shows the structure for Pillar II, 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
2.1.1	Digital Services and Interoperability
2.1.2	Monitoring of Service Supply in Practice (includes environment)
2.1.3	Availability of Information and Customer Notification
2.1.4	Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms
2.2	Water
2.2.1	Digital Services and Interoperability
2.2.2	Monitoring of Service Supply in Practice (includes environment)
2.2.3	Availability of Information and Customer Notification
2.2.4	Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms
2.3	Internet
2.3.1	Digital Services and Interoperability
2.3.2	Monitoring of Service Supply in Practice
2.3.3	Availability of Information and Customer Notification
2.3.4	Enforcement of Cybersecurity Regulations in Practice and Consumer Protection Mechanisms

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.⁴¹ 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.⁴² Furthermore, digital platforms are recognized as critical for stakeholder engagement in the water sector, streamlining water withdrawal permitting and reporting.⁴³

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.⁴⁴ In addition, an online unified platform with information about planned infrastructure works is essential for effective coordination of network expansion.⁴⁵ The presence of an efficient coordination system, either web-based system or agency to facilitate agency coordination for excavation permit applications and approvals, expedites information exchange and connection processes, minimizing customer involvement in the excavation process.⁴⁶

Therefore, Subcategories 2.1.1, 2.2.1, and 2.3.1–Digital Services and Interoperability comprise thirteen indicators: four for Electricity (Subcategory 2.1.1) (table 16), five 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 electronic applications for new electricity connections ii) The availability of online tracking for the electricity connection process
2	Electronic Payment	The possibility of paying online the fee for a new connection
3	Information on Existing Infrastructure and Planned Works	i) The existence of a digital infrastructure database for electricity distribution networks ii) The existence of a platform with the information on the planned works on utility networks
4	Obtaining Permits related to Electricity Connections	The utility obtains permits related to new electricity connections on behalf of the customer without customer involvement

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

	Indicators	Components
1	Electronic Application	i) The availability of electronic applications for new water connections ii) The availability of online tracking for the water connection process
2	Electronic Payment	The possibility of paying online the fee for a new connection
3	Information on Existing Infrastructure and Planned Works	i) The existence of a digital infrastructure database for water distribution networks ii) The existence of a platform with information on the planned works on utility networks
4	Obtaining Permits related to Water Connections	The utility obtains permits related to new water connections on behalf of the customer without customer involvement
5	Platform for Water Withdrawal Permitting and Reporting	The existence of an online platform for permitting and reporting water withdrawals

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

	Indicators	Components
1	Electronic Application	i) The availability of electronic applications for new internet connections ii) The availability of online tracking of the application for internet connection
2	Electronic Payment	The possibility of paying online the fee for a new connection
3	Information on Existing Infrastructure and Planned Works	i) The existence of a digital infrastructure database for internet service networks ii) The existence of a platform with the information on the planned works on utility networks
4	Obtaining Permits related to Internet Connections	The possibility of obtaining all relevant permits to install conduits and cables on behalf of the customer without customer involvement

2.1.2, 2.2.2, Monitoring of Service Supply in Practice (includes environment) (Electricity, Water), 2.3.2 Monitoring of Service Supply in Practice (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.⁴⁷ Reliability of electricity supply can be monitored through the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI).⁴⁸ Reliability of water supply can be monitored by measuring average hours of service per day or number of customers with interrupted supply.⁴⁹ Water quality can be maintained through regular monitoring of percentage of water receiving chemical treatment as well as percentage of water unsuitable for consumption.⁵⁰ Quality of the internet supply can be monitored through average download and upload speeds or latency times.⁵¹ 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, percentage of wastewater that has been reused, or indicators on non-revenue water amongst others.⁵²

Furthermore, regular monitoring and publishing of utility performance Key Performance Indicators (KPIs) improves service predictability and transparency.⁵³ End users should be able to compare a utility’s actual performance against the performance goals set in its accountability framework.⁵⁴

Therefore, Subcategories 2.1.2, 2.2.2, 2.3.2–Monitoring of Service Supply in Practice (includes environment) and Monitoring of Service Supply in Practice respectively comprise six indicators: two for

Electricity (Subcategory 2.1.2) (table 19), three for Water (Subcategory 2.2.2) (table 20), and one for Internet (Subcategory 2.3.2) (table 21).

Table 19. Subcategory 2.1.2–Monitoring of Service Supply in Practice (includes environment) (Electricity)

	Indicators	Components
1	Monitoring Reliability of Electricity Supply	Monitoring the duration and frequency of electricity outages
2	Monitoring Environmental Sustainability of Electricity Supply	Monitoring and publishing indicators on the environmental sustainability of electricity supply

Table 20. Subcategory 2.2.2–Monitoring of Service Supply in Practice (includes environment) (Water)

	Indicators	Components
1	Monitoring Reliability of Water Supply	Monitoring and publishing indicators on the reliability of water supply
2	Monitoring Quality of Water Supply	Monitoring and publishing indicators on the quality of water supply
3	Monitoring Environmental Sustainability of Water Supply	Monitoring and publishing indicators on the environmental sustainability of water supply

Table 21. Subcategory 2.3.2–Monitoring of Service Supply in Practice (Internet)

	Indicators	Components
1	Monitoring Reliability and Quality of Internet Supply	Monitoring and publishing indicators on the reliability and quality of internet supply

2.1.3, 2.2.3, 2.3.3 Availability of Information and Customer Notification (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.⁵⁵ 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.⁵⁶

Advance notification of tariff changes constitutes an important element of transparent service provision that allows 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.⁵⁷ Furthermore, transparency of the billing system enables businesses to contest charges, if necessary.⁵⁸

Notification of planned outages to customers improves predictability of service provision.⁵⁹ Internet interruptions adversely impact both businesses and customers.⁶⁰ Similarly, power outages can lead to production downtime or disruptions in business processes, thereby posing financial risks to business.⁶¹ Transparency of planned outages contributes to a more predictable business environment. Availability of information on online complaint mechanisms and timelines for complaint resolution are important accountability elements.⁶²

Therefore, Subcategories 2.1.3, 2.2.3, and 2.3.3–Availability of Information and Customer Notification comprise twelve indicators: four for Electricity (Subcategory 2.1.3) (table 22), four for Water (Subcategory 2.2.3) (table 23), and four for Internet (Subcategory 2.3.3) (table 24).

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

	Indicators	Components
1	Connection Requirements	i) Required documents ii) Required steps iii) Connection cost iv) Estimated connection time
2	Tariff Setting	Customers are notified of tariff changes at least one billing cycle in advance
3	Planned Outages	Planned outages are directly communicated to customers in advance
4	Complaint Mechanisms	i) Online complaint mechanism ii) Timeline for complaint resolution

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

	Indicators	Components
1	Connection Requirements	i) Required documents ii) Required steps iii) Connection cost iv) Estimated connection time
2	Tariff Setting	Customers are notified of tariff changes at least one billing cycle in advance
3	Planned Water Supply Interruptions	Planned water supply interruptions are directly communicated to customers in advance
4	Complaint Mechanisms	i) Online complaint mechanism ii) Timeline for complaint resolution

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

	Indicators	Components
1	Connection Requirements	i) Required steps ii) Estimated connection time
2	Tariff Setting	Customers are notified of tariff changes at least one billing cycle in advance
3	Planned Outages	Planned outages are directly communicated to customers in advance
4	Complaint Mechanisms	i) Online complaint mechanism ii) Timeline for complaint resolution

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

The way in which regulations are implemented and enforced determines if a regulatory system is working as intended.⁶³ 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.⁶⁴

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.⁶⁵ 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 in Practice and Consumer Protection Mechanisms, and Enforcement of Cybersecurity Regulations in Practice and Consumer Protection Mechanisms respectively 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 in Practice 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 evaluates whether a final inspection is carried out in practice to verify the quality of installation</i>
2	Independent Complaint Mechanism	The existence of complaint mechanisms independent from the utility to escalate complaints

Table 26. Subcategory 2.2.4—Enforcement of Safety Regulations in Practice 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 evaluates whether a final inspection is carried out in practice to verify the quality of installation</i>
2	Independent Complaint Mechanism	The existence of complaint mechanisms independent from the utility to escalate complaints

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

	Indicators	Components
1	Cybersecurity Protocols	i) Cybersecurity risk assessments ii) Cybersecurity audits iii) Leading collective efforts against cyber incidents iv) Enforcement of cybersecurity laws and regulations v) Computer Security Incident Response Teams
2	Independent Complaint Mechanism	The existence of complaint mechanisms independent from the utility to escalate complaints

3. PILLAR III. OPERATIONAL EFFICIENCY OF UTILITY SERVICE PROVISION

Table 28 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.⁶⁶ By contrast, a less expensive utility connection process is associated with better firm performance, particularly in industries with high electricity needs.⁶⁷ For instance, energy tariffs affect firms' productivity and consumption levels.⁶⁸ In addition, the efficient pricing of energy tariffs impacts firms' investment decisions, which can reduce environmental footprint and improve social welfare.⁶⁹ 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.⁷⁰ Therefore, Subcategories 3.1.1, 3.2.1, and 3.3.1–Affordability comprise three indicators, one for Electricity (Subcategory 3.1.1) (table 29), one for Water (Subcategory 3.2.1) (table 30), and one for 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.⁷¹ A straightforward process that requires less time to receive an electricity connection positively impacts firm revenues, lowers connection rates, and limits bribes.⁷² Therefore, Subcategories 3.1.2, 3.2.2, and 3.3.2–Time to Obtain a Connection comprise three indicators, one Electricity (Subcategory 3.1.2) (table 32), one for Water (Subcategory 3.2.2) (table 33), and one for 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.⁷³ 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.⁷⁴ 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.⁷⁵ 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.⁷⁶ Therefore, Subcategories 3.1.3, 3.2.3, and 3.3.3–Reliability of Supply comprise three indicators, one for Electricity (Subcategory 3.1.3) (table 35), one for Water (Subcategory 3.2.3) (table 36), and one for 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) Percentage of firms not 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 (i.e., lack or reduction of water supply)

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, and on service disruptions 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. 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 specialization 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, consumption of electricity and water, 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 specified directly in the respective questions under Pillar II. Questions under Pillar II of electricity questionnaire account for the cases of vertical unbundling, thus the largest utility provider is specified as largest distribution utility for questions pertaining to connection process and as a largest electricity supplier for questions pertaining to the end-user supply. 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.⁷⁷ 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.⁷⁸

An illustrative breakdown of 180 kVA capacity is as follows:⁷⁹

- 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.⁸⁰

- 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.⁸¹ 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.⁸² 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. 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 39 shows the scoring for the Utility Services topic. 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	40	31	40	71	100	0.33
II	Quality of the Governance and Transparency of Utility Services	37	35	37	72	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 40 indicators with a total score of 71 points (31 points on firm flexibility and 40 points on social benefits) (table 40). The scoring for each category under this pillar is as follows:

- 6.1.1** *Electricity* has 14 indicators with a total maximum score of 25 points (11 points on firm flexibility and 14 points on social benefits). Specifically, the *Regulatory Oversight of Tariffs and Service Quality* Subcategory has 3 indicators; the *Requirements on Coordination in Electricity Connections and Infrastructure Development* Subcategory has 2 indicators; the *Regulations on Safety of Electricity Connections* Subcategory has 3 indicators, and the *Requirements on Environmental Sustainability* Subcategory has 6 indicators.
- 6.1.2** *Water* has 14 indicators with a total maximum score of 24 points (10 points on firm flexibility and 14 points on social benefits). Specifically, the *Regulatory Oversight of Tariffs and Service Quality* Subcategory has 3 indicators; the *Requirements on Coordination in Water Connections and Infrastructure Development* Subcategory has 2 indicators; the *Regulations on Safety of Water*

Connections Subcategory has 3 indicators, and the *Requirements on Environmental Sustainability* Subcategory has 6 indicators.

- 6.1.3** *Internet* has 12 indicators with a total maximum score of 22 points (10 points on firm flexibility and 12 points on social benefits). Specifically, the *Regulatory Oversight of Anticompetitive Practices and Service Quality* Subcategory has 3 indicators; the *Requirements on Coordination in Internet Connections and Infrastructure Development* Subcategory has 4 indicators; the *Regulations on Safety of Internet Connections* Subcategory has 3 indicators, and the *Requirements on Environmental Sustainability* Subcategory 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 most Subcategories. For the *Requirements on Environmental Sustainability* Subcategories, the positive impact on society is derived from enhanced environmental sustainability and improved adherence to environmental standards. Most of the measures in said 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	14	11	14	25	33.33
1.1.1	Regulatory Oversight of Tariffs and Service Quality	3	3	3	6	8.33
1.1.2	Requirements on Coordination in Electricity Connections and Infrastructure Development	2	2	2	4	8.33
1.1.3	Regulations on Safety of Electricity Connections	3	3	3	6	8.33
1.1.4	Requirements on Environmental Sustainability	6	3	6	9	8.33
1.2	Water	14	10	14	24	33.33
1.2.1	Regulatory Oversight of Tariffs and Service Quality	3	3	3	6	8.33
1.2.2	Requirements on Coordination in Water Connections and Infrastructure Development	2	2	2	4	8.33
1.2.3	Regulations on Safety of Water Connections	3	3	3	6	8.33
1.2.4	Requirements on Environmental Sustainability	6	2	6	8	8.33
1.3	Internet	12	10	12	22	33.33
1.3.1	Regulatory Oversight of Anticompetitive Practices and Service Quality	3	3	3	6	6.67
1.3.2	Requirements on Coordination in Internet Connections and Infrastructure Development	4	4	4	8	15.00
1.3.3	Cybersecurity Regulations	3	3	3	6	6.67
1.3.4	Requirements on Environmental Sustainability	2	n/a	2	2	5.00
Total		40	31	40	71	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 the Governance and Transparency of Utility Services

Pillar II covers 37 indicators with a total score of 72 points (35 points on firm flexibility and 37 points on social benefits) (table 41). The scoring for each category under the pillar is as follows:

- 6.2.1** *Electricity* has 12 indicators with a total maximum score of 23 points (11 points on firm flexibility and 12 points on social benefits). Specifically, the *Digital Services and Interoperability* Subcategory has 4 indicators; the *Monitoring of Service Supply in Practice (includes environment)* Subcategory has 2 indicators; the *Availability of Information and Customer Notification* Subcategory has 4 indicators and the *Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms* Subcategory has 2 indicators.
- 6.2.2** *Water* has 14 indicators with a total maximum score of 27 points (13 points on firm flexibility and 14 points on social benefits). Specifically, the *Digital Services and Interoperability* Subcategory has 5 indicators; the *Monitoring of Service Supply in Practice (includes environment)* Subcategory has 3 indicators; the *Availability of Information and Customer Notification* Subcategory has 4 indicators and the *Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms* has 2 indicators.
- 6.2.3** *Internet* has 11 indicators with a total maximum score of 22 points (11 points on firm flexibility and 11 points on social benefits). Specifically, the *Digital Services and Interoperability* Subcategory has 4 indicators; the *Monitoring of Service Supply in Practice* Subcategory has 1 indicator; the *Availability of Information and Customer Notification* Subcategory has 4 indicators; and the *Enforcement of Cybersecurity Regulations in Practice 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	12	11	12	23	33.33
2.1.1	Digital Services and Interoperability	4	4	4	8	8.33
2.1.2	Monitoring of Service Supply in Practice (includes environment)	2	1	2	3	8.33
2.1.3	Availability of Information and Customer Notification	4	4	4	8	8.33
2.1.4	Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms	2	2	2	4	8.33
2.2	Water	14	13	14	27	33.33
2.2.1	Digital Services and Interoperability	5	5	5	10	8.33
2.2.2	Monitoring of Service Supply in Practice (includes environment)	3	2	3	5	8.33
2.2.3	Availability of Information and Customer Notification	4	4	4	8	8.33
2.2.4	Enforcement of Safety Regulations in Practice and Consumer Protection Mechanisms	2	2	2	4	8.33
2.3	Internet	11	11	11	22	33.33

2.3.1	Digital Services and Interoperability	4	4	4	8	8.33
2.3.2	Monitoring of Service Supply in Practice	1	1	1	2	8.33
2.3.3	Availability of Information and Customer Notification	4	4	4	8	8.33
2.3.4	Enforcement of Cybersecurity Regulations in Practice and Consumer Protection Mechanisms	2	2	2	4	8.33
	Total	37	35	37	72	100.00

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

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 Oversight of Tariffs and Service Quality					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Approval of Electricity Tariffs	1	1	2	2.78	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)
Adherence to Performance Standards	1	1	2	2.78	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)
Penalties for Electricity Outages	1	1	2	2.78	Costello (2012); Foster and Rana (2020)
Total Points for Subcategory 1.1.1	3	3	6	8.33	
1.1.2 Requirements on Coordination in Electricity Connections and Infrastructure Development					
Joint Construction of Infrastructure	1	1	2	4.17	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
Timeline for Approvals	1	1	2	4.17	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
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 Requirements	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 Requirements on Environmental Sustainability					
Environmental Sustainability of Electricity Generation	n/a	1	1	0.93	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 Transmission and Distribution	n/a	1	1	0.93	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	0.93	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	1.85	Barreira et al. (2017); De la Rue du Can et al. (2014); Geller et al. (2006); UNEP (n.d.)
Regulatory Enablers for Renewable Energy Integration into the Grid	1	1	2	1.85	Benti et al. (2023), Chen et al. (2023), Demoulias et al. (2020)
Regulatory Enablers for Renewable Energy Self-Generation	1	1	2	1.85	Pedrero et al. (2021)
Total Points for Subcategory 1.1.4	3	6	9	8.33	
Total Points for Category 1.1	11	14	25	33.33	
1.2 WATER					
1.2.1 Regulatory Oversight of Tariffs and Service Quality					
Approval of Water Tariffs	1	1	2	2.78	AfDB (2021); Brown et al. (2006); Cubbin and Stern (2006); Foster and Rana (2020); OECD (2021a); Pérez-Arriaga et al. (2017); World Bank (2019)
Adherence to Performance Standards	1	1	2	2.78	Brown et al. (2006); Foster and Rana (2020); OECD (2021a); Pérez-Arriaga et al. (2017); World Bank (2019)
Penalties for Water Supply Interruptions	1	1	2	2.78	Foster and Rana (2020); Molinos-Senante and R. Sala-Garrido (2017)
Total Points for Subcategory 1.2.1	3	3	6	8.33	
1.2.2 Requirements on Coordination in Water Connections and Infrastructure Development					
Joint Construction of Infrastructure	1	1	2	4.17	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
Timeline for Approvals	1	1	2	4.17	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
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 Requirements	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 Requirements on Environmental Sustainability					
Requirements on Water Quality	1	1	2	2.08	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 Provision	n/a	1	1	1.04	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	1.04	Fan et al. (2019); OECD (2009); Pinto et al. (2017); Colorado WaterWise (n.d.)
Incentives to Adopt Water-Saving Practices	1	1	2	2.08	OECD (2011, 2021b); Onyenankeya, Onyenankeya, and Osunkunle (2021)
Sustainability of Wastewater Treatment	n/a	1	1	1.04	Corcoran et al. (2010); UNEP (2015)
Wastewater Reuse	n/a	1	1	1.04	Corcoran et al. (2010); EU (2020); IWA (2018)
Total Points for Subcategory 1.2.4	2	6	8	8.33	
Total Points for Category 1.2	10	14	24	33.33	
1.3 INTERNET					
1.3.1 Regulatory Oversight of Anticompetitive Practices and Service Quality					
Oversight of Anticompetitive Practices	1	1	2	2.22	ITU and World Bank (2020); Kelly and Rossotto (2012); World Bank Group (2018)
Adherence to Performance Standards	1	1	2	2.22	ITU and World Bank (2020); Kelly and Rossotto (2012); World Bank Group (2018)
Penalties for Breaches of Reliability Obligations	1	1	2	2.22	ITU (2017); ITU and the World Bank (2020)
Total Points for Subcategory 1.3.1	3	3	6	6.67	
1.3.2 Requirements on Coordination in Internet Connections and Infrastructure Development					
Joint Construction of Infrastructure	1	1	2	3.75	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
Timeline for Approvals	1	1	2	3.75	Martínez Garza Fernández et al. (2020); OECD (2003, 2012); RWI (n.d.)
Rights of Way	1	1	2	3.75	ITU and World Bank (2020); OECD (2008, 2018)

Open Infrastructure	1	1	2	3.75	ITU and UNESCO (2021); ITU and World Bank (2020); OECD (2008, 2018)
Total Points for Subcategory 1.3.2	4	4	8	15.00	
1.3.3 Cybersecurity Regulations					
Liability Regimes	1	1	2	2.22	EU Council (2016); ITU (2018); OECD (2013a); World Bank (2017a)
Cybersecurity Coordination	1	1	2	2.22	ITU (2018); World Bank (2016, 2017a, 2021b)
Cybersecurity Safeguards	1	1	2	2.22	ITU (2018); World Bank (2016, 2017a, 2021b)
Total Points for Subcategory 1.3.3	3	3	6	6.67	
1.3.4 Requirements on Environmental Sustainability					
Environmental Disclosure for Data Centers	n/a	1	1	2.50	Belkhir and Elmeligi (2018); ITU and World Benchmarking Alliance (2022)
Emissions and Energy Efficiency of Data Centers	n/a	1	1	2.50	ITU and World Benchmarking Alliance (2022)
Total Points for Subcategory 1.3.4	n/a	2	2	5.00	
Total Points for Category 1.3	10	12	22	33.33	
Total Points for Pillar I	31	40	71	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)
Obtaining Permits related to Electricity Connections	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 in Practice (includes environment)					
Monitoring Reliability of Electricity Supply	1	1	2	5.56	ADB (2021); Banerjee et al. (2017); Bird (2005); IEEE (2004); World Bank (2021a)
Monitoring Environmental Sustainability of Electricity Supply	n/a	1	1	2.78	Hristov and Chirico (2019)
Total Points for Subcategory 2.1.2	1	2	3	8.33	
2.1.3 Availability of Information and Customer Notification					
Connection Requirements	1	1	2	2.08	Balabanyan (2021); ECRB (2021); Geginat and Saltane (2014)
Tariff Setting	1	1	2	2.08	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009); Foster and Rana (2020)
Planned Outages	1	1	2	2.08	Balabanyan (2021); ECRB (2021); Krasko et al. (2024)
Complaint Mechanisms	1	1	2	2.08	Transparency International (2016); ECRB (2018), Pande et al. (2022), Marathe et al. (2016)
Total Points for Subcategory 2.1.3	4	4	8	8.33	
2.1.4 Enforcement of Safety Regulations in Practice 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	11	12	23	33.33	

2.2 WATER					
2.2.1 Digital Services and Interoperability					
Electronic Application	1	1	2	1.67	Ha (2022); Katz (2017)
Electronic Payment	1	1	2	1.67	Popa and Prostean (2013)
Information on Existing Infrastructure and Planned Works	1	1	2	1.67	ITU (2019); OGC et al. (2018); UNESCAP (2019)
Obtaining Permits related to Water Connections	1	1	2	1.67	FPISC (2017); IFC, World Bank, and MIGA (2013); UNESCAP (2019); Yu, Zhang, and Li (2013)
Platform for Water Withdrawal Permitting and Reporting	1	1	2	1.67	OECD (2021b)
Total Points for Subcategory 2.2.1	5	5	10	8.33	
2.2.2 Monitoring of Service Supply in Practice (includes environment)					
Monitoring Reliability 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); OECDb; OECD (2015); UNECE and WHO (2019)
Monitoring 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); OECDb; OECD (2015); UNECE and WHO (2019)
Monitoring Environmental Sustainability of Water Supply	n/a	1	1	1.67	Alegre et al. (2006); Hristov and Chirico (2019)
Total Points for Subcategory 2.2.2	2	3	5	8.33	
2.2.3 Availability of Information and Customer Notification					
Connection Requirements	1	1	2	2.08	Balabanyan (2021); Geginat and Saltane (2014); World Bank (2017b)
Tariff Setting	1	1	2	2.08	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009)
Planned Water Supply Interruptions	1	1	2	2.08	Balabanyan (2021); Mwitirehe, Cheruiyot, and Ruranga (2022)
Complaint Mechanisms	1	1	2	2.08	Transparency International (2016); Pande et al. (2022); Marathe et al. (2016)
Total Points for Subcategory 2.2.3	4	4	8	8.33	
2.2.4 Enforcement of Safety Regulations in Practice 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	14	27	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)
Obtaining Permits related to Internet Connections	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 Service Supply in Practice					
Monitoring Reliability and Quality of Internet Supply	1	1	2	8.33	Kelly and Rossotto (2012); Chetty et al. (2011); Chetty et al. (2012)
Total Points for Subcategory 2.3.2	1	1	2	8.33	
2.3.3 Availability of Information and Customer Notification					
Connection Requirements	1	1	2	2.08	Balabanyan (2021); Geginat and Saltane (2014)
Tariff Setting	1	1	2	2.08	Balabanyan (2021); Body of European Regulators for Electronic Communications (2009)
Planned Outages	1	1	2	2.08	Balabanyan (2021); Kelly and Rossotto (2012)
Complaint Mechanisms	1	1	2	2.08	Transparency International (2016); Pande et al. (2022); Marathe et al. (2016); Suchi Pande and Naomi Hossain (2022); World Bank (2016)
Total Points for Subcategory 2.3.3	4	4	8	8.33	
2.3.4 Enforcement of Cybersecurity Regulations in Practice 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	11	11	22	33.33	
Total Points for Pillar II	35	37	72	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 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 switches: These are network devices that manage data traffic between end-user devices and the wider network. An access node switch can connect to different network layers and routes data between the user's local network (like a home or office) and the broader telecommunications or internet infrastructure.

Asymmetric regulations: Asymmetric regulations refer to a regulatory approach where players with outsized market power have obligations to grant other players access to their networks or to promote the interest of end users through price regulations. This regulatory approach is often used to promote competition, particularly in markets where there is a dominant player.

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.

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.

Commercial cryptographic method or provider: A cryptographic algorithm, standard, or solution developed and used for commercial purposes, as well as the service provider offering its implementation. This excludes cryptography designed exclusively for military or state-security applications.

COP (Coefficient of Performance): The Coefficient of Performance (COP) is a measure of the efficiency of a heating or cooling system, such as a heat pump or air conditioner. It is defined as the ratio of useful heating or cooling output (in watts) to the amount of electrical energy input (in watts). A higher COP indicates a more efficient system. For instance, a COP of 3 means that for every unit of energy consumed, the system produces three units of heating or cooling.

Cost to obtain new electricity connection: The cost to obtain a new electricity connection includes all costs incurred by the firm associated with connecting to an electrical grid, including application fees, permitting, inspection fees, and cost of works, labor and equipment required to connect to the grid. Do not include in this value the cost of materials and equipment installed internally at the premises (for example, wiring cables inside the building).

Cost to obtain new internet connection: The total cost borne by firm for the provision of new high-speed internet connection, including application fee, infrastructure surcharges, installation costs, labor and equipment required to connect the establishment to the internet through a fixed connection. The cost of internet equipment installed inside the private property premises is excluded (such as ethernet wall outlet or patch panel inside the building).

Cost to obtain new water connection: Cost to obtain a new water connection means all costs incurred by the firm to receive a new water connection including permitting, inspection fees, cost of all connections works, labor, equipment required to connect the establishment to the water network, including a water meter if available. Do not include in this value application fees, infrastructure development contribution fees, the cost of internal installations (for example, pipes inside the building), nor the cost of a sewage connection. Include all applicable taxes.

Cross-border data flows: The movement or transfer of data or personal information between servers across country borders.

Cybersecurity safeguards: Cybersecurity safeguards are measures implemented to protect networks, devices, and data from unauthorized access, data breaches, malware attacks, and other forms of cyber threats. Common cybersecurity safeguards include firewalls, encryption, multi-factor authentication, security protocols, and regular security audits.

Data intermediaries: A neutral third-party entity that facilitates the secure and governed sharing of data between individuals or organizations and third parties and ensures data is used in a specific, agreed-upon way.

Data processors: A person or organization that handles and/or processes personal data on behalf of another entity, acting strictly according to the instructions and contractual obligations.

‘Dig once’ policy: A regulatory or planning approach requiring that, when excavation of public rights-of-way occurs, opportunities are taken to install additional utility infrastructure or to reserve space for future deployment. Access to existing infrastructure or information on planned works can be requested by any party. The main purpose is to avoid repeated digging, reduce costs, minimize disruption, and anticipate future infrastructure needs.

Electricity/power outage: The loss of the electrical power from power grid; occurs when there is equipment malfunction from the failure of adequate supply of power. Note that if power outages are planned, i.e. “load shedding”, this is considered a power outage.

External installation/connection works: The connection works outside the private property premises.

Internal installation/connection works: The connection works inside the private property premises.

Internet interruption/outage: The interruptions to internet service, 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).

Last Mile: The "Last Mile" refers to the final link in delivering internet services to customers. The connection type can vary in technology and can take the form of including copper lines (DSL), fiber-optic cables, or wireless connections (such as 5G or Wi-Fi).

Latency: The delays in data transfer due to unreliable networks.

Legal Enforceability: 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: Rules, regulations and laws that make up the totality of the legislation applicable to international trade in a specific jurisdiction. This refers to national or federal legislation, rather than subnational rules (e.g., state-level laws). In the case of the European Union, this includes EU directives along with the national regulations and annexes that implement and supplement them.

Lit Fiber: Lit fiber refers to fiber-optic cables that have been "lit" by the installation of the necessary electronics (like lasers or LEDs) to send light pulses that carry data. Hence, such cables are actively transmitting data.

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.

RAN Access: Radio Access Networks (RAN) are part of telecommunications system that connect individual devices (including smartphones) to the core network through the use of radio frequencies to link devices with base stations, which then connect to the broader telecom network. Preexisting RAN Access facilitates the deployment of fixed wireless access for fixed broadband connections.

Rights 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.

SSL inspection: The process of intercepting and reviewing SSL-encrypted internet communication between the client and the server.

Targets: Specific, measurable goals set by governments to reduce the environmental impact of the telecommunications and IT sectors. These targets include using more renewable energy, reducing carbon footprints, optimizing server utilization, improving cooling efficiency, and utilizing waste heat.

Technology neutrality principle: The principle that laws, regulations, and policies should remain neutral with respect to the choice of technology or medium. A technology-neutral legal framework sets requirements in functional terms, without prescribing or excluding specific technological solutions.

Time to obtain a new electricity connection: The period in days from the moment the application is submitted till the moment electricity supply starts.

Time to obtain a new internet connection: The period in days between the completed and submitted application and the connection provision. This period includes the time to install cable, fiber, or DSL when necessary.

Time to obtain a new water connection: The period in days from the moment the application is submitted till the moment water supply starts.

Unsolicited commercial electronic messages (Spam): Unrequested digital communications, typically sent in bulk for advertising or promotional purposes, that are directed to multiple recipients without their prior consent.

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.

ELECTRICITY 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → *provide response to question ...*” or “N → *provide response to question ...*” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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 OVERSIGHT OF TARIFFS AND SERVICE QUALITY

1. **Per the regulatory framework, is there a designated independent authority (e.g., regulator or other government institution) with final decision-making power in the approval of electricity tariffs? (Y/N)**
2. **Per the regulatory framework, is there a designated independent authority (e.g., regulator or other government institution), that monitors compliance of service quality and reliability with defined performance standards? (Y/N)**
3. **Does the regulatory framework define binding penalties to be paid by utilities for electricity outages? (Y/N)**

1.1.1 REGULATORY OVERSIGHT OF TARIFFS AND SERVICE QUALITY			
Indicators	FFP	SBP	Total Points
Approval of Electricity Tariffs (1)	1	1	2

Adherence to Performance Standards (2)	1	1	2
Penalties for Electricity Outages (3)	1	1	2
Total Points	3	3	6

1.1.2 REQUIREMENTS ON COORDINATION IN ELECTRICITY CONNECTIONS AND INFRASTRUCTURE DEVELOPMENT

4. 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)
5. In [CITY], is there a binding maximum timeframe within which all concerned agencies must issue a decision (approve or reject) on applications for construction, excavation works or permits required for electricity connections? (Y/N)

1.1.2 REQUIREMENTS ON COORDINATION IN ELECTRICITY CONNECTIONS AND INFRASTRUCTURE DEVELOPMENT			
Indicators	FFP	SBP	Total Points
Joint Construction of Infrastructure (4)	1	1	2
Timeline for Approvals (5)	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

6. Per the regulatory framework, are professionals carrying out or supervising electricity installation works required to meet the following conditions? (Y/N)

Note: Please select “Yes” or “No” for each answer option.

- 6a. Minimum number of years of experience
- 6b. Education qualification (e.g., university degree in a relevant field, vocational training, apprenticeship, or equivalent training)
- 6c. Pass a qualification exam
7. Per the regulatory framework, is a final inspection required to verify the compliance and the quality of internal electricity installations of all types, including low voltage? (Y/N)
8. Per the regulatory framework, is a final inspection required to verify the compliance and the quality of external electricity installations of all types, including low voltage? (Y/N)
9. Under the regulatory framework, can all of the following parties be held liable by law in case faults are discovered when the electricity connection is in use?
 - Engineer or company that designed the plans for the connection
 - Professional or agency that conducted technical inspections
 - Professional or company that performed installation works (Y/N)

1.1.3 REGULATIONS ON SAFETY OF ELECTRICITY CONNECTIONS			
Indicators	FFP	SBP	Total Points

Professional Certifications - Minimum number of years of experience (6a) - Education qualification (6b) - Qualification exam (6c) <i>At least 2 of the requirements above must be met to obtain a point on this indicator</i>	1	1	2
Inspection Requirements - Internal installation works (7) - External installation works (8)	1 0.5 0.5	1 0.5 0.5	2 1 1
Liability Regimes (9)	1	1	2
Total Points	3	3	6

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

1.1.4 REQUIREMENTS ON ENVIRONMENTAL SUSTAINABILITY

10. Does the regulatory framework stipulate any financial sanctions applicable to electricity generation plants for not meeting the requirements on energy efficiency? (Y/N)
11. Does the regulatory framework stipulate any financial sanctions applicable to electricity generation plants for not meeting the requirements on reduction of emissions of local air pollutants? (Y/N)
12. Does the regulatory framework stipulate any financial sanctions applicable to electricity transmission and distribution utilities for not meeting the requirements on energy efficiency?
13. Does the regulatory framework stipulate requirements or incentives on the roll-out of smart meters to commercial customers? (Y/N)
14. Does the regulatory framework require transmission, distribution, or supply companies to deploy ‘smart grids’ components in [CITY]? (Y/N)
15. Does the regulatory framework include reference to financial sanctions against firms for not complying with energy-efficiency requirements?(Y/N)
16. Does the regulatory framework include any financial incentives for firms to adopt energy-saving practices or energy-efficient technologies? (Y/N)
17. Does the regulatory framework include any non-financial incentives for firms to adopt energy-saving practices or energy-efficient technology? (Y/N)
18. Does the regulatory framework grant priority access to the grid for renewable energy providers? (Y/N)
19. Does the regulatory framework allow commercial or industrial electricity customers to install renewable energy self-generation facilities (e.g., rooftop solar panels) for self-consumption? (Y/N)
20. Does the regulatory framework allow commercial or industrial electricity customers to sell excess self-generated electricity to the grid? (Y/N)

21. Does the regulatory framework allow customers to purchase power directly from third parties other than the designated utility in a service area? (Y/N)
22. Does the regulatory framework allow renewable energy providers to sell power into balancing or ancillary services? (Y/N)
23. Does the regulatory framework mandate the implementation of forecasting services of renewable energy output from variable renewable energy resources? (Y/N)

1.1.4 REQUIREMENTS ON ENVIRONMENTAL SUSTAINABILITY			
Indicators	FFP	SBP	Total Points
Environmental Sustainability of Electricity Generation	n/a	1	1
- Enforcement of energy efficiency requirements on generation (10)	n/a	0.5	0.5
- Enforcement of requirements on reduction of emissions (11)	n/a	0.5	0.5
Environmental Sustainability of Electricity Transmission and Distribution	n/a	1	1
- Enforcement of energy efficiency requirements on transmission and distribution (12)	n/a	0.33	0.33
- Requirements for the roll-out of smart meters (13)	n/a	0.33	0.33
- Requirements for the deployment of smart grid components (14)	n/a	0.33	0.33
Environmental Sustainability of Electricity Use (15)	n/a	1	1
Incentives to Adopt Energy-Saving Practices	1	1	2
- Financial and non-financial incentives for businesses (16 AND 17) OR	1 OR	1 OR	2 OR
- Financial incentives for businesses (16)	0.5	0.5	1
Regulatory Enablers for Renewable Energy Integration into the Grid	1	1	2
- Priority access to the grid (18)	0.25	0.25	0.5
- Permission to sell to customers (21)	0.25	0.25	0.5
- Access to balancing or ancillary services (22)	0.25	0.25	0.5
- Forecasting services (23)	0.25	0.25	0.5
Regulatory Enablers for Renewable Energy Self-Generation	1	1	2
- Permission to install renewable energy self-generation facility (19)	0.5	0.5	1
- Permission to sell excess self-generated electricity to the grid (20)	0.5	0.5	1
Total Points	3	6	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–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.

2.1.1 DIGITAL SERVICES AND INTEROPERABILITY/

24. Is [LARGEST ELECTRICITY UTILITY PROVIDER] the largest electricity provider in [CITY]? (Y/N) *(not scored)*
25. Is [LARGEST UTILITY SUPPLIER] the largest electricity supplier in [CITY]? (Y/N) *(not scored)*
26. For [LARGEST UTILITY DISTRIBUTION], can a customer apply for a new commercial electricity connection through a fully online process? (Y/N)
27. For [LARGEST UTILITY DISTRIBUTION], can commercial customers track online the status and progress of an application for a new electricity connection? (Y/N)
28. For [LARGEST UTILITY DISTRIBUTION], is it possible to pay the fee for a new commercial electricity connection through electronic payment methods? (Y/N)
29. Is there a digital infrastructure database in [CITY] that shows the existing electricity distribution network, including the lines of [LARGEST UTILITY DISTRIBUTION]? (Y/N)
30. For [LARGEST UTILITY DISTRIBUTION], is there a publicly available online platform with information about planned works on electricity utility networks in [CITY] that can be consulted for coordination of infrastructure projects? (Y/N)
31. Does the utility obtain permits *(e.g., excavation or environmental permit, rights of way)* related to new electricity connections on behalf of the customer without customer involvement? (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 (26)	0.5	0.5	1
- Online tracking for electricity connection process (27)	0.5	0.5	1
Electronic Payment (28)	1	1	2
Information on Existing Infrastructure and Planned Works	1	1	2
- Digital infrastructure database for electricity distribution networks (29)	0.5	0.5	1
- Platform with the information on the planned works on utility networks (30)	0.5	0.5	1
Obtaining Permits related to Electricity Connections (31)	1	1	2
Total Points	4	4	8

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

2.1.2 MONITORING OF SERVICE SUPPLY IN PRACTICE (INCLUDES ENVIRONMENT)

32. Are the SAIDI and SAIFI (indicators on duration and frequency of electricity outages) pertaining to [LARGEST UTILITY DISTRIBUTION] for [CITY] published online for the calendar year 2024 (in minutes/customer/ year)? (Y/N)
- Y → provide response to questions 33-34.

33. Please provide the SAIDI for [CITY] in the last calendar year (January 1st to December 31, 2024): (minutes/customer/year). *(not scored)*
34. Please provide the SAIFI (including load shedding) for [CITY] in the last calendar year (January 1st to December 31, 2024) (in number of outages/customer/year). *(not scored)*
35. Is environmental sustainability of electricity supply monitored through a set of indicators? (Y/N)
36. Are these indicators published online at least once a year? (Y/N)

2.1.2 MONITORING OF SERVICE SUPPLY IN PRACTICE (INCLUDES ENVIRONMENT)			
Indicators	FFP	SBP	Total Points
Monitoring Reliability of Electricity Supply (32)	1	1	2
Monitoring Environmental Sustainability of Electricity Supply (35 AND 36)	n/a	1	1
Total Points	1	2	3

Note: n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.1.3 AVAILABILITY OF INFORMATION AND CUSTOMER NOTIFICATION

For new commercial electricity connections, does [LARGEST DISTRIBUTION UTILITY] have a publicly accessible (not protected by login) website that lists the following information? (questions 37 through 40)

37. List of all documents required for obtaining a new commercial electricity connection (Y/N)
38. The required steps from the utility and all concerned agencies to get a new commercial electricity connection (*e.g., application submission, payment of fees, site inspection, etc.*) (Y/N)
39. The estimated total cost charged by utility for a new electricity connection (Y/N)
40. Estimated connection time from submitting an application to the final supply of electricity (Y/N)
41. Are changes in monthly electricity tariffs [LARGEST UTILITY SUPPLIER] directly communicated to the customers at least one billing cycle in advance through letters, bills, emails, and/or SMS? (Y/N)
42. Are planned power outages at [LARGEST UTILITY SUPPLIER] directly communicated to customers in advance through letters, bills, emails, and/or SMS? (Y/N)
43. For [LARGEST UTILITY SUPPLIER], is there a complaint mechanism to report issues (*e.g., incorrect billing, supply problems, service interruptions*)? (Y/N)
44. For [LARGEST UTILITY SUPPLIER], is the expected timeline for complaint resolution available online? (Y/N)

2.1.3 AVAILABILITY OF INFORMATION AND CUSTOMER NOTIFICATION			
Indicators	FFP	SBP	Total Points
Connection Requirements	1	1	2
- Required documents (37)	0.25	0.25	0.5
- Required steps (38)	0.25	0.25	0.5
- Connection cost (39)	0.25	0.25	0.5
- Estimated connection time (40)	0.25	0.25	0.5
Tariff Setting (41)	1	1	2
Planned Outages (42)	1	1	2
Complaint Mechanisms	1	1	2
- Online complaint mechanism (43)	0.5	0.5	1
- Timeline for complaint resolution (44)	0.5	0.5	1
Total Points	4	4	8

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

2.1.4 ENFORCEMENT OF SAFETY REGULATIONS IN PRACTICE AND CONSUMER PROTECTION MECHANISMS

45. Is a final inspection carried out in practice to verify the compliance and quality of internal electricity installations of all types, including low voltage? (Y/N)

46. Is a final inspection carried out in practice to verify the compliance and quality of external electricity installations of all types, including low voltage? (Y/N)

47. Is there a complaint mechanism independent from the electricity utility to escalate complaints? (Y/N)

2.1.4 ENFORCEMENT OF SAFETY REGULATIONS IN PRACTICE AND CONSUMER PROTECTION MECHANISMS			
Indicators	FFP	SBP	Total Points
Implementation of Inspections for Electricity Connections	1	1	2
- Internal installation works (45)	0.5	0.5	1
- External installation works (46)	0.5	0.5	1
Independent Complaint Mechanism (47)	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 (ELECTRICITY)

The scores for Pillar III indicators are calculated using the linear approach to transform economy-level answers into indicator scores ranging from 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 48-52) and firm-level surveys (questions 53-56). Data collected through expert consultations use the following parameters:

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 is referred to largest electricity distribution utility and the largest electricity supplier in the largest city (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.

3.1.1 AFFORDABILITY

48. For an electricity connection of 60 kVA/60 kW (e.g., 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).
49. For an electricity connection of 180 kVA/180 kW (e.g., 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).
50. For the [LARGEST ELECTRICITY SUPPLIER], 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	100 (100%)	n/a	100 (100%)
- Cost of Connection (48 AND 49)	50 (50%)	n/a	50 (50%)
- Cost of Service (50)	50 (50%)	n/a	50 (50%)
<i>The cost of connection is calculated as the mean of median costs for two connection scenarios, representing a simple and a medium complexity electricity installation, and based on distances of 10 and</i>			

75 meters respectively from the main electricity distribution line, divided by gross national income (GNI) per capita. The cost of service is measured as the median monthly cost for a consumption level of 34,560 kWh, also divided by GNI per capita			
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.

3.1.2 TIME TO OBTAIN A CONNECTION

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below:

51. For an electricity connection of 60 kVA/60 kW (e.g., a shop or a non-refrigerated storage facility) in [CITY], with a distance of 10 meters from the main distribution line, please provide the total time to obtain a new electricity connection from [LARGEST DISTRIBUTION UTILITY] in calendar days from the day of the application to the day the service was received (in calendar days). (not scored)

52. For an electricity connection of 180 kVA/180 kW (e.g., a small retail mall or a restaurant) in [CITY], with a distance of 75 meters from the main distribution line, please provide the total time to obtain a new electricity connection from [LARGEST DISTRIBUTION UTILITY] in calendar days from the day of the application to the day the service was received (in calendar days). (not scored)

53. Wait for electrical connection (days): In reference to that application, approximately how many days did it take to obtain it from the day of the application to the day the service was received?
Note: ES questionnaire version 2023

Wait for electrical connection (days): Approximately how many days did it take to obtain it from the day of the application to the day the service was received?
Note: ES questionnaire versions 2024 and 2025

3.1.2 TIME TO OBTAIN A CONNECTION			
Indicators	FFP	SBP	Total Points
Time to Obtain an Electricity Connection (53)	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.

3.1.3 RELIABILITY OF SUPPLY

54. Number of outages: In a typical month, how many power outages did this establishment experience?

55. Duration of outages: How long did these power outages last on average?

56. 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 (54)	33.33 (33.33%)	n/a	33.33 (33.33%)
- Average duration of power outages (55)	33.33 (33.33%)	n/a	33.33 (33.33%)
- Percentage of firms not owning or sharing a generator (56)	33.33 (33.33%)	n/a	33.33 (33.33%)
Total Points	100	n/a	100

Note: n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Point; SBP = Social Benefits Point.

WATER 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 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. If regulations differ across states within an economy, please provide information regarding the regulations of the largest city.

1.2.1 REGULATORY OVERSIGHT OF TARIFFS AND SERVICE QUALITY

1. **Per the regulatory framework, is there a designated independent authority (*e.g., regulator or other government institution*) with final decision-making authority in the approval of water tariffs?** (Y/N)
2. **Per the regulatory framework, is there a designated independent authority (*e.g., regulator or other government institution*) that monitors compliance of water service quality and reliability with defined performance standards?** (Y/N)
3. **Does the regulatory framework define binding penalties to be paid by utilities for water supply interruptions?** (Y/N)

1.2.1 REGULATORY OVERSIGHT OF TARIFFS AND SERVICE QUALITY			
Indicators	FFP	SBP	Total Points
Approval of Water Tariffs (1)	1	1	2
Adherence to Performance Standards (2)	1	1	2
Penalties for Water Supply Interruptions (3)	1	1	2

Total Points	3	3	6

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

1.2.2 REQUIREMENTS ON COORDINATION IN WATER CONNECTIONS AND INFRASTRUCTURE DEVELOPMENT

4. 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)
5. In [CITY], is there a binding maximum timeframe for all concerned agencies must issue a decision (approve or reject) on applications for construction, excavation works or permits required for water connections? (Y/N)

1.2.2 REQUIREMENTS ON COORDINATION IN WATER CONNECTIONS AND INFRASTRUCTURE DEVELOPMENT			
Indicators	FFP	SBP	Total Points
Joint Construction of Infrastructure (4)	1	1	2
Timeline for Approvals (5)	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

6. Per the regulatory framework, are professionals carrying out water installation works required to meet the following conditions? (Y/N)

Note: Please select “Yes” or “No” for each answer option.

- 6a. Minimum number of years of experience
- 6b. Education qualification (i.e. university degree in the relevant field, vocational training, apprenticeship, or equivalent training)
- 6c. Pass a qualification exam
7. Per the regulatory framework, is a final inspection required to verify the compliance and quality of internal water installations? (Y/N)
8. Per the regulatory framework, is a final inspection required to verify the compliance and quality of external water installations? (Y/N)
9. Under the regulatory framework, can all of the following parties be held liable by law in case faults are discovered when the water connection is in use?
 - Engineer or company that designed the plans for the connection
 - Professional or agency that conducted technical inspections
 - Professional or company that performed installation works (Y/N)

1.2.3 REGULATIONS ON SAFETY OF WATER CONNECTIONS			
Indicators	FFP	SBP	Total Points

Professional Certifications - Minimum number of years of experience (6a) - Education qualification (6b) - Qualification exam (6c) <i>At least 2 of the requirements above must be met to obtain a point on this indicator</i>	1	1	2
Inspection Requirements - Internal installation works (7) - External installation works (8)	1 0.5 0.5	1 0.5 0.5	2 1 1
Liability Regimes (9)	1	1	2
Total Points	3	3	6

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

1.2.4 REQUIREMENTS ON 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 10 through 13)

10. Aesthetic tests (e.g., taste, odor, appearance) at the consumer tap (Y/N)

11. Microbiological parameters' tests at the consumer tap (Y/N)

12. Physical-chemical tests at the consumer tap (Y/N)

13. Radiological tests (Y/N)

14. Does the regulatory framework stipulate any financial sanctions imposed on water utilities to ensure compliance with water quality standards? (Y/N)

15. Does the regulatory framework stipulate any financial sanctions imposed on water utilities to ensure compliance with targets or requirements aimed at reducing non-revenue water ? (Y/N)

16. Does the regulatory framework require a permit for water withdrawal ? (Y/N)

17. Does the regulatory framework include any financial sanctions imposed on businesses for not complying with water-efficiency requirements? (Y/N)

18. Does the regulatory framework include any financial incentives for businesses to adopt water-saving practices or water-efficient technology? (Y/N)

19. Does the regulatory framework include any non-financial incentives for businesses to adopt water-saving practices or water-efficient technology? (Y/N)

20. Does the regulatory framework impose financial sanctions for non-compliance with wastewater treatment and discharge requirements, such as discharge limits and emission limit values? (Y/N)

21. Does the regulatory framework include standards or guidelines for the use of reclaimed water (such as use for agricultural irrigation, industrial use, urban reuse, or potable reuse)? (Y/N)

22. Are there legally mandated effluent quality limits specifically for wastewater intended for reuse? (Y/N)

1.2.4 REQUIREMENTS ON ENVIRONMENTAL SUSTAINABILITY			
Indicators	FFP	SBP	Total Points
Requirements on Water Quality	1	1	2
- Standards for water quality (10 AND 11 AND 12 AND 13)	0.5	0.5	1
- Enforcement of standards for water quality (14)	0.5	0.5	1
Environmental Sustainability of Water Supply (15)	n/a	1	1
Environmental Sustainability of Water Use	n/a	1	1
- Permitting requirements for water withdrawal (16)	n/a	0.5	0.5
- Enforcement of water efficiency requirements (17)	n/a	0.5	0.5
Incentives to Adopt Water-Saving Practices	1	1	2
- Financial and non-financial incentives for businesses (18 AND 19) OR	1 OR	1 OR	2 OR
- Financial incentives for businesses (18)	0.5	0.5	1
Environmental Sustainability of Wastewater Treatment (20)	n/a	1	1
Wastewater Reuse	n/a	1	1
- Standards or guidelines for the use of reclaimed water (21)	n/a	0.5	0.5
- Effluent quality limits for wastewater intended for reuse (22)	n/a	0.5	0.5
Total Points	2	6	8

Note: n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Point; SBP = Social 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). The largest utility provider is specified directly in the questions.

2.2.1 DIGITAL SERVICES AND INTEROPERABILITY

23. Is [LARGEST UTILITY PROVIDER] the largest water utility provider in [CITY]? (Y/N) (*not scored*)

24. For [LARGEST UTILITY PROVIDER], can a customer apply for a new commercial water connection through a fully online process? (Y/N)

25. For [LARGEST UTILITY PROVIDER], can commercial customers track online the status and the progress of an application for a new water connection? (Y/N)

26. For [LARGEST UTILITY PROVIDER], is it possible to pay the fee for a new water connection (*e.g., application fee, connection charge*) through electronic payment methods? (Y/N)

27. Is there a digital infrastructure database infrastructure database in [CITY] (e.g., a GIS database) that shows the existing water distribution network, including the lines of [LARGEST UTILITY PROVIDER]? (Y/N)
28. For [LARGEST UTILITY PROVIDER], is there a publicly available online platform with information about the planned works on utility networks that are carried out in [CITY]? (Y/N)
29. Does the utility obtain permits (e.g., excavation or environmental permit, rights of way) related to new water connections on behalf of the customer without customer involvement? (Y/N)
30. Is there a website or online platform for water withdrawal permit registration and water withdrawal reporting? (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 (24)	0.5	0.5	1
- Online tracking for water connection process (25)	0.5	0.5	1
Electronic Payment (26)	1	1	2
Information on Existing Infrastructure and Planned Works	1	1	2
- Digital infrastructure database for water distribution networks (27)	0.5	0.5	1
- Platform with the information on the planned works on utility networks (28)	0.5	0.5	1
Obtaining Permits related to Water Connections (29)	1	1	2
Platform for Water Withdrawal Permitting and Reporting (30)	1	1	2
Total Points	5	5	10

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

2.2.2 MONITORING OF SERVICE SUPPLY IN PRACTICE (INCLUDES ENVIRONMENT)

31. Does the [LARGEST UTILITY PROVIDER] in [CITY] monitor the number of commercial customers that have disruptions to 24/7 water supply? (Y/N)
32. For [LARGEST UTILITY PROVIDER], are the indicators on reliability of water supply (e.g., supply continuity, water pressure) published online at least once a year? (Y/N)
33. Are all of the following water quality parameters monitored in practice by [LARGEST UTILITY PROVIDER] in [CITY]?
- aesthetic (e.g., taste, odor, appearance),
 - microbiological,
 - physical-chemical, and
 - radiological parameters? (Y/N)
34. Are the indicators on all of the following water quality parameters published online at least once a year:
- aesthetic (e.g., taste, odor, appearance),
 - microbiological,
 - physical-chemical, and

- radiological parameters? (Y/N)

35. Are Non-Revenue Water statistics monitored by [LARGEST UTILITY PROVIDER]? (Y/N)

36. Are the statistics on Non-Revenue Water (NRW) published online at least once a year by [LARGEST UTILITY PROVIDER]? (Y/N)

2.2.2 MONITORING OF SERVICE SUPPLY IN PRACTICE (INCLUDES ENVIRONMENT)			
Indicators	FFP	SBP	Total Points
Monitoring Reliability of Water Supply (31 AND 32)	1	1	2
Monitoring Quality of Water Supply (33 AND 34)	1	1	2
Monitoring Environmental Sustainability of Water Supply (35 AND 36)	n/a	1	1
Total Points	2	3	5

Note: n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Point; SBP = Social Benefits Point.

2.2.3 AVAILABILITY OF INFORMATION AND CUSTOMER NOTIFICATION

For new commercial water connections of the [LARGEST UTILITY PROVIDER], is there a publicly accessible website (not protected by login) that lists the following information? (questions 37 through 40)

37. A list of all the documents required for obtaining a new commercial water connection (Y/N)

38. The required steps to get a new commercial water connection (Y/N)

39. The estimated total cost charged by utility for a new water connection (Y/N)

40. Estimated connection time from submitting an application to the final supply of water (Y/N)

41. Are changes in monthly water tariffs of [LARGEST UTILITY PROVIDER] directly communicated to customers at least one billing cycle in advance through letters, bills, emails, and/or SMS? (Y/N)

42. Are planned works that are interrupting the supply of water from [LARGEST UTILITY PROVIDER] directly communicated to customers in advance through letters, bills, emails, and/or SMS? (Y/N)

43. For [LARGEST UTILITY PROVIDER], is there a complaint mechanism available online to report issues (*e.g., incorrect billing, supply problems, service interruptions*)? (Y/N)

44. For [LARGEST UTILITY PROVIDER], is the expected timeline for complaint resolution available online? (Y/N)

2.2.3 AVAILABILITY OF INFORMATION AND CUSTOMER NOTIFICATION			
Indicators	FFP	SBP	Total Points
Connection Requirements	1	1	2

- Required documents (37)	0.25	0.25	0.5
- Required steps (38)	0.25	0.25	0.5
- Connection cost (39)	0.25	0.25	0.5
- Estimated connection time (40)	0.25	0.25	0.5
Tariff Setting (41)	1	1	2
Planned Water Supply Interruptions (42)	1	1	2
Complaint Mechanisms	1	1	2
- Online complaint mechanism (43)	0.5	0.5	1
- Timeline for complaint resolution (44)	0.5	0.5	1
Total Points	4	4	8

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

2.2.4 ENFORCEMENT OF SAFETY REGULATIONS IN PRACTICE AND CONSUMER PROTECTION MECHANISMS

45. Is a final inspection carried out in practice to verify the compliance and quality of internal water installation works? (Y/N)

46. Is a quality check or final inspection carried out in practice to verify the compliance and quality of external water installation works? (Y/N)

47. Is there a complaint mechanism independent from the water utility to escalate the complaints? (Y/N)

2.2.4 ENFORCEMENT OF SAFETY REGULATIONS IN PRACTICE AND CONSUMER PROTECTION MECHANISMS			
Indicators	FFP	SBP	Total Points
Implementation of Inspections for Water Connections	1	1	2
- Internal installation works (45)	0.5	0.5	1
- External installation works (46)	0.5	0.5	1
Independent Complaint Mechanism (47)	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 are calculated using the linear approach to transform economy-level answers into indicator scores ranging from 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 48-53) and firm-level surveys (questions 54 and 55). Data collected through expert consultations use the following parameters:

Parameters	
Business Location	The largest (most populous) city in the economy. The parameter will apply to all questions under Pillar 3.
Largest Utility Provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). The parameter will apply to all questions under Pillar 3.
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

48. 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) from [LARGEST UTILITY PROVIDER]:
49. 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):
50. Please provide the total monthly amount paid for water and wastewater services, excluding all applicable taxes, for a commercial establishment (*e.g., a hotel*) with a monthly consumption of 1000 cubic meters (220 000 gallons; 35 315 cubic feet) in [CITY] (in local currency).
51. 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	100 (100%)	n/a	100 (100%)
- Cost of Connection (48 AND 49)	50 (50%)	n/a	50 (50%)
- Cost of Service (50 AND 51)	50 (50%)	n/a	50 (50%)

The cost of connection is calculated based on the mean of median costs for two scenarios, representing low and medium water consumption, involving in the first case a 21 mm pipe water installation and in the second case a 33 mm water pipe water installation, divided by GNI per capita. The cost of service is calculated as the mean of median costs for monthly consumption of two scenarios, representing low and medium water consumption, of 20 and 1,000 cubic meters respectively, divided by GNI per capita			
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.

3.2.2 TIME TO OBTAIN CONNECTION

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below:

52. 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 total time to obtain a new water connection in [CITY] in calendar days (from the date of application submission to the start of water supply) from [LARGEST UTILITY PROVIDER]: (not scored)

53. 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 the total time to obtain a new water connection from [LARGEST UTILITY PROVIDER] in [CITY] in calendar days (from the date of application submission to the start of water supply): (not scored)

54. Wait for water connection (Days): In reference to that application, approximately how many days did it take to obtain it from the day of the application to the day the service was received?
Note: ES questionnaire version 2023

Wait for water connection (Days): Approximately how many days did it take to obtain it from the day of the application to the day the service was received?
Note: ES questionnaire versions 2024 and 2025

3.2.2 TIME TO OBTAIN CONNECTION			
Indicators	FFP	SBP	Total Points
Time to Obtain a Water Connection (54)	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.

3.2.3 RELIABILITY OF SUPPLY

55. Over fiscal year [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 (55)	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 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 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	[CITY] 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. 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 OVERSIGHT OF ANTICOMPETITIVE PRACTICES AND SERVICE QUALITY

- 1. Per the regulatory framework, is there a designated authority mandated to initiate investigations for anticompetitive practices in the fixed broadband internet services sector? (Y/N)**
- 2. Per the regulatory framework, is there a designated authority mandated to impose fines for anticompetitive practices in the fixed broadband internet services sector? (Y/N)**
- 3. Per the regulatory framework, is there a designated authority mandated to monitor adherence to advertised speed, latency, uptime and downtime of services? (Y/N)**
- 4. Does the regulatory framework stipulate binding sanctions and/or remedies for breaches of reliability obligations by fixed internet service providers? (Y/N)**

Note: For breaches of reliability obligations, sanctions include penalties paid by the internet service provider, while remedies include refunds or compensation to customers.

1.3.1 REGULATORY OVERSIGHT OF ANTICOMPETITIVE PRACTICES AND SERVICE QUALITY			
Indicators	FFP	SBP	Total Points
Oversight of Anticompetitive Practices (1 AND 2)	1	1	2
Adherence to Performance Standards (3)	1	1	2
Penalties for Breaches of Reliability Obligations (4)	1	1	2
Total Points	3	3	6

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

1.3.2 REQUIREMENTS ON COORDINATION IN INTERNET CONNECTIONS AND INFRASTRUCTURE DEVELOPMENT

5. For the deployment of fixed broadband, are there regulatory provisions requiring coordination with construction of other infrastructure, such as electrical poles, overhead or underground cables, water pipes, and/or telephone wires? (Y/N)

Note: Regulatory provisions include requirements for joint excavation, coordination of excavation permits, and/or "dig once" policies.

6. In [CITY], is there a binding maximum timeframe within which all concerned agencies must issue a decision (approve or reject) on applications for construction, excavation works or permits required for fixed broadband infrastructure? (Y/N)
7. Does the regulatory framework mandate non-discriminatory access for all licensed fixed broadband internet service operators to government-owned infrastructure to deploy, operate and maintain their networks? (Y/N)
8. Are there provisions regulating rights of way for fixed broadband internet service operators to install and maintain their equipment on public and private lands? (Y/N)
9. Are there regulatory provisions stipulating requirements for operators owning passive and active infrastructure to share access for the last mile with other internet service providers? (Y/N)
10. Are the regulatory provisions requiring both local loop unbundling and line access to the incumbent fixed network's subscriber lines? (Y/N)
11. Are there asymmetric regulations that establish remedial actions for dominant operators or operators with significant market power? (Y/N)

1.3.2 REQUIREMENTS ON COORDINATION IN INTERNET CONNECTIONS AND INFRASTRUCTURE DEVELOPMENT			
Indicators	FFP	SBP	Total Points
Joint Construction of Infrastructure (5)	1	1	2
Timeline for Approvals (6)	1	1	2
Rights of Way	1	1	2

- Regulation on equal access to government-owned infrastructure (7)	0.5	0.5	1
- Regulation on rights of way for digital infrastructure service providers (8)	0.5	0.5	1
Open Infrastructure	1	1	2
- Passive and active infrastructure sharing (9)	0.33	0.33	0.67
- Local loop unbundling and line access (10)	0.33	0.33	0.67
- Asymmetric regulations for dominant carriers (11)	0.33	0.33	0.67
Total Points	4	4	8

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

1.3.3 CYBERSECURITY REGULATIONS

12. Does the regulatory framework stipulate liability for data processors and data intermediaries in the event of personal data protection breaches, including granting the right to pursue compensation? (Y/N)

13. Does the regulatory framework require data processors and data intermediaries to inform supervisory authorities and data subjects in the event of data breach incidents within a specified notification timeframe? (Y/N)

14. Per the regulatory framework, does the agency responsible for cybersecurity coordination at national level have an explicit mandate to define and implement risk assessment strategies? (Y/N)

15. Per the regulatory framework, does the agency responsible for cybersecurity coordination at national level have the mandate to carry out security audits? (Y/N)

16. 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)

17. 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)

18. Does the regulatory framework establish mandatory cybersecurity standards and cybersecurity safeguards? (Y/N)

Note: Requirements on cybersecurity standards and safeguards can apply to all legal entities or specific categories by size or sector, as defined by national regulatory frameworks.

19. Does the regulatory framework require the establishment of at least one computer security incident response team responsible for handling cybersecurity incidents? (Y/N)

Note: The computer security incident response team can be designated or established within a competent authority, public-private partnership, or private legal entity.

1.3.3 CYBERSECURITY REGULATIONS			
Indicators	FFP	SBP	Total Points

Liability Regimes	1	1	2
- Liability for personal data protection breaches (12)	0.5	0.5	1
- Data breach incident reporting (13)	0.5	0.5	1
Cybersecurity Coordination	1	1	2
- Mandate for risk-assessment strategies (14)	0.25	0.25	0.5
- Mandate for cybersecurity audits (15)	0.25	0.25	0.5
- Procedures for collective response against cyber incidents (16)	0.25	0.25	0.5
- Mandate to enforce cybersecurity laws and regulations (17)	0.25	0.25	0.5
Cybersecurity Safeguards	1	1	2
- Cybersecurity protection or minimum standards (18)	0.5	0.5	1
- Computer Security Incident Response Teams (19)	0.5	0.5	1
Total Points	3	3	6

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

1.3.4 REQUIREMENTS ON ENVIRONMENTAL SUSTAINABILITY

20. Does the regulatory framework require owners and operators of data centers to publicly disclose specified environmental metrics (e.g., energy consumption, CO2 equivalents, use of renewable energy, energy intensity, e-waste metrics, or water consumption)? (Y/N)

21. Does the regulatory framework establish binding targets for emissions of data centers? (Y/N)

22. Does the regulatory framework establish binding targets for energy efficiency of data centers? (Y/N)

Note: Targets may include power usage effectiveness, renewable energy use, and/or coefficient of performance (COP).

1.3.4 REQUIREMENTS ON ENVIRONMENTAL SUSTAINABILITY			
Indicators	FFP	SBP	Total Points
Environmental Disclosure for Data Centers (20)	n/a	1	1
Emissions and Energy Efficiency of Data Centers	n/a	1	1
- Targets for emissions (21)	n/a	0.5	0.5
- Targets for energy efficiency (22)	n/a	0.5	0.5
Total Points	n/a	2	2

Note: n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II–QUALITY OF THE GOVERNANCE AND TRANSPARENCY OF UTILITY SERVICES (INTERNET)	
Parameters	
Business Location	[CITY] The largest (most populous) city in the economy. For all questions in Pillar II, please provide your response for [CITY] unless specified otherwise in the question per se.
Largest Utility Provider	[LARGEST UTILITY PROVIDER] The largest utility provider in the [CITY] is considered (in terms of customers served or market share). The largest utility provider is specified directly in the questions.

2.3.1 DIGITAL SERVICES AND INTEROPERABILITY

23. Is the largest fixed internet service provider in [CITY] the following: [LARGEST UTILITY PROVIDER]? (Y/N) *(not scored)*
24. For [LARGEST UTILITY PROVIDER], can a customer apply for a new commercial internet connection through a fully online process? (Y/N)
25. For [LARGEST UTILITY PROVIDER], can commercial customers track online the status and progress of the application for a new commercial internet connection? (Y/N)
26. For [LARGEST UTILITY PROVIDER], is it possible to pay the connection fee for a new fixed broadband connection through electronic payment methods? (Y/N)
Note: Examples include but are not limited to payment mechanisms on the website of the internet service provider, and credit card payments via bank portals.
27. Is there a Geographic Information System (GIS) or other spatial data platform available in [CITY] that shows the existing internet network, including the coverage of [LARGEST UTILITY DISTRIBUTION]? (Y/N)
Note: Please consider any digital infrastructure database, irrespective of whether accessible to the public or by relevant professionals such as internet service providers and project engineers.
28. For the [LARGEST UTILITY PROVIDER] is there a publicly available online platform with information about planned works on utility networks that are carried out in [CITY]? (Y/N)
29. Does the [LARGEST UTILITY PROVIDER] obtain all relevant permits to install conduits and cables to a premise not already connected to the broadband network on behalf of the customer without customer involvement? (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 (24)	0.5	0.5	1
- Online tracking of application for internet connection (25)	0.5	0.5	1
Electronic Payment (26)	1	1	2
Information on Existing Infrastructure and Planned Works	1	1	2
- Digital infrastructure database for internet service networks (27)	0.5	0.5	1
- Platform with the information on the planned works on utility networks (28)	0.5	0.5	1
Obtaining Permits related to Internet Connections (29)	1	1	2
Total Points	4	4	8

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

2.3.2 MONITORING OF SERVICE SUPPLY IN PRACTICE

30. Are there established indicators to monitor reliability and quality of internet supply by [LARGEST UTILITY PROVIDER] (e.g., download/upload speed, latency, minimum uptimes, throughput, jitter, recovery time etc.)? (Y/N)

31. Are the key performance indicators on reliability and quality of internet supply of [LARGEST UTILITY PROVIDER] published online at least once a year? (Y/N)

2.3.2 MONITORING OF SERVICE SUPPLY IN PRACTICE			
Indicators	FFP	SBP	Total Points
Monitoring Reliability and Quality of Internet Supply (30 AND 31)	1	1	2
Total Points	1	1	2

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

2.3.3 AVAILABILITY OF INFORMATION AND CUSTOMER NOTIFICATION

For new commercial internet connections [LARGEST UTILITY PROVIDER], is there a publicly accessible (not protected by login) website that lists the following information? (questions 32 through 33)

32. Required steps to get a new commercial internet connection (e.g., application submission, payment of fees, site inspection, etc.) (Y/N)

33. Connection time estimates (Y/N)

34. Are changes in monthly internet tariffs of [LARGEST UTILITY PROVIDER] directly communicated to customers at least one billing cycle in advance (e.g., through letters, bills, and/or emails)? (Y/N)

35. Are planned internet outages of [LARGEST UTILITY PROVIDER] directly communicated to customers in advance through direct communication? (Y/N)

Note: Planned outages that are published only online would not constitute 'direct communication', thus the answer 'No' should be selected in that case.

36. For [LARGEST UTILITY PROVIDER], is there a complaint mechanism available online to report issues (e.g., incorrect billing or issues with the internet supply)? (Y/N)

37. For [LARGEST UTILITY PROVIDER], does a complaint that was submitted online require a resolution within a published timeframe? (Y/N)

2.3.3 AVAILABILITY OF INFORMATION AND CUSTOMER NOTIFICATION			
Indicators	FFP	SBP	Total Points
Connection Requirements	1	1	2
- Required steps (32)	0.5	0.5	1
- Connection time estimates (33)	0.5	0.5	1
Tariff Setting (34)	1	1	2
Planned Outages (35)	1	1	2
Complaint Mechanisms	1	1	2
- Online complaint mechanism (36)	0.5	0.5	1
- Timeline for complaint resolution (37)	0.5	0.5	1
Total Points	4	4	8

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

2.3.4 ENFORCEMENT OF CYBERSECURITY REGULATIONS IN PRACTICE AND CONSUMER PROTECTION MECHANISMS

As of September 1, 2025, did the authority responsible for cybersecurity coordination conduct the following in practice? (questions 38 through 41)

38. Documented cybersecurity risk-assessments (Y/N)

39. Documented cybersecurity audits (Y/N)

40. Coordination of collective response involving both public and private stakeholders in handling cybersecurity incidents (Y/N)

41. Enforcement of cybersecurity laws and regulations (Y/N)

42. As of September 1, 2025, was there at least one operational computer security incident response team responsible for handling cybersecurity incidents? (Y/N)

Note: The computer security incident response team can be designated or established within a competent authority, public-private partnership, or private legal entity.

43. When seeking to escalate a complaint, is there a complaint mechanism independent from the internet service provider? (Y/N)

2.3.4 ENFORCEMENT OF CYBERSECURITY REGULATIONS IN PRACTICE AND CONSUMER PROTECTION MECHANISMS			
Indicators	FFP	SBP	Total Points
Cybersecurity Protocols	1	1	2
- Cybersecurity risk assessments (38)	0.2	0.2	0.4
- Cybersecurity audits (39)	0.2	0.2	0.4
- Leading collective efforts against cyber incidents (40)	0.2	0.2	0.4
- Enforcement of cybersecurity laws and regulations (41)	0.2	0.2	0.4
- Computer Security Incident Response Teams (42)	0.2	0.2	0.4
Independent Complaint Mechanism (43)	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 are calculated using the linear approach to transform economy-level answers into indicator scores ranging from 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 44-48) and firm-level surveys (questions 49-50). Data collected through expert consultations use using the following parameters:

Parameters	
Business Location	The largest (most populous) city in the economy. The parameter will apply to all questions in this section.
Largest Utility Provider	The largest utility provider in the largest city is considered (in terms of customers served or market share). The parameter will apply to all questions in this section.
Speed:	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.

3.3.1 AFFORDABILITY

44. Under the scenario of a business requiring a broadband internet connection with a minimum 10 Mbps of download speed in an existing building already connected to the broadband network, please provide an estimate of the least expensive cost to obtain a new internet connection from the [LARGEST UTILITY PROVIDER] in [CITY] (exclude Value Added Tax, if applicable).

Note: Please provide the estimate of the total cost borne by the firm for the provision of a new internet connection, including the application fee, infrastructure surcharges, installation costs, labor and equipment required to connect the establishment to the internet through a fixed connection, as applicable. The cost of internet equipment installed inside the private property premises is excluded (e.g., ethernet wall outlet or patch panel inside the building).

45. Please provide the monthly cost of the least expensive fixed internet package available from [LARGEST UTILITY PROVIDER] in [CITY] with a download speed of at least 10 Mbit/s but less than 30 Mbit/s?
46. Please provide the monthly cost of the least expensive fixed internet package available from [LARGEST UTILITY PROVIDER] in [CITY] with a download speed of at least 30 Mbit/s but less than 100 Mbit/s.
47. Please provide the monthly cost of the least expensive fixed internet package available from [LARGEST UTILITY PROVIDER] in [CITY] with a download speed equal to or above 100 Mbit/s.

3.3.1 AFFORDABILITY			
Indicators	FFP	SBP	Total Points
Cost of Connection and Cost of Service	100 (100%)	n/a	100 (100%)
- Cost of Connection (44)	50 (50%)	n/a	50 (50%)
- Cost of Service (45 AND 46 AND 47)	50 (50%)	n/a	50 (50%)
<i>The cost of obtaining a new connection to broadband internet with a minimum download speed of 10 Mbps in an existing building is divided by GNI per capita. The cost of service, based on the median monthly prices of internet packages in three speed tiers—10–30 Mbps (low-speed), 30–100 Mbps (medium-speed), and above 100 Mbps (high-speed).</i>			

speed)—each is divided by GNI per capita before scoring. If a package of a particular speed range is not available, the score for the Cost of Service component is determined as follows: If the low-speed package is not available, the score is calculated as the average of the medium-and high-speed package scores. If the medium-speed package is missing, the score is based on the average of the low- and high-speed packages scores. If the high-speed package is unavailable, the score is derived by summing the scores for the low- and medium-speed packages and dividing the total by three. If only the low-speed package is available, the score is divided by three. If only the medium-speed package is available, two-thirds of the score is used. If only the high-speed package is available, that score is used in full. If none of the measured packages are available, the Cost of Service component score is set to zero.			
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

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below:

48. Under the scenario of a business requiring a broadband internet connection with a minimum 10 Mbps of download speed in an existing building already connected to the broadband network, please provide an estimated time needed to obtain a new internet connection from the [LARGEST UTILITY PROVIDER] in [CITY] (in calendar days). (not scored)

49. Wait for internet connection (days): In reference to that application, approximately how many days did it take to obtain the internet connection from the day of the application until the service was received?

Note: ES questionnaire version 2023

Wait for internet connection (days): Approximately how many days did it take to obtain the internet connection from the day of the application to the day the service was received?

Note: ES questionnaire version 2024 and 2025

3.3.2 TIME TO OBTAIN A CONNECTION			
Indicators	FFP	SBP	Total Points
Time to Obtain an Internet Connection (49)	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

50. Over fiscal year [LAST COMPLETE 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 (50)	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 for most businesses and the primary source of income for the majority of people.¹ Labor-related regulations and public services are fundamental drivers of private sector development from the perspective of both enterprises and workers. These regulations and public services affect firms' decisions on whether to expand their workforce and whether to hire formally or informally.² In addition, they affect the well-being of potential workers by providing them with good jobs and opportunities for growth.

Labor regulations are important for all workers. For those in formal employment, they protect workers' rights, reduce the risk of job loss, and support equity and welfare. For workers in the informal sector, labor regulations can affect their ability to transition into formal jobs.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. Such choices can leave many workers behind. 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 among firms. These institutions can also provide services that increase labor costs when firms are required to pay for them, such as health, pension, or other forms of social insurance schemes. While these services address market imperfections and improve labor market efficiency, their design significantly influences firm behaviour and choices. A lack of social security coverage for workers limits 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 also face greater vulnerability and are less likely to move out of poverty.⁷ For example, in economies where essential health care is universal (or close to universal), firms can benefit directly. With reduced need to provide health coverage, they can redirect resources into business development and higher 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 both workers' conditions and employment restrictions and costs, covering de jure features of the regulatory framework that are necessary for a well-functioning labor market, providing employers and employees with clearly defined rights, obligations and protections. 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, capturing firms' experiences by measuring the cost of providing social contributions, time and cost of dismissal, as well as the efficiency of resolving labor disputes. 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 (28 indicators)	
1.1	Workers' Conditions (18 indicators)
1.1.1	Labor Rights (11 indicators)
1.1.2	Minimum Wage Attributes (4 indicators)
1.1.3	Dismissal Protections (3 indicators)
1.2	Employment Restrictions and Costs (10 indicators)
1.2.1	Terms of Employment (6 indicators)
1.2.2	Minimum Wage Rate (1 indicator)
1.2.3	Termination of Employment (3 indicators)
Pillar II—Adequacy of Public Services for Labor (23 indicators)	
2.1	Social Protection (9 indicators)
2.1.1	Unemployment Insurance (3 indicators)
2.1.2	Health Care (3 indicators)
2.1.3	Retirement Pension (3 indicators)
2.2	Employment Services (14 indicators)
2.2.1	Employment Centers and Training (4 indicators)
2.2.2	Alternative Labor Dispute Resolution Mechanisms (3 indicators)
2.2.3	Labor Inspectorates (3 indicators)
2.2.4	Labor Statistics (4 indicators)
Pillar III—Operational Efficiency of Labor Regulations and Public Services in Practice (9 indicators)	
3.1	Employment Restrictions and Costs (4 indicators)
3.1.1	Social Contribution (1 indicator)
3.1.2	Labor Regulations as an Obstacle (1 indicator)
3.1.3	Dismissal Time and Cost (2 indicators)
3.2	Employment Services (5 indicators)
3.2.1	Formal 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	Dismissal Protections
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 aim to ensure fair and safe working conditions, promote equality and non-discrimination, and safeguard 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 Strong labor policies are crucial, particularly for protecting vulnerable groups such as children and those at risk of forced labor.⁹ Implemented and enforced safety and health regulations help prevent accidents and injuries, promote worker health, and reduce absenteeism and turnover, while policies tackling discrimination, bias, and inequality at work foster fairness and inclusion.¹⁰ These measures also address workplace violence, sexual harassment, and bullying.¹¹ Sexual harassment, in particular, is a widespread issue that undermines workplace equality, negatively affecting victims' pay, career progression, and may even push them out of the workforce.¹² Therefore, it's important to uphold international standards to prevent and address all forms of workplace violence and harassment and to establish grievance mechanisms that effectively resolve arising cases.¹³

Flexible work hours, including overtime and night shifts, help firms to respond efficiently to fluctuating demand and remain competitive. Workers can also benefit from greater flexibility in choosing when to work, provided that laws set limits on maximum working hours to protect well-being and productivity.¹⁴ However, fair compensation is essential: overtime should be no less than one and one-quarter times the regular rate and night work should include financial compensation.¹⁵ Paid annual and sick leave are essential to a healthy, productive, and resilient workforce. Adequate paid annual leave (of at least three weeks) supports workers' health and well-being, while paid sick leave protects health and income; together, these policies strengthen productivity, retention, and workforce stability, ultimately benefiting firm performance.¹⁶

In recent decades, telework and platform work have grown alongside major shifts in work, including technological advances, changing worker expectations, and global competition.¹⁷ Telework - long valued for its flexibility and support for work-life balance, especially for first-time mothers - surged during the COVID-19 pandemic, and becoming primary mode of employment for many.¹⁸ Ensuring teleworkers receive the same protections, as other employees, while addressing home-based work challenges is essential.¹⁹ The "always-on" and lack of a formal right to disconnect have recently prompted some EU countries to adopt right-to-disconnect regulations, a practice worth wider adoption.²⁰ Digital labor platforms are increasingly shaping labor markets, offering businesses access to global and local workforces, improve efficiency and productivity.²¹ Workers may benefit from flexibility, autonomy, and income opportunities, along with access to more productive and formal jobs.²² This might be beneficial for vulnerable groups such as women, youth, and migrants.²³ However, platform work may bring also challenges including low and unreliable wages, long and unpredictable working hours, job insecurity, and discriminatory practices.²⁴ Policymakers should ensure that platform workers enjoy full, or at minimum, essential labor rights and protections, including the right to a minimum wage and limits on working time.

The informal sector is an important component of the labor market, with over half of the world's workforce and more than 90% of micro and small enterprises operate in the informal economy.²⁵ Economies with large informal sectors often face challenges such as limited access to finance, lower productivity, slower accumulation of capital, and reduced fiscal capacity, contributing to weaker macroeconomic and development outcomes.²⁶ While the informal sector provides jobs and livelihoods for many people, including vulnerable groups, it lacks contracts or social protection.²⁷ This exposes workers to poverty, unsafe conditions, and exclusion from benefits like health care, pensions, and unemployment support.²⁸ It also distorts competition, giving noncompliant firms an unfair advantage. Addressing informality requires

strengthening legal frameworks, enforcing compliance, and implementing supportive measures.²⁹ Therefore, Subcategory 1.1.1–Labor Rights comprises eleven indicators (table 3).

Table 3. Subcategory 1.1.1–Labor Rights

	Indicators	Components
1	Freedom of Association and Right to Collective Bargaining	i) Freedom of association and assembly ii) Right to collective bargaining
2	Prohibition of Forced Labor	Legal regulations explicitly prohibiting the practice of forcing people to work against their will
3	Prohibition of Child Labor	i) Minimum age for employment - 15 years old (exceptionally 14 years) ii) Children under the age of 18 prohibited from engaging in hazardous work
4	Prohibition of Discrimination in Employment	i) Equal remuneration for work of equal value ii) Prohibition of discrimination in employment regarding: - Race and ethnicity - Gender - Religion or belief - Political opinion - Sexual orientation - Disability - National extraction (place of birth, ancestry, or foreign origin) or social origin - Trade union membership
5	Protection Against Workplace Discrimination, Violence, Sexual Harassment and Bullying	i) Internal complaint or grievance mechanisms for workers to report and seek resolution on: - Workplace discrimination - Workplace violence - Sexual harassment at the workplace - Workplace bullying ii) Internal information or training on how to identify and prevent: - Workplace discrimination - Workplace violence - Sexual harassment at the workplace - Workplace bullying
6	Safe and Healthy Working Environment	i) Legislation on occupational safety and health (OSH): - General framework on OSH at the national or federal level - OSH regulation for agriculture sector - OSH regulation for construction sector ii) Periodic review and update of OSH
7	Wage Premiums for Overtime and Night Work	i) Wage premium for overtime work of at least 1.25 times the regular wage ii) Wage premium for work performed during night hours
8	Statutory Paid Annual and Sick Leave	i) Statutory paid annual leave for at least three working weeks after one year of service for worker in the private sector ii) Statutory paid sick leave for worker in the private sector
9	Remote Workers' Protections	i) Worker's right to request telework ii) Worker's right to disconnect while teleworking
10	Platform Workers' Rights and Benefits	i) Platform workers' right to a minimum wage ii) Platform workers' right to protection of working time
11	Restrictions on Informality	i) Prohibition of informal employment in the agriculture sector ii) Prohibition of informal employment in the construction 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 primary purpose of a minimum wage is to ensure that workers receive a fair and decent income that can cover their basic needs and support their well-being.³⁰ An effective minimum wage system typically includes several key components: the scope of coverage, the mechanisms for setting and adjustment of the minimum wage, the criteria used to determine its level, enforcement and compliance measures and systems for monitoring and evaluation.³¹ 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 either at national level or in the manufacturing or 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	Periodic Update of Minimum Wage Rate	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 Dismissal Protections

To mitigate the detrimental consequences of involuntary job loss, it is recommended that workers receive a reasonable notice period prior to termination.³² The purpose of such notice is to help the worker prepare for unemployment by giving the necessary time to adapt and/or seek alternative employment. In parallel, the provision of severance pay helps to cushion the financial impact of job loss, particularly due to redundancy. While various jurisdictions may have regulations to protect 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–Dismissal Protections comprises three indicators (table 5).

Table 5. Subcategory 1.1.3–Dismissal Protections

	Indicators	Components
1	Existence of Statutory Notice Period	Availability of statutory notice period mandated by law or collective bargaining agreement (CBA)
2	Existence of Statutory Severance Pay	Availability of statutory severance pay mandated by law or collective bargaining agreement (CBA)
3	Third-Party Notification Requirement for Dismissal	i) Third-party notification required for individual dismissal (law/CBA) ii) Third-party notification required for collective dismissal (law/CBA)

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 more effectively to changing market demands, while helping workers balance their work with personal obligations. Specifically, fixed-term contracts gives firms the flexibility to hire workers for a specific project or time period without committing to long-term employment.³³ Similarly, probationary contracts—under which workers may not yet be fully covered by employment protection legislation—allow firms to assess a worker’s skills, performance, and organizational fit before confirming permanent employment.³⁴ They can also help the core workforce be less exposed to employment adjustment.³⁵ Firms should be able to choose among the types of contracts to meet their specific production demands and to control staffing costs.³⁶

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 demands.³⁷ However, this flexibility should respect international standards, with working hours averaging no more than fifty-six per week.³⁸

Paid sick leave is a cost-effective investment that benefits employers, workers, and the broader economy. It supports higher productivity, mitigates the impact of public health and economic crises, and promotes sustainable economic growth through a healthy workforce. For that reason, paid sick leave schemes should be closely aligned with social protection—particularly social health protection systems—to create synergies, distribute costs, and share risks effectively.³⁹ Many economies combine employer-paid sick leave with sickness benefits financed through the social security system.⁴⁰ Expanding collectively financed sickness benefits should be a priority for sustainable protection.⁴¹

Telework represents a modernization of work organization designed to enhance productivity and competitiveness, while balancing the flexibility needs of businesses with workers' security expectations. It improves job quality and facilitates access to the formal labor market for particularly vulnerable groups, such as employees with family responsibilities or disabilities.⁴² The COVID-19 pandemic acted as a catalyst, not only accelerating the ongoing transition to remote work but also hastening the development of telework regulations through legislation and collective bargaining.⁴³ Effectively managing the broader adoption of telework may require the implementation of targeted policies at national, sectoral, and organizational levels.⁴⁴

Establishing a regulatory framework for platform workers is essential to balance the flexibility of platform work with the protection of workers' rights and legal clarity for firms. However, regulating platform workers remains complex primarily due to the unclear nature of the workers-platform relationship and of the resulting difficulties in employment status classification.⁴⁵ Workers' misclassification, legal loopholes, and platform lobbying against protective legislation intensify inequalities and discrimination.⁴⁶ Countries have adopted different approaches from presumption of employment, creating a new hybrid/intermediate category to treating workers as purely self-employed/independent contractors.⁴⁷ The regulation of platform work may enhance legal certainty for firms and safeguards essential protections for workers. Therefore, Subcategory 1.2.1–Terms of Employment comprises six indicators (table 6).

Table 6. Subcategory 1.2.1–Terms of Employment

	Indicators	Components
1	No Restrictions on the Use of Fixed-Term Contracts	i) No restrictions on the use of fixed-term contracts for any type of job ii) No restrictions on the use of fixed-term contracts for permanent tasks
2	No Restrictions on the Use of Probationary Period	Absence of restrictions on the use of probationary period before concluding regular employment contract
3	No Restrictions on Overtime and Night Work	i) No prohibition on overtime mandated by law within a limit of maximum 56 total working hours per week ii) No prohibition on night work
4	Public Cost-Sharing for Sick Leave	Financial burden of sick leave distributed between employers and public funds
5	Regulation of Telework	Existence of legal framework on telework
6	Regulation of Platform Workers	Existence of legal framework on platform work

1.2.2 Minimum Wage Rate

The minimum wage is a form of protection meant to ensure a minimum living wage for all employed. When well-designed and effectively implemented, minimum wages can contribute to reducing inequality within and among economies.⁴⁸ Conversely, when the minimum wage is set too high, it can have the opposite effect—encouraging informality and putting workers' well-being at risk. Minimum wages play a vital role in promoting full and productive employment and decent work for all. Therefore, Subcategory 1.2.2–Minimum Wage Rate comprises one indicator (table 7).

Table 7. Subcategory 1.2.2–Minimum Wage Rate

	Indicators	Components

1	Monthly Minimum Wage Rate*	The amount of minimum wage as set by law or collective bargaining agreement in: i) National level (law) ii) Manufacturing sector (car parts industry) (law/ CBA) iii) Services sector (food retail) (law/CBA)

* The score for the minimum wage rate is calculated in the following way: The higher of the three monthly minimum wages (national, manufacturing, and services) in local currency units (LCU) is selected for each economy. This maximum monthly minimum wage is then divided by the monthly GDP per capita (GDP per capita / 12) in LCU to obtain a standardized ratio. A linear function method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively, is then applied. The highest possible score is obtained by economies whose minimum wage is at 38% of GDP per capita or lower, while the lowest possible score is obtained by economies whose minimum wage falls at the 95th percentile of the collected data or higher. This approach provides a standardized method to evaluate and compare minimum wage levels in relation to economic output per capita across different economies. The lower-bound threshold of 38% was derived by converting a 50% minimum-to-median wage ratio—based on academic consultations which identified ratios above this level as excessive—into an equivalent minimum wage-to-GDP per capita ratio. This conversion was conducted using cross-country data on minimum and median wages from 2005 onward. A linear regression model was employed to estimate the relationship between the minimum-to-median wage ratio and the minimum wage-to-GDP ratio, with outliers identified and excluded using the interquartile range (IQR) method. The resulting estimate was 37.9786%, which was rounded to 38% for ease of interpretation and application.

Note: CBA = Collective Bargaining Agreement.

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.⁴⁹ The aim of providing such notice is to prepare the worker for unemployment, allowing them adequate time to adapt and find new employment. Likewise, the presence of severance payment helps mitigate the income loss experienced by workers in cases of redundancy. However, when the duration of the notice period is too long and the amount of severance mandated by law is excessive, they no longer serve the purpose they were intended for—to protect regular workers—and instead protect a selected few. High 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.⁵⁰ 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.⁵¹ Therefore, Subcategory 1.2.3–Termination of Employment comprises three indicators (table 8).

Table 8. Subcategory 1.2.3–Termination of Employment

	Indicators	Components
1	Length of Statutory Notice Period*	Length of notice period mandated by law for a worker with 1 year of employment
2	Amount of Statutory Severance Pay*	Amount of severance pay mandated by law for a worker with 1 year of employment
3	No Third-Party Approval Requirement for Dismissal	i) No third-party approval required for individual dismissals (Law/CBA) ii) No third-party approval required for collective dismissals (Law/CBA)

*The scores for length of notice period and amount of severance pay indicators are calculated using the linear function 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
2.1.3	Retirement Pension
2.2	Employment Services
2.2.1	Employment Centers and Training
2.2.2	Alternative Labor Dispute Resolution Mechanisms
2.2.3	Labor Inspectorates
2.2.4	Labor Statistics

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

Public unemployment insurance can positively affect society as a whole because it can enhance human capital and productivity, as well as reduce inequalities.⁵² 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. However, most social security schemes worldwide are founded on the principle of “solidarity in funding”. The ILO recommends a fair division of contributions between employers and workers in contributory schemes, ensuring that workers’ contributions do not exceed 50% of the total.⁵³ Public unemployment insurance often relies on transfers from the general government budget, alongside worker and employer contributions. Such transfers serve important purposes, including subsidizing contributions or benefits for individuals with limited contributory capacity or other vulnerable groups, and cushioning temporary surges in benefit expenditure during major economic shocks or other exceptional circumstances beyond normal unemployment fluctuations.⁵⁴ 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 Public Unemployment Insurance Scheme	Existence of unemployment insurance scheme provided by the government for workers in the private sector
2	Coverage of Public Unemployment Insurance Scheme	Coverage of public unemployment insurance scheme
3	Funding of Public Unemployment Insurance Scheme	Public unemployment insurance scheme funded by government (through general tax revenue) or by employees, employers, and the government on a solidarity in funding

2.1.2 Health Care

Universal health coverage is essential to achieving the Sustainable Development Goals— not only for health and well-being, but also for eradicating poverty, gender equality, economic growth, reducing inequalities, ensuring peaceful and inclusive societies.⁵⁵ If an economy offers essential public health care provided universally, funded by 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.⁵⁶ However, according to international standards, the costs of providing and administering benefits should be shared collectively, financed through insurance contributions, taxation, or a combination of both. This approach ensures that individuals with limited means are protected from financial hardship.⁵⁷ Therefore, Subcategory 2.1.2–Health Care comprises three indicators (table 11).

Table 11. Subcategory 2.1.2–Health Care

	Indicators	Components
1	Availability of Public Health Care Scheme	Existence of the public health care system provided by the government to all citizens
2	Coverage of Public Health Care Scheme	Coverage of public health care scheme
3	Funding of Public Health Care Scheme	Public health care scheme funded by government through general tax revenue or by employees, employers, and the government on solidarity in funding

2.1.3 Retirement Pension

Public pension systems are a foundation on which income security for older persons is built.⁵⁸ Income security in old age contributes significantly to reducing inequality within and among economies and supports gender equality.⁵⁹ 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.⁶⁰ Currently, the employment-based contributory model of risk sharing dominates globally.⁶¹ In addition to social insurance contributions from employers and workers, financing from general revenue, in the form of a non-contributory retirement pension or subsidized social insurance contributions or benefits for those with low contributory capacities, can guarantee minimum pension levels and contribute to the sustainability of pension schemes while containing the cost burden on firms.⁶² 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 Public Retirement Pension Scheme	Existence of a public retirement pension scheme provided for workers in the private sector
2	Coverage of Public Retirement Pension Scheme	Coverage of public retirement pension scheme
3	Funding of Public Retirement Pension Scheme	Public retirement pension scheme funded by government (through general tax revenue) or by employees, employers, and the government on a solidarity in funding

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 play a crucial role by providing resources and assistance that help job seekers overcome barriers and find employment by connecting them with employers and providing career guidance and training. Labor market training is one of the main policies to reduce unemployment (especially among low-skilled populations), which is ultimately a driver of formalization.⁶³ Public employment services contribute to these programs as a part of the active labor market policies (ALMP) that can be implemented by governments.

In today’s increasingly digital labor market, technology has become an indispensable complement to traditional employment services. One of the key motivations behind governments’ efforts to digitalize employment services is to ease the workload of case workers while improving the quality and accessibility

of services for job seekers and employers alike. In some economies, the government formally partners with private employment service providers.⁶⁴ Online job platforms now play a vital role in connecting job seekers and employers more efficiently. They aggregate job information, reduce search frictions and help workers discover opportunities across locations and sectors. They can also facilitate online skill testing and verification, making job matching more efficient and transparent.⁶⁵ To fully benefit from these digital tools, job seekers must possess adequate digital literacy and skills. Providing digital literacy programs is especially important for citizens who try to reenter the labor market.⁶⁶ Strengthening their competencies not only enhances employability but also helps access the growing number of online job-matching, training, and career development resources. Therefore, Subcategory 2.2.1–Employment 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 city
2	No Legal Requirement 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	Public Training and Apprenticeship Programs	i) Existence of public training programs for unemployed and job seekers ii) Existence of apprenticeships or work-based learning
4	Employment Platforms and Digital Skills	i) Existence of digital platform for job search ii) Digital literacy and digital skills programs for workers and unemployed

2.2.2 Alternative Labor Dispute Resolution Mechanisms

Effective conflict resolution is a crucial component of a well-functioning labor market and industrial relation system.⁶⁷ Prolonged litigation impedes job reallocation dynamics and productivity. Specialized mechanisms for resolving labor disputes, including conciliation, mediation and arbitration - consistent with ILO's recommendations - offer a more efficient, cost-effective, and collaborative approach.⁶⁸ By addressing conflicts at an early stage, these mechanisms can help preserve business continuity and promote better labor relations.⁶⁹ Additionally, they can reduce case backlogs in labor agencies and tribunals, allowing government institutions to serve the public more effectively.⁷⁰ Therefore, Subcategory 2.2.2–Alternative Labor Dispute Resolution Mechanisms comprises three indicators (table 14).

Table 14. Subcategory 2.2.2–Alternative Labor Dispute Resolution Mechanisms

	Indicators	Components
1	Existence of Judicial Conciliation for a Labor Dispute	Availability of a conciliation/mediation process to resolve a labor dispute for both workers and firms in a judicial setting
2	Existence of Non-Judicial Conciliation for a Labor Dispute	Availability of a conciliation/mediation process to resolve a labor dispute for both workers and firms in a non-judicial setting
3	Existence of Arbitration for a Labor Dispute	Availability of an arbitration process to resolve a labor dispute for both workers and firms

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.⁷¹ Special attention should be given to enforcing laws related to child, forced labor, and occupational safety and health at work with the aim to help curb violations and protect workers' rights. Therefore, Subcategory 2.2.3–Labor Inspectorates comprises three indicators (table 15).

Table 15. Subcategory 2.2.3–Labor Inspectorates

	Indicators	Components
1	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
2	Enforcement of Legislation 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
3	Reported Labor Violation Cases	Existence of data on reported number of cases/complaints for different types of violations

2.2.4 Labor Statistics

Informed and effective policy decisions require comprehensive data. Labor statistics, including sex-disaggregated data are 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.⁷² 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.⁷³ In most countries, the gender wage gap has narrowed since the 1970s, driven by steady increases in women's labor force participation and educational attainment.⁷⁴ For policymakers, monitoring data at both national and granular levels is crucial to identify disparities, design targeted interventions, and continue closing the gender wage gap. However, closing the wage gap also requires attention to employment quality, as there is a clear link between gender and informality: women are more likely than men to work in informal employment in many countries. Informality is a complex and evolving challenge that demands gender-sensitive data. Strengthening gender perspectives in informality statistics can help countries respond more effectively to women's economic empowerment needs.⁷⁵ Therefore, Subcategory 2.2.4–Labor Statistics comprises four indicators (table 16).

Table 16. Subcategory 2.2.4–Labor Statistics

	Indicators	Components
1	Sex-Disaggregated Data on Labor Force Participation	Sex-disaggregated data on labor force participation for the most recent year publicly available
2	Sex-Disaggregated Data on Unemployment	Sex-disaggregated data on unemployment publicly for the most recent year available
3	Sex-Disaggregated Data on Informal Employment	Sex-disaggregated data on informal employment for the most recent year publicly available
4	Sex-Disaggregated Data on Wages	Sex-disaggregated data on wages for the most recent year publicly available

3. PILLAR III. OPERATIONAL EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE

Table 17 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 Costs

3.1.1	Social Contribution
3.1.2	Labor Regulations as an Obstacle
3.1.3	Dismissal Time and Cost
3.2	Employment Services
3.2.1	Formal 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.⁷⁶ 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 Labor Regulations as an Obstacle

If labor regulations make the cost of hiring too high and compliance with labor regulations too cumbersome, firms may choose to use more capital than labor or to hire and operate informally.⁷⁷ Therefore, Subcategory 3.1.2–Labor Regulations as an Obstacle comprises one indicator (table 19).

Table 19. Subcategory 3.1.2–Labor Regulations as an Obstacle

	Indicators	Components
1	Perception Index of Labor Regulations as a Constraint	Perception Index of Labor Regulations 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.⁷⁸ 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.⁷⁹ 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 Formal Training

Formal training can contribute to both organizational success and employee professional development. It can help employees improve their knowledge, skills, behaviors, and overall performance.⁸⁰ Studies have shown that training may empower workers and have a positive impact on job satisfaction.⁸¹ In developing countries, formal training adapted to local conditions offers a cost-effective approach to significantly boost workers performance. As a low-cost, high-impact strategy, it provides developing nations with an effective tool to compete in the global marketplace.⁸² 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.⁸³ Therefore, Subcategory 3.2.1–Formal Training comprises one indicator (table 21).

Table 21. Subcategory 3.2.1–Formal Training

	Indicators	Components
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

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.⁸⁴ 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

Occupational safety and health inspections at the workplace are considered good practice because they promote safer work environment. However, when inspections are too frequent and/or are used as a rent-seeking mechanism, this reduces firm productivity, creating a faulty business climate.⁸⁵ The sharing of reports with employers after an inspection helps increase transparency and accountability by providing documentation of factual information.⁸⁶ 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 in 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
Private sector lawyers
Relevant Areas of Specialization
Labor law, employment law, labor litigation, labor inspections, social security law
Assessment of the Experts' Knowledge and Experience Related to Labor and Social Security Law, and Practice
Knowledge of and experience in drafting and reviewing employment contracts; advising on compliance with labor standards (including wages, working time, occupational safety and health, anti-discrimination, and harassment policies); representing employers and employees in disputes (such as wrongful termination, wage and overtime claims, breach of contract, and discrimination cases); providing guidance on calculating and paying social security contributions; assisting with access to social benefits (e.g., unemployment insurance, retirement pensions); and resolving related disputes

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 (Pillar I and II only), type of worker (Pillar I and II only), and firm characteristics (Pillar I and II only). Questionnaire respondents are presented with these parameters and asked to evaluate a standardized scenario that permits comparability across jurisdictions and economies.

5.1 General Parameters

The Labor topic does not employ 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. 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 25 shows the scoring for the Labor topic. 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	28	10	20	30	100	0.33
II	Adequacy of Public Services for Labor	23	15	22	37	100	0.33
III	Operational Efficiency of Labor Regulations and Public Services in Practice	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 Labor Regulations

Pillar I covers 28 indicators with a total score of 30 points (10 points on firm flexibility and 20 points on social benefits) (table 26). The scoring for each category under this pillar is as follows:

6.1.1 *Workers’ Conditions* has 18 indicators with a total maximum score of 18 points (0 points on firm flexibility and 18 on social benefits). Specifically, the *Labor Rights* Subcategory has 11 indicators; the *Minimum Wage Attributes* Subcategory has 4 indicators; and the *Dismissal Protections* Subcategory has another 3 indicators. A regulatory framework that follows good practices around workers’ conditions benefits workers and society (social benefits). Firm flexibility points are not applicable in this category.

6.1.2 *Employment Restrictions and Costs* has 10 indicators with a total maximum score of 12 points (10 points on firm flexibility and 2 on social benefits). Specifically, the *Terms of Employment* Subcategory has 6 indicators; the *Minimum Wage Rate* Subcategory has 1 indicator; and the *Termination of Employment* Subcategory has 3 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	18	n/a	18	18	50.00
1.1.1	Labor Rights	11	n/a	11	11	16.67
1.1.2	Minimum Wage Attributes	4	n/a	4	4	16.67

1.1.3	Dismissal Protections	3	n/a	3	3	16.67
1.2	Employment Restrictions and Cost	10	10	2	12	50.00
1.2.1	Terms of Employment	6	6	2	8	16.67
1.2.2	Minimum Wage Rate	1	1	n/a	1	16.67
1.2.3	Termination of Employment	3	3	n/a	3	16.67
	Total	28	10	20	30	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 covers 23 indicators with a total score of 37 points (15 points on firm flexibility and 22 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 12 points (3 points for firm flexibility and 9 points on social benefits). Specifically, the *Unemployment Insurance* Subcategory has 3 indicators, the *Health Care* Subcategory has 3 indicators, and the *Retirement Pension* Subcategory has 3 indicators. Because social protection measures primarily benefit society by providing support during vulnerable times, more points are assigned to social benefits.

6.2.2 *Employment Services* has 14 indicators with a total maximum score of 25 points (12 points on firm flexibility and 13 points on social benefits). Specifically, the *Employment Centers and Training* Subcategory has 4 indicators; the *Alternative Labor Dispute Resolution Mechanisms* Subcategory has 3 indicators; the *Labor Inspectorate* Subcategory has 3 indicators and *Labor Statistics* has 4 indicators. Under this category, the *Alternative Labor Dispute Resolution Mechanisms* and *Labor Statistics* indicators have equally assigned points for firm flexibility and social benefits. This is because effective alternative 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	9	12	50.00
2.1.1	Unemployment Insurance	3	1	3	4	16.67
2.1.2	Health Care	3	1	3	4	16.67
2.1.3	Retirement Pension	3	1	3	4	16.67
2.2	Employment Services	14	12	13	25	50.00
2.2.1	Employment Centers and Training	4	4	3	7	15.00
2.2.2	Alternative Labor Dispute Resolution Mechanisms	3	3	3	6	15.00
2.2.3	Labor Inspectorates	3	1	3	4	15.00
2.2.4	Labor Statistics	4	4	4	8	5.00
	Total	23	15	22	37	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 9 indicators with scores ranging from 0 to 100 on firm flexibility (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, as well as lengthy and costly procedures for dismissing employees and resolving 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 4 indicators with a total maximum score of 50 points. Specifically, the *Social Contributions* and *Labor Regulations as an Obstacle* Subcategories each have 1 indicator, while 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 *Formal 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	4	50.00
3.1.1	Social Contribution	1	16.67
3.1.2	Labor Regulations as an Obstacle	1	16.67
3.1.3	Dismissal Time and Cost	2	16.67
3.2	Employment Services	5	50.00
3.2.1	Formal Training	1	16.67
3.2.2	Prevalence and Operational Efficiency of Labor Disputes	2	16.67
3.2.3	Safety and Health Inspection	2	16.67
	Total	9	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
Freedom of Association and Right to Collective Bargaining	n/a	1	1	1.52	ILO C87; ILO C98
Prohibition of Forced Labor	n/a	1	1	1.52	ILO C29; ILO C105; ILO R35
Prohibition of Child Labor	n/a	1	1	1.52	Beegle, Dehejia, and Gatti (2009); Ibrahim et al. (2019); ILO C138; ILO C182; ILO R190; ILO R146; ILO-ICLS (2008); ILO-IPEC-SIMPOC5 (2007); UN (1989)
Prohibition of Discrimination in Employment	n/a	1	1	1.52	Asali and Gurashvili (2019); Buckman et al. (2021); ILO C100; ILO C111; ILO C122; Klasen and Lamanna (2009); UN (1963, 1965, 1966, 1969, 1979)
Protection Against Workplace Discrimination, Violence Sexual Harassment and Bullying	n/a	1	1	1.52	Amin and Islam (2015); ILO C190; ILO R130; ILO R206; McLaughlin, Uggen and Blamackstone (2017); UN (1948, 1965, 1966); World Bank (2019)
Safe and Healthy Working Environment	n/a	1	1	1.52	ILO C155; ILO 161; ILO C167; ILO C184; ILO C187
Wage Premiums for Overtime and Night Work	n/a	1	1	1.52	Blundell, Bozio and Laroque (2013); Collewet and Sauermann (2017); ILO C001; ILO C30; ILO C171; ILO R178; Messenger, (2004); Wagstaff, Lie, and Sigstad (2011); Weeden, Cha, and Bucca (2016); Yi, McCann, and Messenger (2007)
Statutory Paid Annual and Sick Leave	n/a	1	1	1.52	ILO C102; ILO C130; ILO C132; ILO R202; ILO R204; ILO (2018a); ILO (2020a); ILO (2020b); Panasci (2019); Scheil-Adlung and Sandner (2010); Wooden and Warren (2008)
Remote Workers' Protections	n/a	1	1	1.52	Eurofund (2022); Sanz de Miguel, Caprile, and Arasan (2021)

Platform Workers' Rights and Benefits	n/a	1	1	1.52	Berg et al. (2018); Cusolito et al. (2022); Datta and Chen (2023); Hall and Krueger (2015); Hatayama and Maj-Swistak (2024); ILO (2021b); ILO (2021c); Yassin and Rani (2022)
Restrictions on Informality	n/a	1	1	1.52	ILO R204; ILO (2014a); ILO (2025b); Loyza (2018)
Total Points for Subcategory 1.1.1	n/a	11	11	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); ILO C131; ILO R135; Ku (2022); Neumark and Shirley (2021)
Periodic Update of Minimum Wage Rate	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 Dismissal Protections					
Existence of Statutory Notice Period	n/a	1	1	5.56	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
Existence of Statutory Severance Pay	n/a	1	1	5.56	Collins (1992); ILO C158; ILO R166; ILO C98; ILO C111; Stern (2012)
Third-Party Notification Requirement for 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	18	18	50.00	
1.2 EMPLOYMENT RESTRICTIONS AND COSTS					
1.2.1 Terms of Employment					
No Restrictions on the Use of Fixed-Term Contracts	1	n/a	1	2.08	Aimo (2016); Aleksynska and Muller (2015); ILO C158; ILO R166; Kuddo, Robalino, and Weber (2015); Pfeifer (2009)
No Restrictions on the Use of Probationary Period	1	n/a	1	2.08	ILO C158; ILO R166; Riphahn and Thalmaier (1999)

No Restrictions on Overtime and Night Work	1	n/a	1	2.08	Blundell, Bozio, and Laroque (2013); Collewet and Sauermann (2017); ILO C001; ILO C30; ILO C171; ILO R178; Messenger (2004); Wagstaff, Lie, and Sigstad (2011); Weeden, Cha, and Bucca (2016); Yi, McCann, and Messenger (2007)
Public Cost-Sharing for Sick Leave	1	n/a	1	2.08	ILO C102; ILO C130; ILO R202; ILO (2020a); ILO (2020b); Scheil-Adlung and Sandner (2010); Spasova et al. (2020)
Regulation of Telework	1	1	2	4.17	EU-ILO (2020); Eurofund (2020); Sanz de Miguel, Caprile, and Arasanz (2021)
Regulation of Platform Workers	1	1	2	4.17	De Stefano (2016); Cherry and Aloisi (2018); De Stefano et al. (2021); Hatayama and Maj-Swistak (2024)
Total Points for Subcategory 1.2.1	6	2	8	16.67	
1.2.2 Minimum Wage Rate					
Monthly Minimum Wage Rate	1	n/a	1	16.67	Ahlfeldt, Roth, and Seidel (2018 and 2022; Clemens (2021); Drechsel-Grau (2022); 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 Statutory Notice Period	1	n/a	1	5.56	Collins (1992); ILO C158; ILO R166; Stern (2012)
Amount of Statutory Severance Pay	1	n/a	1	5.56	Collins (1992); ILO C158; ILO R166; Stern (2012)
No Third-Party Approval Requirement for Dismissal	1	n/a	1	5.56	ILO C98; ILO C158; ILO R166
Total Points for Subcategory 1.2.3	3	n/a	3	16.67	
Total Points for Category 1.2	10	2	12	50.00	
Total Points for Pillar I	10	20	30	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 Public Unemployment Insurance Scheme	n/a	1	1	4.17	Bierbaum and Schmitt (2022); Bodor, Robalino, and Rutkowski (2007); Gentilini et al. (2020); ILO C102; ILO (2021a); ILO (2025a); Kuddo, Robalino, and Weber (2015); Levy (2008); Packard et al. (2019); Ribe, Robalino, and Walker (2010); Ulku and Georgieva (2022)
Coverage of Public Unemployment Insurance Scheme	n/a	1	1	4.17	Bierbaum and Schmitt (2022); Bodor, Robalino, and Rutkowski (2007); Gentilini et al. (2020); ILO C102; ILO (2021a); ILO (2025a); Kuddo, Robalino, and Weber (2015); Levy (2008); Packard et al. (2019); Ribe, Robalino, and Walker (2010); Ulku and Georgieva (2022)
Funding of Public Unemployment Insurance Scheme	1	1	2	8.34	Bierbaum and Schmitt (2022); Bodor, Robalino, and Rutkowski (2007); Gentilini et al. (2020); ILO C102; ILO (2021a); ILO (2025a); 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	3	4	16.67	
2.1.2 Health Care					
Availability of Public Health Care Scheme	n/a	1	1	4.17	Bierbaum and Schmitt (2022); Bobba, Flabbi, and Levy (2018); ILO C102; ILO (2021a); Sommers and Oellerich (2013)
Coverage of Public Health Care Scheme	n/a	1	1	4.17	Bierbaum and Schmitt (2022); Bobba, Flabbi, and Levy (2018); ILO C102; ILO (2021a); Sommers and Oellerich (2013)
Funding of Public Health Care Scheme	1	1	2	8.34	Antón-Sarabia, Hernandez, and Levy (2012); Bierbaum and Schmitt (2022); Bobba, Flabbi, and Levy (2018); ILO C102; ILO (2021a); Sommers and Oellerich (2013)
Total Points for Subcategory 2.1.2	1	3	4	16.67	
2.1.3 Retirement Pension					

Availability of Public Retirement Pension Scheme	n/a	1	1	4.17	Bierbaum and Schmitt (2022); ILO C102; ILO C128; ILO (2018b); ILO (2021a); ILO (2025a)
Coverage of Public Retirement Pension Scheme	n/a	1	1	4.17	Bierbaum and Schmitt (2022); ILO C102; ILO C128; ILO (2018b); ILO (2021a); ILO (2025a)
Funding of Public Retirement Pension Scheme	1	1	2	8.34	Antón-Sarabia, Hernandez, and Levy (2012); Bierbaum and Schmitt (2022); ILO C102; ILO C128; ILO (2021a); ILO (2025a)
Total Points for Subcategory 2.1.3	1	3	4	16.67	
Total Points for Category 2.1	3	9	12	50.00	
2.2 EMPLOYMENT SERVICES					
2.2.1 Employment Centers and Training					
Existence of a National Employment Service Center	1	1	2	4.29	Avila (2021); Boone and Van Ours (2004); ILO C122; ILO, 2021; Ulku and Georgieva (2022)
No Legal Requirement for Firms to Pay for Employment Service Center Services	1	n/a	1	2.14	IDB, WAPES, OECD (2015); Koeltz and Torres (2016)
Public Training and Apprenticeship Programs	1	1	2	4.29	Avila (2021); Card, Kluve, and Weber (2015); Chiplunkar and Goldberg (2021); ILO C156; ILO R165; ILO R191; OECD (2020); Osikominu (2021); Spinnewijn, (2013); World Bank (2019)
Employment Platforms and Digital Skills	1	1	2	4.29	Carranza and McKenzie (2023); OECD (2022); World Bank (2023)
Total Points for Subcategory 2.2.1	4	3	7	15.00	
2.2.2 Alternative Labor Dispute Resolution Mechanisms					
Existence of Judicial Conciliation for a Labor Dispute	1	1	2	5.00	ILO (2013); ILO R092; Zack (1997)
Existence of Non-Judicial Conciliation for a Labor Dispute	1	1	2	5.00	ILO (2013); ILO R092; Zack (1997)
Existence of Arbitration for a Labor Dispute	1	1	2	5.00	ILO (2013); ILO R092; Zack (1997)
Total Points for Subcategory 2.2.2	3	3	6	15.00	
2.2.3 Labor Inspectorates					
Best Practice Initiation of Labor Inspections	n/a	1	1	3.75	ILO C81; ILO R20
Enforcement of Legislation on Forced Labor, Child Labor, and Occupational Safety and Health	n/a	1	1	3.75	ILO C29; ILO C125; C138; ILO C155; ILO ILO C161; ILO C182; ILO C187; ILO R35; ILO R190; UN (1989)

Reported Labor Violation Cases	1	1	2	7.50	ILO R20
Total Points for Subcategory 2.2.3	1	3	4	15.00	
2.2.4 Labor Statistics					
Sex-Disaggregated Data on Labor Force Participation	1	1	2	1.25	ILO (2017); World Economic Forum (2023)
Sex-Disaggregated Data on Unemployment	1	1	2	1.25	ILO (2017); World Economic Forum (2023)
Sex-Disaggregated Data on Informal Employment	1	1	2	1.25	Gardner, Walsh and Frosch (2022); ILO (2017); World Economic Forum (2023)
Sex-Disaggregated Data on Wages	1	1	2	1.25	ILO (2017); World Economic Forum (2023)
Total Points for Subcategory 2.2.4	4	4	8	5.00	
Total Points for Category 2.2	12	13	25	50.00	
Total Points for Pillar II	15	22	37	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 Labor Regulations as an Obstacle					
Perception Index of Labor Regulations as a Constraint	100	n/a	100	16.67	Ahlfeldt, Roth, and Seidel (2022); Chaudhary and Sharma (2022); Clemens (2021); Dustman et al. (2021); De Mel, McKenzie, and Woodruff (2013); Kuddo, Robalino, and Weber (2015); Manning (2021); Loayza (2016); Neumark (2017); 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 Formal Training					
Percent of Firms with Formal Training Programs for its Permanent, Full-Time Workers	100	n/a	100	16.67	Hanaysha and Tahir (2016); Leppel, Brucker, and Cochran (2012); Stolovitch and Ngoa-Nguele (2001); Sultana et al. (2012)
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 Inspection					
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.

*Economies that do not impose employment-based taxes and social contributions on companies are assigned maximum score on this subcategory.

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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

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.

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.

Apprenticeships: Structured training programs that combine paid on-the-job learning with classroom-based instruction, enabling participants to gain practical skills, work experience, and industry-recognized qualifications while earning a wage.

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).

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: A negotiation process between employers and a group of employees, typically represented by a union or other labor organization, with the goal of establishing agreements that govern working conditions.

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.

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.

Digital literacy: Ability to effectively find, evaluate, create, and communicate information using digital technologies, including computers, smartphones, and the internet, in a safe and responsible way.

Digital skills: Abilities needed to use digital devices, applications, and online tools effectively for communication, problem-solving, learning, and work tasks.

Equal remuneration for work of equal value: The principle that requires that men and women receive the same pay for jobs requiring similar skill, effort, responsibility, and working conditions, without discrimination based on sex.

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 voluntarily.

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 workers' health, safety, or well-being, including harmful or dangerous industry-specific activities such as construction, mining, oil and gas extraction, vessel work, ship breaking etc.

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.

Informal employment: Work in which the worker is not registered with a social security institution or similar governmental body, and therefore typically is not entitled to social protections, benefits, or formal labor rights.

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 inspectors: Officers responsible for ensuring compliance with labor standards, investigating complaints, advising employers and workers on legal requirements, and taking actions against violations. Their role is to improve working conditions and fairness in the workplace. They operate on the ground level, directly interacting with employers and employees.

Labor taxes: Taxes imposed on employment income and payrolls.

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.

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.

Night work: Work performed during a period of not less than seven consecutive hours, including the interval from midnight to 5 a.m.

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.

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.

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.

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.

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: Person employed or engaged to work: (i) for the provision of service organized and/or facilitated by a digital labor platform; (ii) for remuneration or payment; (iii) regardless of their classification of status in employment (ILO).

Probation period: Predetermined initial period of employment during which an employee's performance, skills, and suitability for the job are evaluated. During this time, some employment protections may be limited, as defined by national law.

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.

Ride-hailing Driver: An individual who provides on-demand passenger transportation services organized and/or facilitated by a digital labor platform, typically using their own vehicle, in exchange for payment.

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: Worker who, working on their own account or with one or a few partners or in cooperative, hold the type of jobs defined as a "self-employment jobs." i.e. jobs where the remuneration is directly dependent upon the profits derived from the goods and services produced. Self-employed workers include four sub-categories of employers, own-account workers, members of producers' cooperatives, and contributing family workers.

Sexual harassment: A form of harassment involving unwelcome sexual behavior, including verbal, non-verbal, or physical conduct, that creates a hostile, intimidating, or offensive workplace environment.

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 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, health care, and retirement pensions.

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.

Telework: Formal work arrangement under which an employee uses information and communications technologies (ICT), such as computers, internet, telecommunications, to perform their duties away from the employer's premises, typically from home, either on a regular or occasional basis.

Temporary agency worker: An employment contract where a worker is employed by a temporary work agency to deliver services at or for a user company.

Unemployment insurance: A type of insurance that ensures that a benefit is paid to workers who have recently lost their job through no fault of their own. It may be provided publicly or privately.

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.

Work-based learning: Structured learning experiences that take place in a workplace, allowing individuals to apply academic knowledge, develop practical skills, and gain exposure to professional environments as part of their education or training.

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 bullying: Repeated and hostile behavior—by an individual or, in the case of mobbing, by a group—aimed at intimidating, undermining, or harming a person's dignity, mental well-being, or professional standing through systematic and persistent actions in the workplace.

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 violence: Act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior that occurs at the workplace.

Vocational guidance: 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.

LABOR 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “*Y → provide response to question...*” or “*N → provide response to question...*” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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 legal framework provide all workers with the right of freedom of association and assembly? (Y/N)**
- 2. Does the legal framework provide all workers with the right to collective bargaining? (Y/N)**

3. **Does the legal framework provide for all terms and conditions of employment (e.g., wages, working time, paid leave and benefits, occupational safety and health, grievance and dismissal/termination procedures) to be a subject of Collective Bargaining? (Y/N)**
4. **Does the legal framework explicitly prohibit forced labor? (Y/N)**
Note: Select “Yes” only if the law clearly bans forcing people to work against their will (with certain exceptional situations e.g., compulsory military service, public work during natural disasters).
5. **What is the minimum age for admission to employment (non-hazardous, standard employment) established by law? [numerical value]**
Note: This question concerns general admission to employment and excludes exceptions (e.g., light work, cultural, artistic, sports, or advertising activities) that may be permitted under special circumstances for those below the minimum age.
6. **What is the minimum age established by law, below which individuals are prohibited from performing hazardous work? [numerical value]**
Note: Provide a numerical answer only if the law explicitly prohibits children from performing hazardous work (i.e., work is likely to cause physical or mental harm). Such prohibitions are usually defined in labor codes or related laws and may list sectors like mining, manufacturing, construction, utilities, sanitation, transport, communication, or agriculture.
7. **Does the legal framework explicitly provide equal remuneration for work of equal value? (Y/N)**
8. **Does the law explicitly prohibit workplace discrimination on the following grounds? (Y/N)**
Note: Select “Yes” only if the ground is expressly stated in a binding legal instrument applicable to private employees.
 - 8a. Race and ethnicity
 - 8b. Gender
 - 8c. Religion or belief
 - 8d. Political opinion
 - 8e. Sexual orientation
 - 8f. Disability
 - 8g. National extraction or social origin
 - 8h. Trade union membership
9. **Does the legal framework require employers to establish formal internal complaint or grievance mechanisms for workers to report and seek resolution on the following? (Y/N)**
 - 9a. Workplace discrimination
 - 9b. Workplace violence
 - 9c. Sexual Harassment in the workplace
 - 9d. Workplace bullying
10. **Does the legal framework require employers to provide workers with training and/or information on how to identify and prevent the following? (Y/N)**
 - 10a. Workplace discrimination
 - 10b. Workplace violence
 - 10c. Sexual Harassment in the workplace
 - 10d. Workplace bullying
11. **Is there a national or federal Occupational Safety and Health (OSH) regulation? (Y/N)**

- 12. Does the law provide for a periodic review of the Occupational Safety and Health (OSH) regulations? (Y/N)**
Note: Select “Yes” only if the law requires the government or another relevant body to periodically review the current national or federal OSH regulation (e.g., yearly, biannually, every 5 years).
- 13. Is the agriculture sector covered by Occupational Safety and Health (OSH) regulations? (Y/N)**
- 14. Is the construction sector covered by Occupational Safety and Health (OSH) regulations? (Y/N)**
- 15. Does the legal framework require employers to pay at least a 25% premium (1.25 times or more the regular hourly wage) for each hour worked of Overtime? (Y/N)**
Note: This question is assessed only if response to question 41 is “Yes.”
- 16. Does the legal framework require employers to pay a higher rate for night work compared to regular working hours? (Y/N)**
Note: This question is assessed only if response to question 42 is “Yes.”
- 17. What is the number of fully paid working days of annual leave established by the law for a full-time permanent employee with 1 year of continuous employment? (number)**
- 18. What is the number of fully paid working days of sick leave (sick leave and/or sickness benefit) established by law for a full-time permanent employee with 1 year of continuous employment? (number)**
Note: Provide the number of days that are paid either by employer or state due to incapacity for work resulting from sickness (no matter whether from injury or ordinary illness).
- 19. Do employees have a statutory “right to request” telework, with an employer duty to consider such requests? (Y/N)**
Note: This question is assessed only if response to question 44 is “Yes.”
- 20. Does the legal framework provide workers engaged in telework with a “right to disconnect” (i.e., the right to be free from work-related communications such as emails, calls, or messages) outside regular working hours? (Y/N)**
Note: This question is assessed only if response to question 44 is “Yes.”
- 21. Are minimum wage provisions applicable to platform workers when they are not employees? (Y/N)**
Note: Please consider platform workers to be those who provide services through ride-hailing (e.g., Uber) or food delivery applications.
Note: This question is assessed only if response to question 45 is “Yes.”
- 22. Do working time regulations (such as limits on maximum working hours and mandatory rest periods) apply to platform workers when they are not employees? (Y/N)**
Note: Please consider platform workers to be those who provide services through ride-hailing (e.g., Uber) or food delivery applications.
Note: This question is assessed only if response to question 45 is “Yes.”
- 23. Does the legal framework prohibit formal firms from employing workers informally in the agriculture sector (without written contracts and/or social security registration)? (Y/N)**
Note: Select “Yes” only if employing someone without a signed labor contract or mandatory social protection registration is a punishable violation of labor law.

- 24. Does the legal framework prohibit formal firms from employing workers informally in the construction sector (without written contracts and/or social security registration)? (Y/N)**

Note: Select “Yes” only if employing someone without a signed labor contract or mandatory social protection registration is a punishable violation of labor law.

1.1.2 Minimum Wage Attributes

For the following questions, please provide the respective gross binding Minimum Wage or floor (in local currency) corresponding to an unskilled permanent worker over 25 years old with one year of tenure, as of cut-off date September 1, 2025, in [city of economy], based on the law or applicable Collective Bargaining Agreement.

- 25. What is the national minimum wage, in local currency, established by law? [numerical value]**
- 26. What is the minimum wage, in local currency, established by law or collective bargaining agreement in the manufacturing sector (car parts industry)? [numerical value]**
Note: If the jurisdiction sets only a national minimum wage and does not have a minimum specific to the manufacturing sector, please provide national minimum wage.
- 27. What is the minimum wage, in local currency, established by law or collective bargaining agreement in the service sector (food retail)? [numerical value]**
Note: If the jurisdiction sets only a national minimum wage and does not have a minimum specific to the service sector, please provide national minimum wage.
- 28. Does the legal framework or applicable collective bargaining agreement(s) explicitly mandate criteria when setting or revising the minimum wage (i.e., economic growth, cost of living, general level of wages in the economy, etc.)? (Y/N)**
- 29. Does the legal framework or applicable collective bargaining agreement(s) require a periodic process of minimum wage update? (Y/N)**
Note: Select “Yes” only if the law requires the government or another relevant body in case of collective bargaining agreement to periodically review the minimum wage (e.g., yearly, biannually, every 5 years).
- 30. Does the legal framework establish a social consultation process when setting or revising the minimum wage? (Y/N)**
Note: Tripartite consultation (employers, employee and government) is considered social consultation.

1.1.3 Dismissal Protections

- 31. What is the notice period established by law, for a regular worker on a permanent contract with 1 year of continuous employment? (number)**
Note: Consider dismissals based on economic reasons (e.g., redundancy, downsizing, restructuring). If the law does not differentiate between economic and other types of dismissals, indicate the general notice period that applies. Also, please note that this question refers to regular workers, not managerial staff.
- 32. What is the severance pay (in salary) established by law, for a regular worker on a permanent contract with 1 year of continuous employment? (number)**
Note: Consider dismissals based on economic reasons (e.g., redundancy, downsizing, restructuring). If the law does not differentiate between economic and other types of dismissals, indicate the general severance pay that applies. Also, please note that this question refers to regular workers, not managerial staff.

33. Before terminating the employment of a single regular permanent worker in the private sector due to redundancy, does the legal framework require employers to notify a third-party (either public administration or workers' representatives)? (Y/N)

Note: "Notify" refers solely to informing a third party, not seeking approval.

Y → provide response to question 46.

34. Before terminating the employment of a group of workers (collective redundancy) in the private sector, does the legal framework require employers to notify a third-party (either public administration or workers' representatives)? (Y/N)

Note: "Notify" refers solely to informing a third party, not seeking approval.

Y → provide response to question 47.

1.1 WORKERS' CONDITIONS			
1.1.1 Labor Rights			
Indicators	FFP	SBP	Total Points
Freedom of Association and Right to Collective Bargaining	n/a	1	1
- Freedom of association and assembly (1)	n/a	0.5	0.5
- Right to collective bargaining			
- General right (2)	n/a	0.25	0.25
- Possibility for all terms and conditions of employment to be subject to collective bargaining (3)	n/a	0.25	0.25
Prohibition of Forced Labor (4)	n/a	1	1
Prohibition of Child Labor	n/a	1	1
- Minimum age for employment -15 years old (exceptionally 14 years) (5)	n/a	0.5	0.5
<i>If the minimum age for employment is 14 years, the economy scores 0.25 points</i>			
- Children under the age of 18 prohibited from engaging in hazardous work (6)	n/a	0.5	0.5
Prohibition of Discrimination in Employment	n/a	1	1
- Equal remuneration for work of equal value (7)	n/a	0.5	0.5
- Prohibition of discrimination in employment (8)			
- Race and ethnicity (8a)	n/a	0.06	0.06
- Gender (8b)	n/a	0.06	0.06
- Religion or belief (8c)	n/a	0.06	0.06
- Political opinion (8d)	n/a	0.06	0.06
- Sexual orientation (8e)	n/a	0.06	0.06
- Disability (8f)	n/a	0.06	0.06
- National extraction (place of birth, ancestry, or foreign origin) or social origin (8g)	n/a	0.06	0.06
- Trade union membership (8h)	n/a	0.06	0.06
Protection Against Workplace Discrimination, Violence, Sexual Harassment and Bullying	n/a	1	1
- Internal complaints or grievance mechanisms for workers to report and seek resolution on: (9)			
- Workplace discrimination (9a)	n/a	0.125	0.125
- Workplace violence (9b)	n/a	0.125	0.125
- Sexual harassment at workplace (9c)	n/a	0.125	0.125
- Workplace bullying (9d)	n/a	0.125	0.125
- Internal information or training on how to identify and prevent: (10)			
- Workplace discrimination (10a)	n/a	0.125	0.125
- Workplace violence (10b)	n/a	0.125	0.125
- Sexual harassment at workplace (10c)	n/a	0.125	0.125
- Workplace bullying (10d)	n/a	0.125	0.125

Safe and Healthy Working Environment	n/a	1	1
- Legislation on Occupational Safety and Health (OSH):			
- General framework on OSH at the national or federal level (11)	n/a	0.167	0.167
- OSH regulation for agriculture sector (13)	n/a	0.167	0.167
- OSH regulation for construction sector (14)	n/a	0.167	0.167
- Periodic review and update of OSH (12)	n/a	0.5	0.5
Wage Premiums for Overtime and Night Work	n/a	1	1
- Wage premium for overtime work of at least 1.25 times the regular wage (15)	n/a	0.5	0.5
- Wage premium for work performed during night hours (16)	n/a	0.5	0.5
Statutory Paid Annual and Sick Leave	n/a	1	1
- Statutory paid annual leave for at least three working weeks after one year of service for worker in the private sector (17)	n/a	0.5	0.5
- Statutory paid sick leave for workers in the private sector (18)	n/a	0.5	0.5
Remote Workers' Protections	n/a	1	1
- Worker's right to request telework (19)	n/a	0.5	0.5
- Worker's right to disconnect while teleworking (20)	n/a	0.5	0.5
Platform Workers' Rights and Benefits	n/a	1	1
- Platform workers' right to a minimum wage (21)	n/a	0.5	0.5
- Platform workers' right to protection of working time (22)	n/a	0.5	0.5
Restrictions on Informality	n/a	1	1
- Prohibition of informal employment in the agriculture sector (23)	n/a	0.5	0.5
- Prohibition of informal employment in the construction sector (24)	n/a	0.5	0.5
Total Points	n/a	11	11
1.1.2 Minimum Wage Attributes			
Indicators	FFP	SBP	Total Points
Existence of Minimum Wage in the Private Sector (25 OR 26 OR 27) <i>To score a full point on SB, an economy must have national minimum wage that covers all workers in the private sector or a minimum wage in the manufacturing or service sector</i>	n/a	1	1
Criteria for Determining Minimum Wage Level (28) <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
Periodic Update of Minimum Wage Rate (29) <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 (30) <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 should involve representative(s) from workers, employers and government. 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>	n/a	1	1
Total Points	n/a	4	4
1.1.3 Dismissal Protections			
Indicators	FFP	SBP	Total Points
Existence of Statutory Notice Period (31)	n/a	1	1
Existence of Statutory Severance Pay (32)	n/a	1	1

Third-Party Notification Requirement for Dismissal	n/a	1	1
- Third-party notification required for individual dismissal (law/CBA) (33)	n/a	0.5	0.5
- Third-party notification required for collective dismissal (law/CBA) (34)	n/a	0.5	0.5
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

35. Does the legal framework allow the use of fixed-term contracts for any type of job, in any industry? (Y/N)

36. Does the legal framework allow the use of fixed-term contracts for permanent tasks (i.e., tasks or jobs of permanent nature to the firm, not dissolved once the task is completed)? (Y/N)

37. Does the legal framework allow the employers to use a paid probationary period (trial) to assess a worker's suitability for the job? (Y/N)

38. What is the maximum number of working days per week established by law? (number) (*not scored*)

39. What is the standard number of working hours per week established by law (excluding overtime hours)? (number)

Note: If no weekly limit is specified, derive it by multiplying the number of working days by the daily working hours.

40. What is the maximum number of working hours per week (including overtime hours) established by law? (number)

41. What is the maximum number of overtime working hours per week established by law? (number)

Note: Please provide the number of overtime working hours permitted by law in addition to the standard working hours per week. If the law does not stipulate a clear number (e.g., 6 hours), please derive the number based on the relevant provisions. For example, if the law stipulates that "standard working time and overtime work shall not exceed 48 hours" and at the same time mandates that "weekly working time of an employee shall be 40 hours," this means that the overtime that could be indicated is "8" hours. If the law allows overtime and does not set any limits, please indicate "no limit."

Y → provide response to question 15.

42. Does the legal framework allow night work? (Y/N)

Y → provide response to question 16.

43. Does the legal framework require the government (through a social security scheme) to provide workers with paid sick leave for at least one day of sickness? (Y/N)

Note: A social security scheme in the context of paid sick leave refers to a government-administered program that provides income support to workers who are temporarily unable to work due to illness.

44. Does the legal framework explicitly define and regulate Telework arrangements? (Y/N)

Y → provide response to questions 19-20.

45. Does the legal framework regulate the legal status (classification) of platform workers? (Y/N)

Note: Please consider platform workers to be those who provide services through ride-hailing (e.g., Uber) or food delivery applications. Also, note that legal classification may include; rebuttable presumptions establishing criteria for an employment relationship; presumptions defining self-employment; specific legal protections for platform workers with certain characteristics; or case law that reclassifies workers as employees or self-employed (e.g., decisions by the supreme court).

Y → provide response to questions 21-22.

1.2.2 Minimum Wage Rate

Please see questions 25, 26, 27.

1.2.3 Termination of Employment

On the Length of Statutory Notice Period, please see question 31.

On the Amount of Statutory Severance Pay, please see question 32.

46. Before terminating the employment of a single regular permanent worker in the private sector due to redundancy, does the legal framework require an employer to obtain approval of a third party (either public administration or workers' representatives)? (Y/N)

Note: Select Yes only if a third party must review and approve the workers' termination due to redundancy.

47. Before terminating the employment of the group of workers (collective redundancy) in the private sector, does the legal framework require an employer to obtain approval of a third party (either public administration or workers' representatives)? (Y/N)

Note: Select Yes only if a third party must review and approve the group of workers' termination due to redundancy.

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	1	n/a	1
- No restrictions on the use of fixed-term contracts for any type of job (35)	0.50	n/a	0.50
- No restrictions on the use of fixed-term contracts for permanent tasks (36)	0.50	n/a	0.50
No Restrictions on the Use of Probationary Period (37)	1	n/a	1
No Restrictions on Overtime and Night Work	1	n/a	1
- No prohibition on overtime mandated by law within a limit of maximum 56 total working hours per week (39 AND 41)	0.5	n/a	0.5
<i>To score full points on FF, the maximum working hours (the sum of standard working hours and overtime hours) for an economy must be greater than 48 hours/week (the maximum standard working hours) but less than 56 hours/ week</i>			
- No prohibition on night work (42)	0.5	n/a	0.5
Public Cost-Sharing for Sick Leave (43)	1	n/a	1
<i>To score full point on FF, an economy must legally mandate at least one day of sickness benefit paid by the government (e.g., through the relevant social security institution or fund)</i>			
Regulation on Telework (44)	1	1	2
<i>To score a full point on FF, the economy should establish law that regulate telework</i>			
Regulation of Platform Workers (45)	1	1	2

<i>To score a full point on FF, the economy should recognize/classify platform workers using rebuttable presumptions establishing criteria for an employment relationship; or presumptions defining self-employment; or specific legal protections for platform workers with certain characteristics; or case law that reclassifies workers as employees or self-employed (e.g., decisions by the supreme court)</i>			
Total Points	6	2	8
1.2.2 Minimum Wage Rate			
Indicators	FFP	SBP	Total Points
Monthly Minimum Wage Rate * - Monthly national minimum wage rate (25) OR - Monthly minimum wage rate - manufacturing sector (car parts industry) (26) OR - Monthly minimum wage rate - service sector (food retail) (27)	1	n/a	1
Total Points	1	n/a	1
1.2.3 Termination of Employment			
Indicators	FFP	SBP	Total Points
Length of Statutory Notice Period (31)*	1	n/a	1
Amount of Statutory Severance Pay (32)*	1	n/a	1
No Third-Party Approval Requirement for Dismissal - No third-party approval required for individual dismissals (law/CBA) (46) - No third-party approval required for collective dismissals (law/CBA) (47)	1 0.5 0.5	n/a n/a n/a	1 0.5 0.5
Total Points	3	n/a	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.

* The score for the minimum wage rate is calculated in the following way: The higher of the three monthly minimum wages (national, manufacturing, and services) in local currency units (LCU) is selected for each economy. This maximum monthly minimum wage is then divided by the monthly GDP per capita (GDP per capita / 12) in LCU to obtain a standardized ratio. A linear function method on a scale of 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively, is then applied. The highest possible score is obtained by economies whose minimum wage is at 38% of GDP per capita or lower, while the lowest possible score is obtained by economies whose minimum wage falls at the 95th percentile of the collected data or higher. This approach provides a standardized method to evaluate and compare minimum wage levels in relation to economic output per capita across different economies. The lower-bound threshold of 38% was derived by converting a 50% minimum-to-median wage ratio—based on academic consultations which identified ratios above this level as excessive—into an equivalent minimum wage-to-GDP per capita ratio. This conversion was conducted using cross-country data on minimum and median wages from 2005 onward. A linear regression model was employed to estimate the relationship between the minimum-to-median wage ratio and the minimum wage-to-GDP ratio, with outliers identified and excluded using the interquartile range (IQR) method. The resulting estimate was 37.9786%, which was rounded to 38% for ease of interpretation and application.

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 service 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

48. Is there a public unemployment insurance scheme available to workers in the private sector? (Y/N)

Note: Please note that by “public/government-provided”, we understand a scheme organized and administered by a government agency or body; it does not necessarily imply that the scheme is government-funded. This question does not refer to schemes offered by private-sector insurance firms.

Y → provide response to questions 49-52.

Coverage

49. Do self-employed workers have access to the public unemployment insurance scheme? (Y/N)

Note: Select “Yes” only if self-employed individuals can access the public unemployment scheme on a mandatory basis.

Funding

50. Are employees legally required to contribute to the funding of the public unemployment insurance scheme? (Y/N)

51. Are employers legally required to contribute to the funding of the public unemployment insurance scheme? (Y/N)

52. Is government legally required to contribute to the funding of the public unemployment insurance scheme? (Y/N)

2.1.2 Health Care

53. Do all citizens, regardless of their employment status, have access to public health care scheme? (Y/N)

Note: Select “Yes” only, if the financial resources for providing health care coverage come from public funds, typically from taxes (e.g., income tax, property tax, sales tax, or other). This question does not refer to schemes offered by private-sector insurance firms.

Coverage

54. Do self-employed workers have access to public health care scheme? (Y/N)

Note: Select “Yes” only if self-employed individuals can access public health care on a mandatory basis.

55. Do individuals who receive social assistance have access to a public health care scheme? (Y/N)

Note: This question refers to individuals who are not employees, such as children, older persons, or unemployed individuals

Funding

56. Are employees legally required to contribute to the funding of the public health care scheme?
(Y/N)

57. Are employers legally required to contribute to the funding of the public health care scheme?
(Y/N)

58. Is government legally required to contribute to the funding of the public health care scheme?
(Y/N)

2.1.3 Retirement Pension

59. Is there a public retirement pension scheme for workers in the private sector? (Y/N)

Note: "Public/government-provided" refers to schemes organized and administered by a government body, regardless of whether they are government-funded. This does not include schemes offered by private insurance companies.

Y → provide response to questions 60-64.

Coverage

60. Do self-employed workers have access to the public retirement pension scheme? (Y/N)

Note: Select "Yes" only if self-employed individuals can access a public pension scheme, on a mandatory basis.

61. Does the legal framework guarantee access to a public basic pension for individuals who are not eligible for an adequate contributory retirement pension scheme? (Y/N)

Note: Select "Yes" only if individuals who have not worked, or have not worked long enough to qualify for a contributory pension, can still receive a benefit from the public scheme (e.g., a social assistance pension).

Funding

62. Are employees legally required to contribute to the funding of the public retirement pension scheme? (Y/N)

63. Are employers legally required to contribute to the funding of the public retirement pension scheme? (Y/N)

64. Is government legally required to contribute to the funding of the public retirement pension scheme?
(Y/N)

2.1 SOCIAL PROTECTION			
2.1.1 Unemployment Insurance			
Indicators	FFP	SBP	Total Points
Availability of Public Unemployment Insurance Scheme (48) <i>To score a full point on SB, the economy must have a public/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 Public Unemployment Insurance Scheme <i>To score a full point on SB public unemployment insurance scheme must cover:</i>	n/a	1	1
- Private sector workers (48) AND	n/a	0.50	0.50
- Self-employed workers on mandatory basis (49)	n/a	0.50	0.50

Funding of Public Unemployment Insurance Scheme - Employees' contribution (50) - Employers' contribution (51) - Government contribution (52) <i>If three parties contribute to the scheme, economy scores full points on SB and FF. If two of them contribute together, it is half point on SB and FF. If only one of them contributes to the scheme, it is 0 points</i>	1	1	2
Total Points	1	3	4
2.1.2 Health Care			
Indicators	FFP	SBP	Total Points
Availability of Public Health Care Scheme (53) <i>To score a full point on SB, the economy must have a public/government-funded basic 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 Public Health Care Scheme <i>To score a full point on SB public health care scheme must cover:</i> - All citizens (53) OR - Self-employed on mandatory basis (54) AND - Individuals covered by social assistance (55)	n/a	1	1
Funding of Public Health Care Scheme - Employees' contribution (56) - Employers' contribution (57) - Government contribution (58) <i>If three parties contribute to the scheme, economy scores full points on SB and FF. If two of them contribute together, it is half point on SB and FF. If only one of them contributes to the scheme, it is 0 points</i>	1	1	2
Total Points	1	3	4
2.1.3 Retirement Pension			
Indicators	FFP	SBP	Total Points
Availability of Public Retirement Pension Scheme (59) <i>To score a full point on SB, the economy must have a public/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 Public Retirement Pension Scheme <i>To score a full point on SB public unemployment insurance scheme must cover:</i> - Private sector workers (59) - Self-employed workers on mandatory basis (60) - Individuals covered by social assistance (61)	n/a n/a n/a	1 0.33 0.33 0.33	1 0.33 0.33 0.33
Funding of Public Retirement Pension Scheme - Employees' contribution (62) - Employers' contribution (63) - Government contribution (64) <i>If three parties contribute to the scheme, economy scores full points on SB and FF. If two of them contribute together, it is half point on SB and FF. If only one of them contributes to the scheme, it is 0 points</i>	1	1	2
Total Points	1	3	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.

2.2 EMPLOYMENT SERVICES

2.2.1 Employment Centers and Training

65. Is there a government-run national employment service center in [LARGEST CITY]? (Y/N)

Y → provide response to questions 66-67.

66. Does the legal framework require firms to pay directly for the national employment public service center services? (Y/N, N – good practice)

Note: Select “Yes” only if firms contribute via social security contributions, or other mandatory non-tax payments, not through general taxation.

67. Does the public employment service have a national or federal digital platform through which jobseekers can search for vacancies or apply for training programs and firms can search for candidates? (Y/N)

68. Does the legal framework require the government to provide vocational training or career guidance for unemployed individuals and job seekers? (Y/N)

69. Does the legal framework set rules for apprenticeships or other forms of work-based learning? (Y/N)

70. Does the legal framework promote digital literacy or digital skills development for adults in the labor market (e.g., employees, unemployed jobseekers, or self-employed)? (Y/N)

2.2.2 Alternative Labor Dispute Resolution Mechanisms

71. Does the legal framework in [largest city] allow for a judicial conciliation/mediation (court-annexed) as an alternative dispute resolution (ADR) mechanism to resolve labor disputes? (Y/N)

72. Does the legal framework in [largest city] allow for a non-Judicial conciliation and/or mediation as an alternative dispute resolution (ADR) mechanism to resolve labor disputes? (Y/N)

73. Does the legal framework in [largest city] allow arbitration as an alternative dispute resolution (ADR) mechanism to resolve labor disputes? (Y/N)

2.2.3 Labor Inspectorates

74. Are labor inspectors legally authorized to enter any workplace subject to inspection without prior notice? (Y/N)

Note: Select Yes only if labor inspectors have the authority to access and inspect a workplace at any time without having to inform the employer in advance.

75. Does the legal framework require labor inspectorates or other governmental bodies to enforce the applicable legislation on forced labor? (Y/N)

76. Does the legal framework require labor inspectorates or other governmental bodies to enforce the current legislation on child labor? (Y/N)

77. Does the legal framework require labor inspectorates or other governmental bodies to enforce the current occupational safety and health regulations (OSH)? (Y/N)

78. Is data on the number of reported labor violation cases or complaints for 2024 publicly available? (Y/N)

Note: Select Yes only if statistical information or records exist that detail the number of cases or complaints reported regarding violations of labor laws.

2.2.4 Labor Statistics

79. Are sex-disaggregated data on the number of employees in the workforce (or share of employees) publicly available online for 2024? (Y/N)

80. Are sex-disaggregated data on the number of unemployed people (or the share of unemployment) publicly available online for 2024? (Y/N)

81. Are sex-disaggregated data on the number of informally employed people (or share of informal employment) publicly available online for 2024? (Y/N)

82. Are sex-disaggregated data on average wages publicly available online for 2024? (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 (65)	1	1	2
No Legal Requirement for Firms to Pay for Employment Service Center Services (66)	1	n/a	1
Public Training and Apprenticeship Programs - Existence of public training programs for unemployed and job seekers (68) - Existence of apprenticeships or work-based learning (69)	1	1	2
Employment Platforms and Digital Skills - Existence of digital platform for job search (67) - Digital literacy and digital skills programs for workers and unemployed (70)	1	1	2
Total Points	4	3	7
2.2.2 Alternative Labor Dispute Resolution Mechanisms			
Indicators	FFP	SBP	Total Points
Existence of Judicial Conciliation for a Labor Dispute (71)	1	1	2
Existence of Non-Judicial Conciliation for a Labor Dispute (72)	1	1	2
Existence of Arbitration for a Labor Dispute (73)	1	1	2
Total Points	3	3	6
2.2.3 Labor Inspectorates			
Indicators	FFP	SBP	Total Points
Best Practice Initiation of Labor Inspections (74) <i>To score on this indicator, an economy must allow labor inspectors to enter a workplace freely without prior notice.</i>	n/a	1	1

Enforcement of Legislation on Forced Labor, Child Labor, and Occupational Safety and Health	n/a	1	1
- Forced labor (75)	n/a	0.33	0.33
- Child labor (76)	n/a	0.33	0.33
- Occupational Safety and Health (77)	n/a	0.33	0.33
Reported Labor Violation Cases (78)	1	1	2
Total Points	1	3	4
2.2.4 Labor Statistics			
Indicators	FFP	SBP	Total Points
Sex-Disaggregated Data on Labor Force Participation (79)	1	1	2
Sex-Disaggregated Data on Unemployment (80)	1	1	2
Sex-Disaggregated Data on Informal Employment (81)	1	1	2
Sex-Disaggregated Data on Wages (82)	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 Point; SBP = Social Benefits Point.

PILLAR III—OPERATIONAL EFFICIENCY OF LABOR REGULATIONS AND PUBLIC SERVICES IN PRACTICE

The scores for indicators (except for Ratio of Social Contribution) in Pillar III—Operational Efficiency of Labor Regulations and Public Services in Practice are calculated using the linear 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.

The scores for indicator Ratio of Social Contribution under Subcategory 3.1.1—Social Contribution 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.

Data for Pillar III on the Operational Efficiency of Labor Regulations and Public Services in Practice are collected through firm-level surveys.

3.1 EMPLOYMENT RESTRICTIONS AND COSTS

All questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.1.1 Social Contribution

83. Please provide the total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld [LAST COMPLETE FISCAL YEAR]. [NUMERIC VALUE]

84. Please provide the total annual cost of labor including wages, salaries, bonuses, social security payments [LAST COMPLETE FISCAL YEAR]. [NUMERIC VALUE]

Note: ES questionnaire version – 2023 and 2024

Please provide the total annual cost of labor including **gross wages, salaries, bonuses, social security payments, and employment taxes [LAST COMPLETE FISCAL YEAR].** [NUMERIC VALUE]

Note: ES questionnaire version – 2025

3.1.2 Labor Regulations as an Obstacle

85. To what degree are labor regulations an obstacle to the current operation of the establishment?

- 85a. No obstacle
- 85b. Minor obstacle
- 85c. Moderate obstacle
- 85d. Major obstacle
- 85e. Very severe obstacle

3.1.3 Dismissal Time and Cost

86. In the last three years, has this establishment dismissed any permanent, full-time worker? (Y/N) (not scored)

87. 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. [NUMERIC VALUE]

88. 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. [NUMERIC VALUE]

3.1 EMPLOYMENT RESTRICTIONS AND COSTS			
3.1.1 Social Contribution			
Indicators	FFP	SBP	Total Points
Ratio of Social Contribution (83, 84)* <i>The ratio of social contributions is equal to the 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</i>	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Labor Regulations as an Obstacle			
Indicators	FFP	SBP	Total Points
Perception Index of Labor Regulations as a Constraint (85)	100 (100%)	n/a	100 (100%)
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 (87)	100 (50%)	n/a	100 (50%)

<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>			
Weeks Paid in Severance (88) <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.

* Economies that do not impose employment-based taxes and social contributions on companies are assigned maximum score on this subcategory.

3.2 EMPLOYMENT SERVICES

All questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.2.1 Formal Training

89. Over [LAST COMPLETE 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

90. Over the last three years, has this establishment been involved in any labor disputes? Labor disputes include any formal disagreements over salary, benefits, health and safety, dismissal, or other labor-related issue. Labor disputes could involve individual workers or a group of workers (collective dispute). (Y/N)

Note: ES questionnaire version – 2023 and 2024

Over the last three years, has this establishment been involved in any formal labor disputes? Please include any disagreements over compensation, hours, working conditions, dismissal, or other labor-related issue. They can involve individual workers or a group of workers (collective dispute). (Y/N)

Note: ES questionnaire version – 2025

91. 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 in MONTHS]

Note: ES questionnaire version – 2023

How many months did it typically take from when the dispute arose until it was resolved, whether through an agreement, court decision, or other means? [numerical value in MONTHS and DAYS]

Note: ES questionnaire version – 2024 and 2025

3.2.3 Safety and Health Inspection

92. During [LAST COMPLETE FISCAL YEAR], in reference to workplace health and safety, was this establishment visited or inspected by a government labor inspector or has it been required to meet with one? (Y/N)

93. 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)

Note: ES questionnaire version – 2023 and 2024

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)

Note: ES questionnaire version – 2025

3.2 EMPLOYMENT SERVICES			
3.2.1 Formal Training			
Indicators	FFP	SBP	Total Points
Percent of Firms with Formal Training Programs for its Permanent, Full-Time Workers (89) <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 (90) <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 (91) <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 (92) <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>	100 (50%)	n/a	100 (50%)
Percent of Firms with a Report Issued by Inspectorate for Workplace Safety and Health (93) <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 effective 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, credit information systems, and e-payments. It also measures the availability and quality of financial infrastructure in terms of information accessibility, interoperability, and level of digitalization. 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; Credit Information; and E-Payments—across the three different dimensions, here referred to as pillars. The first pillar assesses the effectiveness of regulation pertaining to commercial lending, secured transactions, credit information reporting, and e-payments, covering de jure features of a regulatory framework. The second pillar measures the access to financial infrastructure by examining the enabling infrastructure for commercial lending, the effectiveness of collateral registries, evaluating the operation of credit bureaus and registries, and then the system supporting e-payments. Thus, the second pillar measures 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, sharing credit information, 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, Credit Information, and E-Payments.

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

Pillar I—Quality of Regulations for Financial Services (54 indicators)	
1.1	Commercial Lending (12 indicators)
1.1.1	Customer Due Diligence (CDD) Requirement (2 indicators)
1.1.2	Enhanced and Simplified CDD (2 indicators)
1.1.3	e-KYC (3 indicators)
1.1.4	Third-Party KYC (1 indicator)
1.1.5	Digital ID System (3 indicators)
1.1.6	Digital Commercial Lending (1 indicator)
1.2	Secured Transactions (17 indicators)
1.2.1	Integrated Legal Framework for Secured Transactions (4 indicators)
1.2.2	Securing Single Categories of Assets (4 indicators)
1.2.3	Securing Multiple Categories of Assets and Future Assets (2 indicators)
1.2.4	Debts and Obligations (3 indicators)
1.2.5	Priority of Claims Outside Insolvency (1 indicator)
1.2.6	Out of Court Enforcement of Security Interests (3 indicators)
1.3	Credit Bureaus and Registries (10 indicators)
1.3.1	Legal Framework and Governance (3 indicator)
1.3.2	Data Management, Integrity and Protection (3 indicators)
1.3.3	Advanced Features (2 indicators)
1.3.4	Data Subject and Consumer Rights (2 indicators)
1.4	E-Payments (15 indicators)
1.4.1	Risk Management (3 indicators)
1.4.2	Consumer Protection (9 indicators)
1.4.3	Promotion of Competition (3 indicators)
Pillar II—Access to Financial Infrastructure (39 indicators)	
2.1	Commercial Lending (11 indicators)
2.1.1	Customer Due Diligence (CDD) (2 indicators)
2.1.2	Simplified CDD (1 indicator)
2.1.3	Supervisory Approach and Guidance (1 indicator)
2.1.4	e-KYC (4 indicators)
2.1.5	Digital ID System (2 indicators)
2.1.6	Digital Commercial Lending (1 indicator)
2.2	Operation of Collateral Registries (7 indicators)
2.2.1	Registry Scope and Coverage (1 indicator)
2.2.2	Registry Functions and Operation (3 indicators)
2.2.3	Online Access and Management of Registration Notice (2 indicators)
2.2.4	Reliability of the Registration System (1 indicator)
2.3	Operation of Credit Bureaus and Registries (11 indicators)
2.3.1	Governance and Operations (2 indicators)
2.3.2	Data Coverage (2 indicators)
2.3.3	Data Management, Integrity and Protection (2 indicators)
2.3.4	Advanced Features (2 indicators)
2.3.5	Data Subjects Access to Information (1 indicator)
2.3.6	Value Added Services (2 indicators)
2.4	E-Payments (10 indicators)
2.4.1	Interoperability of Payment Service Providers (4 indicators)
2.4.2	Equal Access to Different PSPs (3 indicators)
2.4.3	Supervisory Oversight and Innovation Facilitation (3 indicators)
Pillar III—Operational Efficiency of Receiving Financial Services (12 indicators)	
3.1	Loans (7 indicators)
3.1.1	Obtaining a Loan (2 indicators)
3.1.2	Operational Efficiency of Security Interest (2 indicators)
3.1.3	Operational Efficiency of Credit Data Update (3 indicators)

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)

Note: KYC= Know Your Customer; CDD = Customer Due Diligence. PSP=Payment Service Provider

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) Requirement
1.1.2	Enhanced and Simplified CDD
1.1.3	e-KYC
1.1.4	Third-Party KYC
1.1.5	Digital ID System
1.1.6	Digital Commercial Lending
1.2	Secured Transactions
1.2.1	Integrated Legal Framework for Secured Transactions
1.2.2	Securing Single Categories of Assets
1.2.3	Securing Multiple Categories of Assets and Future Assets
1.2.4	Debts and Obligations
1.2.5	Priority of Claims Outside Insolvency
1.2.6	Out of Court Enforcement of Security Interests
1.3	Credit Bureaus and Registries
1.3.1	Legal Framework and Governance
1.3.2	Data Management, Integrity & Protection
1.3.3	Advanced Features
1.3.4	Data Subject and Consumer Rights
1.4	E-Payments
1.4.1	Risk Management
1.4.2	Consumer Protection
1.4.3	Promotion of Competition

Note: KYC= Know Your Customer; CDD = Customer Due Diligence.

1.1. Commercial Lending

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

1.1.1 Customer Due Diligence (CDD) Requirement

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 Access to reliable beneficial ownership information is essential for effectively assessing these AML/CFT risks, as it enables institutions to determine who ultimately owns or controls legal entities.¹² Therefore, Subcategory 1.1.1–Customer Due Diligence (CDD) Requirement comprises two indicators (table 3).

Table 3. Subcategory 1.1.1–Customer Due Diligence (CDD) Requirement

	Indicators	Components
1	Requirement to Conduct CDD	CDD and purpose/intended use of the loan
2	Beneficial Ownership	i) Requirement to identify and assess ownership and control structure ii) Specific mechanism to identify beneficial owners iii) Requirement to determine ML/TF risk of beneficial owners iv) Enforcement and penalties for non-compliance

Note: CDD = Customer Due Diligence.

1.1.2 Enhanced and Simplified CDD

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–Enhanced and Simplified CDD comprises two indicators (table 4).

Table 4. Subcategory 1.1.2–Enhanced and Simplified CDD

	Indicators	Components
1	Enhanced CDD Measures	i) Enhanced CDD procedures for high-risk customers ii) High-risk customer identity factors iii) High-risk customer activity factors
2	Simplified CDD Measures	i) Simplified CDD review for low-risk customers ii) Guidance on identification of low-risk customers iii) Guidance on application of simplified CDD measures iv) Guidance on application of simplified CDD measures for low-risk customers in specific areas

Note: CDD = Customer Due Diligence.

1.1.3 e-KYC

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 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 e-KYC, which allows for remote verification of customers, supports these processes by enabling efficient, reliable, and cost-effective identification and verification. When proper safeguards are applied, remote customer onboarding can be considered standard or lower risk.¹⁷ By leveraging such digital tools, financial institutions can streamline CDD while maintaining the integrity of AML/CFT controls. At the same time, these processes must ensure secure data retention and robust privacy protections, in line with data protection regulations, balancing AML/CFT record-keeping requirements with privacy principles to safeguard customer information and maintain trust.¹⁸ Therefore, Subcategory 1.1.3–e-KYC comprises three indicators (table 5).

Table 5. Subcategory 1.1.3–e-KYC

	Indicators	Components
1	Regulatory Authorization	Digital and remote collection and verification of customer information
2	CDD Functionality within e-KYC	i) Transaction purpose verification in e-KYC ii) Expected business relationship profiling in e-KYC iii) Risk-based enhanced due diligence through e-KYC
3	Data Retention and Security	i) Record retention and retrievability of e-KYC data ii) Compliance of e-KYC utilities with data protection and privacy laws iii) Customer consent requirements for e-KYC data sharing

Note: CDD = Customer Due Diligence. e-KYC = Electronic Know Your Customer.

1.1.4 Third-Party KYC

Third-party KYC allows financial institutions to streamline their CDD processes while maintaining regulatory compliance. Institutions may rely on third parties for certain CDD steps, provided that those third parties are properly qualified, regulated, and compliant with CDD and record-keeping requirements.¹⁹ Institutions obtaining customer information should take into account country risk when relying on providers abroad, and may, where appropriate, leverage comprehensive group-wide AML/CFT programs within financial groups. Throughout the process, the institution relying on the third party remains ultimately responsible for ensuring that all required CDD measures are properly implemented.²⁰ Therefore, Subcategory 1.1.4–Third-Party KYC comprises one indicator (table 6).

Table 6. Subcategory 1.1.4–Third-Party KYC

	Indicators	Components
1	Reliance on Third-Party KYC and Data Protection	i) Reliance on previously conducted CDD ii) Reliance on third-party KYC and e-KYC iii) Requirement to make customer information available without a delay iv) Customer data protection in third-part KYC arrangements v) Compliance requirements for KYC service providers vi) Approval or certification requirement to offer KYC services vii) Country risk assessment requirement of the third-party provider viii) Reliance under group-wide AML/CFT programs

Note: CDD = Customer Due Diligence. e-KYC = Electronic Know Your Customer. KYC = Know Your Customer.

1.1.5 Digital ID System

Digital ID systems have become a pivotal element in shaping efficient, secure, and accessible digital financial landscapes. They provide a trusted mechanism for verifying identity remotely, lowering compliance costs, reducing fraud, and broadening access to financial services. Robust digital identity systems can also help close the financial inclusion gap by allowing those without traditional documentation to participate in the formal financial system.²¹ In many economies, digital ID systems are essential for accessing accounts, receiving transfers, and engaging in digital commerce. Therefore, Subcategory 1.1.5–Digital ID System comprises three indicators (table 7).

Table 7. Subcategory 1.1.5–Digital ID System

	Indicators	Components
1	Reliance on Digital ID System and Assurance Levels	i) Reliance on digital ID system ii) Policies or regulations on assurance levels iii) Backup procedures
2	Safeguards against Identity Theft, Unauthorized Access and Data Misuse	Safeguards against identity theft, unauthorized access and data misuse
3	Testing, Certification or Audit of Digital ID System	Requirement for independent testing, certification or audit of digital ID system

1.1.6 Digital Commercial Lending

Digital commercial lending has become a significant channel for expanding access to credit, particularly for micro, small and medium-sized enterprises that face barriers in traditional lending markets.²² Clear regulatory conditions for digital loans help ensure responsible product design, consumer protection, and operational integrity. Open banking frameworks further support this ecosystem by enabling secure data sharing, improving risk assessment, and fostering competition among lenders.²³ Sound AML/CFT assessments and effective CDD requirements are also essential, as research demonstrates that digital credit is more developed in nations with stringent AML/CFT regulations, and compliance with these frameworks

is critical for fintech lenders to scale their operations while mitigating money laundering and terrorist financing risks.²⁴ Together, these elements form the foundation for safe, transparent, and innovative digital lending markets that can broaden financial inclusion and strengthen credit availability for underserved businesses. Therefore, Subcategory 1.1.6–Digital Commercial Lending comprises one indicator (table 8).

Table 8. Subcategory 1.1.6–Digital Commercial Lending

	Indicators	Components
1	Conditions for Digital Loans and AML/CFT Risk Assessments	i) Conditions under regulations for digital loans ii) Regulation on open banking iii) AML/CFT assessments and CDD

Note: CDD = Customer Due Diligence. AML/CFT = Anti-Money Laundering/Combating the Financing of Terrorism.

1.2 Secured Transactions

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

1.2.1 Integrated Legal Framework for Secured Transactions

Functional equivalents in secured transaction law are transactions or legal arrangements that achieve the same functional result as a security interest — namely, providing a creditor with rights in movable assets to secure payment or performance of an obligation — even if they stem from historically different devices (e.g., fiduciary title transfers, financial leases, assignments of receivables or retention of title sales).²⁵ Under this functional approach, all secured transactions, no matter how denominated, are classified as transactions creating security rights in movable assets and are regulated by the same rules for creation, perfection, and priority 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.²⁶ It also allows both incorporated and unincorporated entities to create or acquire collateral in movable assets without conferring special advantages or rights to any class of debtor or creditor.²⁷ This approach helps avoid multiplicity of legal frameworks that can create gaps and inconsistencies. Furthermore, it can lower the risk of lending and contribute to a more stable financial environment. Finally, registration practices of security interests may vary, but aligning the rules governing their effectiveness against third parties contributes to a more predictable environment for secured lending. Therefore, Subcategory 1.2.1–Integrated Legal Framework for Secured Transactions comprises four indicators (table 9).

Table 9. Subcategory 1.2.1–Integrated Legal Framework for Secured Transactions

	Indicators	Components
1	Fiduciary Transfers of Title	i) Regulation of fiduciary transfers of title ii) Registration of fiduciary transfers of title iii) Same rules for incorporated and unincorporated debtors for fiduciary transfers of title iv) Same rules for incorporated and unincorporated creditors for fiduciary transfers of title
2	Financial Leases	i) Regulation of financial leases ii) Registration of financial leases iii) Same rules for incorporated and unincorporated debtors for financial lease iv) Same rules for incorporated and unincorporated creditors for financial lease
3	Assignments of Receivables	i) Regulation of assignments of receivables ii) Registration of assignments of receivables iii) Same rules for incorporated and unincorporated debtors for assignment of receivables iv) Same rules for incorporated and unincorporated creditors for assignment of receivables
4	Retention of Title Sales	i) Regulation of retention of title sales ii) Registration of retention of title sales iii) Same rules for incorporated and unincorporated debtors for retention of title sale

	iv) Same rules for incorporated and unincorporated creditors for retention of title sale

1.2.2 Securing Single Categories of Assets

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. Having rules that enable firms and individuals to use various 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. Use of these movable assets as collateral is generally expected to occur without significant legal or practical restrictions, aside from narrowly defined policy-based exemptions.²⁸ 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 society by promoting safe and secure lending to the private sector.²⁹ Therefore, Subcategory 1.2.2–Securing Single Categories of Assets comprises four indicators (table 10).

Table 10. Subcategory 1.2.2–Securing Single Categories of Assets

	Indicators	Components
1	Accounts Receivable	i) Use of accounts receivable as collateral ii) No significant restrictions on creation of security interest over accounts receivable iii) General description of accounts receivable
2	Inventory	i) Use of inventory as a collateral ii) No significant restrictions on creation of security interest over inventory iii) General description of inventory
3	Tangible Movables	i) Use of tangible movables as collateral ii) No significant restrictions on creation of security interest over tangible movables iii) Description of tangible movables
4	Intangible Movables	i) Use of intangible movables as collateral ii) No significant restrictions on creation of security interest over intangible movables iii) Description of intangible movables

1.2.3 Securing Multiple Categories of Assets and Future Assets

Beyond enabling security over discrete assets, a modern secured transactions system must allow debtors to grant a single security right that covers several categories of assets at once and to perfect that right in a single filing.³⁰ Allowing security over future assets ensures that the collateral base naturally expands as the debtor acquires new property, without requiring repeated amendments or registrations.³¹ This flexibility is central to reducing transactional costs for both borrowers and lenders, who otherwise need to prepare and register multiple agreements or filings. Therefore, Subcategory 1.2.3–Securing Multiple Categories of Assets and Future Assets comprises two indicators (table 11).

Table 11. Subcategory 1.2.3–Securing Single Categories of Assets

	Indicators	Components
1	Securing Multiple Categories of Assets	i) Single security right covering multiple asset classes ii) No material limitations on included asset categories iii) Single registration for multi-category security rights
2	Securing Future Assets	i) Security interest over future (after acquired) assets ii) Automatic extension of collateral to products of the original collateral iii) Automatic extension of collateral to proceeds of the original collateral

1.2.4 Debts and Obligations

Extending the security right to supporting obligations ensures that all ancillary undertakings related to the secured debt attach automatically and are governed by the same unified framework.³² The framework should also ensure that security rights are properly discharged once obligations are satisfied, and that debtors have mechanisms to request cancellation when no security rights are ever attached or after obligations are extinguished.³³ Therefore, Subcategory 1.2.4–Debts and Obligations comprises three indicators (table 12).

Table 12. Subcategory 1.2.4–Debts and Obligations

	Indicators	Components
1	Scope and Flexibility of Secured Obligations	i) Ability to secure all types of obligations (current, future, fixed, fluctuating) ii) Description of debts and obligations iii) Automatic priority for future advances
2	Automatic Extensions of Secured Obligations	i) Automatic inclusion of the interest, maintenance, and enforcement cost in the secured debt ii) Automatic extension to supporting obligations
3	Cancellation and Discharge Mechanisms	i) Mechanism for the secured creditor to cancel the registration ii) Mechanism for the debtor to request the cancellation

1.2.5 Priority of Claims Outside Insolvency

Securing creditors' 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. Specifying priority of registered security rights among themselves as well as in relation to unregistered tax or labor claims that may arise would encourage predictability, enabling secured creditors to recover through enforcement outside insolvency proceedings. The priority treatment accorded to buyers in the ordinary course of business³⁴ is another important aspect of the priority regime, as it determines whether movable assets can circulate freely without being encumbered by prior security rights. Granting protection to such buyers promotes confidence in market transactions. Therefore, Subcategory 1.2.3–Priority of Claims Outside Insolvency comprises one indicator (table 13).

Table 13. Subcategory 1.2.5–Priority of Claims Outside Insolvency

	Indicators	Components
1	Priority of Claims outside Insolvency or Bankruptcy	i) Availability of clear priority rules ii) Treatment of secured creditors and statutory liens iii) Protection of buyers in the ordinary course of business

1.2.6 Out of Court Enforcement of Security Interests

Providing the parties with the option to agree to enforce the security interest outside of court through public and/or private auction or appropriation can relieve some of the pressure on the judiciary branch and decrease the risk of backlog of cases.³⁵ This can make the enforcement process more efficient and flexible. Creditors may be permitted to take possession of the collateral, dispose of it through public or private sale, or, in certain circumstances, acquire the collateral through appropriation.³⁶ These methods of realization should be subject to conditions designed to recognize the interests of the debtor and other parties with rights in the collateral, including requirements related to consent, notice, or the absence of objection from the debtor or concerned parties.³⁷ Conducting any out-of-court realization in a commercially reasonable manner supports transparency in the process, while the debtor's ability to redeem the collateral before its final disposition provides an additional procedural safeguard.³⁸ Therefore, Subcategory 1.2.6–Out of Court Enforcement of Security Interests comprises three indicators (table 14).

Table 14. Subcategory 1.2.6–Out of Court Enforcement of Security Interests

	Indicators	Components
1	Procedural Safeguards	i) Availability of out of court enforcement of security interests ii) Conditions for taking possession iii) Commercially reasonable realization iv) Debtor’s right of redemption v) Order of distribution of proceeds
2	Private Sale	i) Availability of private sale ii) Notice requirements for interested parties
3	Appropriation	i) Appropriation by creditor ii) Conditions for acquisition of collateral

1.3 Credit Bureaus and Registries

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

1.3.1 Legal Framework and Governance

A sound comprehensive legal framework is essential to ensure market integrity, consumer confidence, and the effective functioning of credit information systems that underpin financial stability and inclusion. Clearly defined laws and regulations establish the mandates, governance structures, and oversight mechanisms of credit bureaus and registries, ensuring they operate within the boundaries of lawful authority, comply with international standards for credit reporting systems, and respect and protect consumer rights.³⁹ This Subcategory assesses the extent to which the legal rules clearly define objectives, responsibilities, permissible activities, data governance, and data subjects and consumer protection obligations of credit reporting service providers (CRSPs).⁴⁰ By promoting legal certainty, sound governance, and effective regulatory compliance, a robust framework strengthens market integrity, fosters consumer confidence, and supports the development of inclusive and resilient markets. Therefore, Subcategory 1.3.1–Legal Framework and Governance comprises three indicators (table 15).

Table 15. Subcategory 1.3.1–Legal Framework and Governance

	Indicators	Components
1	Legal Framework, Access, and Transparency	i) Regulation of credit reporting services providers ii) Core safeguards iii) Mandated use of credit data
2	Data Privacy and Protection	i) Data protection regulation ii) Consent for data sharing iii) Use of sensitive personal data iv) Data confidentiality
3	Risk Management and Business Continuity	i) Risk management program ii) Continuity test

1.3.2 Data Management, Integrity and Protection

Reliable, accurate, and secure credit information is fundamental to the credibility and effectiveness of credit reporting systems. Adequate data management practices ensure that information collected, processed, and shared by CRSPs is complete, updated, and protected throughout its lifecycle. Robust controls over data accuracy, timeliness, retention, and security build confidence among users and protect consumers from errors and potential data breaches.⁴¹ Clear standards for data quality, timeliness of updates, and the correction of inaccuracies are essential to ensure integrity and credibility of CRSPs. Upholding these standards will require CRSPs to implement robust and comprehensive information security measures that are directly proportionate to the sensitivity of the data they handle. By promoting integrity, accountability,

and security across all stages of data processing, effective data management standards strengthen the reliability of credit reporting systems, safeguard consumer rights, and contribute to financial system stability and trust. Hence, Subcategory 1.3.2–Data Management, Integrity and Protection comprises three indicators (table 16).

Table 16. Subcategory 1.3.2–Data Management, Integrity and Protection

	Indicators	Components
1	Data Quality and Timeliness	i) Data accuracy and correction ii) Updates frequency iii) Timeliness of reported credit information
2	Data Retention and Removal	i) Historical data ii) At least two years of historical data are shared
3	Data Security and Cybersecurity	Security requirements

1.3.3 Advanced Features

Modern credit reporting systems increasingly support financial integration, cross-border lending, and crisis resilience. Advanced features such as the exchange of credit data across jurisdictions and the inclusion of crisis-related information enhance the scope, responsiveness, and analytical value of credit information infrastructures.⁴² A well-designed framework enables cross-border data sharing through varied arrangements while ensuring compliance with data protection regulations. The inclusion of crisis-related data, such as information on payment deferrals or loan restructurings, helps authorities and market participants better assess credit risk and borrower behavior during periods of systemic stress.⁴³ By facilitating secure cross-border data flows and improving the system’s capacity to adapt to financial shocks, these advanced features strengthen regional financial integration, improve risk assessment, and enhance overall financial sector resilience. Therefore, Subcategory 1.3.3–Advanced Features comprises two indicators (table 17).

Table 17. Subcategory 1.3.3–Advanced Features

	Indicators	Components
1	Cross-Border Data Sharing	i) Cross-border sharing ii) Cross-border sharing conditions
2	Crisis-Related Data	Crisis-related data

1.3.4 Data Subject and Consumer Rights

Protecting the rights of data subjects is a cornerstone of responsible credit reporting and financial consumer protection in general.⁴⁴ Effective frameworks ensure that consumers maintain agency, transparency, and recourse throughout the data lifecycle, from the moment their information is collected to its use in credit assessment and beyond. By defining clear rights and obligations, the legal framework helps build public confidence in credit reporting systems and promotes equitable access to finance. A comprehensive approach to consumer and data subject rights includes informed consent for data usage, timely notification of data subjects about the inclusion or negative reporting of their information, the right to dispute and correct inaccuracies, and access to external redress mechanisms when internal remedies fail. By embedding these safeguards in law, credit reporting systems promote transparency, accountability, and nondiscrimination, thereby reinforcing consumer trust, improving data quality, and supporting the broader objectives of financial inclusion and market integrity. Therefore, Subcategory 1.3.4–Data Subject and Consumer Rights comprises two indicators (table 18).

Table 18. Subcategory 1.3.4–Data Subject and Consumer Rights

	Indicators	Components
1	Data Consent and Notification Rights	i) Data subject consent for usage ii) Notification of data subjects iii) Disparate impact analysis
2	Dispute and Correction of Information	i) Right to dispute ii) Data correction obligation iii) External redress mechanism

1.4 E-Payments

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

1.4.1 Risk Management

A sound regulatory framework for e-payments is essential to maintain the integrity of the monetary system and safeguard financial stability.⁴⁵ In particular, having adequate risk management practices is important to ensure the security, efficiency, and stability of the electronic transfers.⁴⁶ 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.⁴⁷ Therefore Subcategory 1.4.1–Risk Management comprises three indicators (table 19).

Table 19. Subcategory 1.4.1–Risk Management

	Indicators	Components
1	External Review and Internal Control	i) External review of regulatory compliance of payment service providers ii) Scope of reviews iii) Implementation of internal controls
2	Cybersecurity and Operational Risk	i) Requirement for cybersecurity ii) Cybersecurity function officer iii) Vulnerability assessments and penetration testing iv) Requirement for a contingency plan v) Incident response and recovery plan in case of breach
3	Liquidity Risk	i) Requirements to ensure customers have access to funds ii) Customer usage limits

1.4.2 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 confidence.⁴⁸ 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.⁴⁹ 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.⁵⁰ 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.⁵¹ These measures are essential for promoting consumers' trust and confidence in using e-payments.⁵² 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.⁵³ These mechanisms play an important role in preventing customer abuse and motivating PSPs to

address operational weaknesses that may result in low-quality service.⁵⁴ They also boost consumer confidence and trust, and enable new and existing customers alike to exercise their rights effectively.⁵⁵ Therefore, Subcategory 1.4.2–Consumer Protection comprises nine indicators (table 20).

Table 20. Subcategory 1.4.2–Consumer Protection

	Indicators	Components
1	Obligations of Payment Service Provider (PSP)	i) Restrictions on use of payment instruments ii) Restrictions on access to payment account iii) Two-factor authentication of debit, credit and prepaid cards iv) Two-factor authentication of other payment instruments
2	Cancellation or Modification of Payment Transaction	i) Cancellation or modification of payment transaction ii) Recourse mechanism for instant payments after execution of transaction
3	Protection and Insurance of Customer Funds	i) Protection of customer funds ii) Specific protections for customer funds iii) Insurance of customer funds
4	Notification and Rectification	i) Notification of unauthorized or fraudulent activity ii) Rectification of unauthorized or incorrectly executed transaction
5	Scope of Liabilities	i) Provisions on liability for fraud ii) Provisions on liability for unauthorized payments iii) Limits on customer liability
6	Disclosure and Notification Requirements	i) Disclosure of general terms of service ii) Disclosure of fees iii) Notification on changes of fees iv) Disclosure of liability v) Disclosure of use of customer data
7	Customer Data Protection	i) Customer data protection requirements ii) Limiting customer personal data collection iii) Informed consent before processing customer personal data
8	Customer Complaints and Disputes	i) Written policies for complaint handling procedures ii) Complaint handling internal mechanisms
9	Disputing a Transaction	i) Time limit for different payments ii) Acknowledgement of customer complaint iii) Dispute handling entities of non-bank PSP iv) Dispute handling independent government authority

Note: PSP = Payment Service Provider.

1.4.3 Promotion of Competition

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.⁵⁶ Promotion of competition can play a critical role in meeting the needs of unserved and underserved firms/users. When financial services and payment markets allow open participation by diverse providers, they help reduce concentration and expand consumer choice.⁵⁷ Competition in financial technologies and electronic payment flows in particular has shown to promote financial inclusion by widening access and reducing intermediation barriers.⁵⁸ Therefore, Subcategory 1.4.3–Promotion of Competition comprises three indicators (table 21).

Table 21. Subcategory 1.4.3–Promotion of Competition

	Indicators	Components
1	Fair Competition	Fair competition provisions
2	Equal Treatment of Different PSPs	i) Functional requirements ii) Proportional and non-discriminatory application of functional requirements
3	Innovation Facilitation	i) Eligibility criteria for regulatory sandboxes ii) Eligibility criteria for innovation hubs iii) Guidance on transitioning

Note: PSPs = Payment Service Providers.

2. PILLAR II. ACCESS TO FINANCIAL INFRASTRUCTURE

Table 22 shows the structure for Pillar II, Access to Financial Infrastructure. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 22. Pillar II–Access to Financial Infrastructure

2.1	Commercial Lending
2.1.1	Customer Due Diligence (CDD)
2.1.2	Simplified CDD
2.1.3	Supervisory Approach and Guidance
2.1.4	e-KYC
2.1.5	Digital ID System
2.1.6	Digital Commercial Lending
2.2	Operation of Collateral Registries
2.2.1	Registry Scope and Coverage
2.2.2	Registry Functions and Operation
2.2.3	Online Access and Management of Registration Notice
2.2.4	Reliability of the Registration System
2.3	Operation of Credit Bureaus and Registries
2.3.1	Governance and Operations
2.3.2	Data Coverage
2.3.3	Data Management, Integrity and Protection
2.3.4	Advanced Features
2.3.5	Data Subjects Access to Information
2.3.6	Value Added Services
2.4	E-Payments
2.4.1	Interoperability of Payment Service Providers
2.4.2	Equal Access to Different PSPs
2.4.3	Supervisory Oversight and Innovation Facilitation

Note: CDD = Customer Due Diligence; PSPs = Payment Service Providers; e-KYC = Electronic Know Your Customer.

2.1 Commercial Lending

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

2.1.1 Customer Due Diligence (CDD)

Commercial lenders use a variety of mechanisms to verify customer identity as part of their KYC and AML/CFT obligations. These mechanisms, such as registries or e-KYC utilities, allow financial institutions to authenticate documents and verify customer information in real time.⁵⁹ For legal entity customers, CDD extends to identifying and verifying beneficial owners using registries that maintain accurate, up-to-date information and provide access for authorized stakeholders, including financial institutions and competent authorities.⁶⁰ These mechanisms strengthen transparency, mitigate money laundering and terrorist financing risks, and support the integrity of financial systems worldwide. Therefore, Subcategory 2.1.1–Customer Due Diligence (CDD) comprises two indicators (table 23).

Table 23. Subcategory 2.1.1–Customer Due Diligence (CDD)

	Indicators	Components
1	Customer Direct Identity	i) Mechanism for verification ii) Mechanism for real time identification iii) Mechanism for verification of documents

2	Beneficial Ownership Registry	i) Availability of beneficial ownership (BO) registry ii) Information verification and update iii) Access to BO registry by relevant stakeholders iv) Different levels of access to BO registry

Note: CDD = Customer Due Diligence; BO = Beneficial Ownership.

2.1.2 Simplified CDD

Simplified CDD is intended to streamline procedures for lower-risk customers by providing firms with a proportionate and less burdensome approach.⁶¹ Its adoption, however, is frequently hindered by institutional challenges such as regulatory uncertainty, conservative supervisory messaging, or technological limitations, which discourage regulated entities from applying it in practice.⁶² For these reasons, the extent to which simplified CDD is effectively implemented in practice is examined. Therefore, Subcategory 2.1.2–Simplified CDD comprises one indicator (table 24).

Table 24. Subcategory 2.1.2–Simplified CDD

	Indicators	Components
1	Simplified CDD Measures	i) Application of simplified CDD measures for low-risk clients ii) Reduced time for customer verification

Note: CDD = Customer Due Diligence.

2.1.3 Supervisory Approach and Guidance

An effective AML/CFT framework requires supervisory authorities to adopt an approach that is both proactive and proportionate to risk. Supervisors should have a clear mandate and adequate powers to oversee compliance, using a risk-based methodology to prioritize institutions and activities that pose higher money-laundering or terrorist-financing risks.⁶³ This includes assessing the adequacy of internal controls, monitoring the implementation of risk-mitigation measures, and providing timely, constructive feedback to regulated entities. Strong coordination between supervisors and Financial Intelligence Units (FIUs) is also essential to ensure that financial institutions have access to clear guidance and consistent expectations across the AML/CFT ecosystem. Therefore, Subcategory 2.1.3–Supervisory Approach and Guidance comprises one indicator (table 25).

Table 25. Subcategory 2.1.3–Supervisory Approach and Guidance

	Indicators	Components
1	Supervisory Approach and Guidance on Risk-based CDD	i) Supervisory approach to risk-based CDD ii) Guidance on CDD and AML/CFT control effectiveness iii) Accessible channels to seek guidance on CDD requirements

Note: CDD = Customer Due Diligence.

2.1.4 e-KYC

Electronic Know Your Customer (e-KYC), which enables remote customer verification, facilitates smooth, reliable, and cost-efficient identification and verification processes, promoting financial, social, and economic inclusion.⁶⁴ Its effectiveness relies on well-defined system structures and governance models that ensure accountability and interoperability across institutions. Broad accessibility and reasonable participation fees support widespread adoption.⁶⁵ Beyond basic identity verification, e-KYC can extend to CDD functions, including verification of beneficial ownership and screening against sanctions or politically exposed person (PEP) lists, thereby strengthening AML/CFT compliance.⁶⁶ Therefore, Subcategory 2.1.4–e-KYC comprises four indicators (table 26).

Table 26. Subcategory 2.1.4–e-KYC

	Indicators	Components

1	System Structure and Ownership	i) Availability of e-KYC utility ii) e-KYC utility structure
2	Access and Coverage	i) Accessibility of e-KYC utility ii) Usage of e-KYC utility
3	Cost and Participation	i) Access fees ii) Transparency of access fees
4	CDD Functionality within e-KYC	i) Collection and recording of beneficial ownership information ii) Functionality to screen against PEP and sanctions lists

Note: CDD = Customer Due Diligence; e-KYC = Electronic Know Your Customer.

2.1.5 Digital ID System

Digital ID systems provide a secure, reliable, and verifiable way to establish an individual's identity, enabling institutions to implement CDD measures effectively.⁶⁷ They should ensure broad accessibility so that both public and private service providers can authenticate customers efficiently, reducing the need for in-person verification. By incorporating levels of assurance (LOA) proportionate to each customer's risk profile, digital ID systems are intended to strengthen identity verification, mitigate money laundering and terrorist financing (ML/TF) risks, and enhance the overall integrity of financial and non-financial services.⁶⁸ Therefore, Subcategory 2.1.5–Digital ID System comprises two indicators (table 27).

Table 27. Subcategory 2.1.5–Digital ID System

	Indicators	Components
1	Availability of Digital ID System	Availability of digital ID system
2	Level of Assurance and ML/FT risk	Level of assurance and ML/FT risk

Note: ML/FT = Money Laundering/Financing Terrorism.

2.1.6 Digital Commercial Lending

The availability of digital commercial lending is an important signal of how well an economy supports businesses in accessing timely and flexible credit. Digital channels can widen financing options for firms that may not be fully served by traditional banking models, particularly when lenders use alternative data and automated assessments to reach smaller enterprises.⁶⁹ The presence of open banking further strengthens this landscape by allowing businesses to share financial information securely with multiple providers, which enhances credit evaluation and encourages healthy competition in lending markets.⁷⁰ Assessing whether digital lending models can be tested in regulatory sandboxes or supported through innovation hubs is also essential, as these tools help new products enter the market safely and efficiently.⁷¹ Taken together, these elements indicate whether an economy enables a dynamic digital credit environment that can promote innovation, broaden choice for borrowers, and contribute to more efficient and inclusive credit markets. Therefore, Subcategory 2.1.6–Digital Commercial Lending comprises one indicator (table 28).

Table 28. Subcategory 2.1.6–Digital Commercial Lending

	Indicators	Components
1	Availability of Digital Commercial Lending and Regulatory Sandboxes	i) Availability of digital commercial lending ii) Availability of digital commercial lending platforms iii) Availability of open banking iv) Availability of regulatory sandboxes and innovation hubs

2.2 Operation of Collateral Registries

Category 2.2 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Registry Scope and Coverage

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 publicizing their existence and establishing priority among creditors based on the time of registration.⁷² A centralized collateral registry consolidates all security interests registrations within the economy in a single location or a 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 against any potential priority risks that may affect their prospective or existing rights.⁷³ If multiple registries exist, the rules governing third-party effectiveness and registration requirements need to be consistent across registries to ensure predictability for users. Therefore, Subcategory 2.2.1–Registry Scope and Coverage comprises one indicator (table 29).

Table 29. Subcategory 2.2.1–Registry Scope and Coverage

	Indicators	Components
1	Registry Scope and Coverage	i) Unified registry or multiple registries for security interests. ii) Consistent rules for third-party effectiveness across registries iii) Nationwide effectiveness of a single registration where applicable iv) Ability of all creditor types to register security interests

2.2.2 Registry Functions and Operation

A modern collateral registry framework should combine broad, user-friendly search capabilities with automated verification and robust safeguards to ensure reliability, legal certainty, and accessibility. Effective systems allow users to search registry records using a range of identifiers and technologies, without discriminating against foreign parties. 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.⁷⁴ The process for submitting a registration notice may vary, but systems should generally aim to minimize the need for manual review pre-filing so that registration can occur efficiently and without undue delay. At the same time, the framework should incorporate appropriate safeguards, such as automated checks, attestations by submitting parties, and debtor notifications, complemented by efficient mechanisms to remove unauthorized registrations and to challenge inaccurate or fraudulent notices, thereby preserving the integrity of the registry while minimizing administrative burdens. Therefore, Subcategory 2.2.2–Registry Functions and Operation comprises three indicators (table 30).

Table 30. Subcategory 2.2.2–Registry Functions and Operation

	Indicators	Components
1	Searches	i) Serial number search ii) Other identifiers search iii) ISO-standardized identifiers search iv) AI assisted search v) OCR assisted search vi) No discrimination of foreign parties
2	Verification and Material Checks	i) Priority established at the time of submission ii) Availability of notice-based filing iii) No human review of legality of transaction iv) No human review of notice for correctness
3	Safeguards to Prevent Unlawful Registrations	i) Automated checks ii) Attestation from the submitting party

		iii) Debtor's consent and/or authorization iv) Expedited administrative removal of unauthorized registration notices v) Availability of a mechanism for challenging an incorrect or fraudulent registration

2.2.3 Online Access and Management of Registration Notice

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.⁷⁵ 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. Direct electronic access allows users to search existing registrations without relying on intermediaries and enables secured creditors or their representatives to perform actions related to the registration notices through the system. Allowing these actions to be performed electronically streamlines the registration process and reduces administrative burdens. Digital registries may also provide mechanisms for addressing incorrect or fraudulent filings, enabling users to initiate challenges directly through the registry interface. Therefore, Subcategory 2.2.3–Online Access and Management of Registration Notice comprises two indicators (table 31).

Table 31. Subcategory 2.2.3–Online Access and Management of Registration Notice

	Indicators	Components
1	Public Access	i) Unrestricted public access to registry database ii) Secured creditor's unrestricted access to registry system
2	Digital Management of Registry Notice	i) Online search, registration, amendment, cancelation, and challenge of notices ii) Automated notifications to the debtor

2.2.4 Reliability of the Registration System

In a notice-based registry, registry's post-filing checks and safeguards do not make registry data substantively accurate, but they are necessary complements to legal reliance rules and predictable priority effects, enabling users to rely in good faith on registry information for purposes of priority and opposability. User perceptions of the accuracy and dependability of registry information also play a role in determining how effectively the system supports secured financing. Consistent data quality helps build confidence that registrations are recorded and maintained in a trustworthy manner. Therefore, Subcategory 2.2.4–Reliability of the Registration System comprises one indicator (table 32).

Table 32. Subcategory 2.2.4–Reliability of the Registration System

	Indicators	Components
1	Reliability of the Registration System	i) Protection of users relying on collateral registry data ii) Perception of users on reliability of collateral registry data

2.3 Operation of Credit Bureaus and Registries

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

2.3.1 Governance and Operations

Effective governance and sound operational practices are essential for maintaining the reliability, transparency, and inclusiveness of credit reporting systems. Strong institutional arrangements ensure that credit bureaus and registries operate with integrity, expand participation across the financial sector, and protect consumer data through consistent supervision and disclosure practices. Strong governance, sound transparency, and good operational resilience, can enhance public confidence in the credit reporting

systems, promote equal access to financial infrastructure, and safeguard the continuity of services that underpin financial inclusion and stability.⁷⁶ At the same time, effective risk management and regularly tested business continuity arrangements are essential to safeguard the reliability, availability, and integrity of credit information services, particularly in the face of operational disruptions or systemic shocks. Therefore, Subcategory 2.3.1–Governance and Operations comprises two indicators (table 33).

Table 33. Subcategory 2.3.1–Governance and Operations

	Indicators	Components
1	Inclusion and Transparency	i) Coverage of lenders ii) Operational transparency iii) Supervision of credit data protection
2	Risk Management and Business Continuity	i) Risk management in practice ii) Business continuity test in practice

2.3.2 Data Coverage

Comprehensive data coverage is a core feature of effective credit information systems, as it determines the extent to which credit histories accurately reflect the financial behavior of both individuals and firms. Sound frameworks ensure that credit information is reported for consumers and enterprises alike, encompassing a range of relevant data that supports meaningful credit assessment.⁷⁷ Broad participation by financial institutions, non-bank financial institutions, and appropriately regulated alternative data providers—supported by clear incentives to contribute data—enhances the completeness, inclusiveness, and predictive value of credit information, particularly for underserved segments. Therefore, Subcategory 2.3.2–Data Coverage comprises two indicators (table 34).

Table 34. Subcategory 2.3.2–Data Coverage

	Indicators	Components
1	Data Reported on Consumers and Firms	i) Reporting data on consumers ii) Types of data reported on consumers iii) Reporting data on firms iv) Types of data reported on firms
2	Coverage of Data Providers	i) Data on financial institutions and NBFIs ii) Alternative data providers iii) Incentives for alternative data providers

Note: NBFIs = Non-Banking Financial Institutions.

2.3.3 Data Management, Integrity and Protection

High-quality and well-protected data are the foundation of a credible, reliable, and efficient credit reporting system. CRSPs with strong operational practices ensure that the information collected and processed is accurate, timely, and safeguarded throughout its lifecycle. Hence, a reliable data management system not only supports sound credit decision-making but also reinforces public trust and protects consumers from the risks of errors, misuse, or security breaches.⁷⁸ By promoting integrity, security, and accountability across all stages of data handling, robust data-management practices enhance the reliability of credit information, safeguard consumer rights, and support the reliability of financial infrastructure. Therefore, Subcategory 2.3.3–Data Management, Integrity and Protection comprises two indicators (table 35).

Table 35. Subcategory 2.3.3–Data Management, Integrity and Protection

	Indicators	Components
1	Data Quality and Timeliness	i) Validation/audits of data ii) Time to correct discovered errors iii) Unique identifiers
2	Data Security and Cybersecurity	i) Encryption ii) Identity-proofing and authentication controls iii) Security testing

	iv) Security certification

2.3.4 Advanced Features

Advanced features of credit information systems enhance their responsiveness to evolving market needs and exceptional circumstances. Well-designed frameworks enable appropriate cross-border data sharing with foreign entities, subject to safeguards that protect data subjects and ensure consistency with applicable legal requirements. In addition, the ability to identify, flag, and appropriately remove crisis-related data supports fair and accurate credit assessment during and after periods of economic disruption, helping to prevent temporary shocks from having disproportionate or lasting effects on access to finance.⁷⁹ Therefore, Subcategory 2.3.4–Advanced Features comprises two indicators (table 36).

Table 36. Subcategory 2.3.4–Advanced Features

	Indicators	Components
1	Cross-Border Data Sharing	Types of foreign entities receiving credit information
2	Crisis-Related Data	i) Identification of crisis-related data ii) Removal of crisis-related data

2.3.5 Data Subjects 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.⁸⁰ This can promote access to finance for borrowers and contribute to the stability of the financial sector. Therefore, Subcategory 2.3.5–Data Subjects Access to Information comprises one indicator (table 37).

Table 37. Subcategory 2.3.5–Data Subjects Access to Information

	Indicators	Components
1	Data Subjects Access to Information	i) Frequency of free reports ii) Online access iii) Cost of dispute

2.3.6 Value Added Services

Modern credit reporting institutions regularly offer value added services that aim at enhancing the utility of credit information for borrowers (users), consumers, and regulators. These services tend to go beyond traditional credit information files and usually provide analytical tools, monitoring capabilities, and other mechanisms to support responsible lending, risk management, and consumer empowerment to better understand and improve their financial behavior. These enhanced services typically include credit scores, monitoring, and fraud detection. By expanding the analytical capacity of the CRSPs, and improving lender and consumer engagement, the value added services help in improving the efficiency of credit markets, enhancing trust in the financial infrastructure and promoting inclusive access to credit. Therefore, Subcategory 2.3.6–Value Added Services comprises two indicators (table 38).

Table 38. Subcategory 2.3.6–Value Added Services

	Indicators	Components
1	Credit Scores	i) Availability of credit scores ii) Interpretation of credit scores iii) Factors influencing credit scores iv) Score simulation tool v) Tips to improve credit score vi) Disparate impact analysis in practice
2	Credit Monitoring and Fraud Detection and Tracking	i) Portfolio monitoring ii) Theft and fraud alerts iii) Access history

2.4 E-Payments

Category 2.4 is divided into three subcategories consisting of several indicators, each of which may, in turn, consist of several components.

2.4.1 Interoperability of Payment Service Providers

Payment system interoperability allows participants to conduct, clear, and settle payments across systems without participating in multiple systems.⁸¹ The interoperability of payment systems can promote competition, reduce costs, enable economies of scale for PSPs, and enhance convenience for users of payment services.⁸² To maximize these benefits, interoperability needs to be established across different types of providers and instruments, including bank and non-bank PSPs, payment cards, mobile money, and online money platforms, ensuring seamless transfers and broader access to financial services.⁸³ Therefore, Subcategory 2.4.1–Interoperability of Payment Service Providers comprises four indicators (table 39).

Table 39. Subcategory 2.4.1–Interoperability of Payment Service Providers

	Indicators	Components
1	Interoperability across Bank and Non-Bank Payment Service Providers	i) Interoperability of mobile money across bank and non-bank PSPs ii) Interoperability of online money across bank and non-bank PSPs
2	Interoperability of Payment Cards	i) Interoperability of payment cards at a physical POS ii) Interoperability of payment cards at a virtual POS iii) Interoperability of payment cards for ATMs
3	Interoperability of Mobile Money	Interoperability of mobile money
4	Interoperability of Online Money	Interoperability of online money

Note: PSP = Payment Service Provider.

2.4.2 Equal Access to Different PSPs

Equal access to core retail payment infrastructures, such as fast payment systems, automated clearing houses, and domestic card switches, fosters competition and enables PSPs to provide efficient, low-cost payment services. Expanded access can level the playing field by reducing reliance on intermediaries, lowering operational costs, and supporting greater innovation and service quality among PSPs.⁸⁴ Direct participation in fast payment systems also accelerates payments, reduces transaction costs, and gives providers greater control over the services they offer, while indirect-only access can create barriers related to dependency on competitors, higher fees, and weaker technical capabilities.⁸⁵ Therefore, Subcategory 2.4.2–Equal Access to Different PSPs comprises three indicators (table 40).

Table 40. Subcategory 2.4.2–Equal Access to Different PSPs

	Indicators	Components
1	Access to an Automated Clearing House	Equal, non-discriminatory market access to an automated clearing house
2	Access to a Fast Payment System	Equal, non-discriminatory market access to a fast payment system
3	Access to Domestic Card Switch	Equal, non-discriminatory market access to domestic card switch

Note: PSP = Payment Service Provider.

2.4.3 Supervisory Oversight and Innovation Facilitation

Supervisory oversight in the payments market through pro-competitive regulation, competition advocacy and enforcement has played a key role in fostering innovation and market entry.⁸⁶ Strong reporting and redress mechanisms also help cultivate a competitive culture by enabling regulators to detect and resolve

exclusionary practices.⁸⁷ Regulatory sandboxes are an important supervisory tool that allow PSPs to test innovative products, services, or business models in a controlled live environment under regulatory supervision. They help foster innovation and manage risks while promoting collaboration between regulators and innovators.⁸⁸ Innovation hubs, in turn, provide guidance and support to firms helping them navigate regulatory requirements, refine their business models, and prepare for market entry.⁸⁹ Together, these mechanisms create an environment in which emerging payment service providers can enter, experiment safely, and scale responsibly, advancing efficiency, inclusion, and fairness in financial services. Therefore, Subcategory 2.4.3–Supervisory Oversight and Innovation Facilitation comprises three indicators (table 41).

Table 41. Subcategory 2.4.3–Supervisory Oversight and Innovation Facilitation

	Indicators	Components
1	Monitoring of Anti-Competitive Practices and Availability of Reporting Mechanisms	i) Monitoring of anti-competitive practices ii) Availability of mechanisms of reporting and resolving discriminatory access issues
2	Availability of Regulatory Sandboxes	i) Availability of regulatory sandboxes ii) Transparency of eligibility criteria and application process
3	Availability of Innovation Hubs	i) Availability of innovation hubs ii) Transparency of eligibility criteria and application process

3. PILLAR III. OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

Table 42 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 42. 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
3.1.3	Operational Efficiency of 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 three 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.⁹⁰ Therefore, Subcategory 3.1.1–Obtaining a Loan comprises two indicators (table 43).

Table 43. Subcategory 3.1.1–Obtaining a Loan

	Indicators	Components
1	Time to Obtain a Loan	Time for the decision on the loan to be communicated, from the moment the application was submitted
2	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

Having efficient and low-cost processes for registering security interests in collateral registries are beneficial for firms as they make the process of obtaining loans less costly, less burdensome, and more efficient.⁹¹ Therefore, Subcategory 3.1.2–Operational Efficiency of Security Interest comprises two indicators (table 44).

Table 44. Subcategory 3.1.2–Operational Efficiency of Security Interest

	Indicators	Components
1	Time for New Registration to Be Reflected in Database	Time for a newly registered security interest to be reflected in the database
2	Fees for Registration of Security Interest	Cost to register a security interest

3.1.3 Operational Efficiency of Credit Data Update

Efficient and low-cost processes for credit information to be reflected and updated by credit reporting agencies are essential for ensuring that lenders, regulators, and consumers rely on accurate and current data. Additionally, it can make the process of obtaining loans less costly and less burdensome. Well-structured credit data updates reduce information asymmetries, support lower transaction costs for users, and enhance the reliability of credit reporting systems.⁹² Therefore, Subcategory 3.1.3–Operational Efficiency of Credit Data Update comprises three indicators (table 45).

Table 45. Subcategory 3.1.3–Operational Efficiency of Credit Data Update

	Indicators	Components
1	Time to Reflect Credit Information	Average days it takes for credit information to be reflected in credit report from the moment credit reporting agency receives such information
2	Time to Resolve a Consumer's or Firm's Dispute	Average days it takes to resolve a consumer or firm's disputes
3	Cost of Accessing Credit Report	Cost for data subjects to access credit report

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.⁹³ Subcategory 3.2.1–Cost of E-Payments comprises two indicators (table 46).

Table 46. 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.⁹⁴ Subcategory 3.2.2–Time to Receive E-Payments comprises one indicator (table 47).

Table 47. 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 48).

Table 48. 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 made electronically

III. DATA SOURCES

4.1 Data Collection Sources

The data for Pillar I and Pillar II are collected primarily through consultations with private sector experts. However, information from CRSPs – where they exist – is collected through public sector experts, in addition to the information collected through existing credit bureaus. 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 and, where applicable, CRSPs. 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 is 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; Operation of Credit Bureaus and Registries; and E-Payments. 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 49).

Table 49. 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
Credit Bureaus and Registries	Operational private credit bureaus and public registries
E-Payments	Financial lawyers, commercial banks, payment service providers, researchers in financial services
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 business law firm or the legal department of a commercial bank, in addition to notaries
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)
E-Payments	Legal experts in electronic payments, fintech, financial regulations pertaining to payment service providers
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	Experience in the banking or financial sector, focusing on commercial lending and secured transactions regulations, registration and enforcement
Credit Bureaus and Registries	Experience in gathering and reporting credit information data of customers (firms and consumers), business administration, information management and banking professionals
E-Payments	Experience in financial law, payment services, payment systems, electronic payments law, banking law, etc.

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, credit bureaus and registries, and e-payments.

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 locations, 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.

5.2 Specific Parameters

The Financial Services topic does not employ specific parameters that are applicable to one or two pillars.

V. TOPIC SCORING

The Financial Services topic has three pillars: Pillar I–Quality of Regulations for Financial Services; Pillar II–Access to Financial 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. 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 50 shows the scoring for the Financial Services topic. For further scoring details please see Annex A, which complements this section.

Table 50. Aggregate Scoring Overview

Pillar Number s	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	54	51	54	105	100	0.33
II	Access to Financial Infrastructure	39	39	39	78	100	0.33
III	Operational Efficiency of Receiving Financial Services	12	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 54 indicators with a total score of 105 points (51 points on firm flexibility and 54 points on social benefits) (table 51). The scoring for each category under this pillar is as follows:

- 6.1.1** *Commercial Lending* has 12 indicators with a total maximum score of 21 points (9 points on firm flexibility and 12 points on social benefits). Specifically, the *Customer Due Diligence (CDD) Requirement* Subcategory has 2 indicators; the *Enhanced and Simplified CDD* Subcategory has 2 indicators; the *e-KYC* Subcategory has 3 indicators; the *Third-Party KYC* Subcategory has 1 indicator; the *Digital ID System* Subcategory has 3 indicators; and the *Digital Commercial Lending* 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, points are not equally assigned to both categories.
- 6.1.2** *Secured Transactions* has 17 indicators with a total maximum score of 34 points (17 points on firm flexibility and 17 points on social benefits). Specifically, the *Integrated Legal Framework for Secured Transactions* Subcategory has 4 indicators; the *Securing Single Categories of Assets* Subcategory has 4 indicators; the *Securing Multiple Categories of Assets and Future Assets* Subcategory has 2 indicators; the *Debts and Obligations* Subcategory has 3 indicators; the *Priority of Claims Outside Insolvency* Subcategory has 1 indicator; and the *Out of Court Enforcement of Security Interests* Subcategory has 3 indicators. A regulatory framework that follows good practices for secured transactions benefits society (social benefits) and firms (firm flexibility). Hence, points are equally assigned to both categories.
- 6.1.3** *Credit Bureaus and Registries* has 10 indicators with a maximum score of 20 (10 points on firm flexibility and 10 points on social benefits). Specifically, the *Legal Framework and Governance* Subcategory has 3 indicators; the *Data Management, Integrity and Protection* Subcategory has 3 indicators; the *Advanced Features* Subcategory has 2 indicators; and the *Data Subject and Consumer Rights* Subcategory has 2 indicators. A regulatory framework that follows good practices for operation of credit bureaus and registries benefits society (social benefits) and firms (firm flexibility). Hence, points are equally assigned to both categories.
- 6.1.4** *E-Payments* has 15 indicators with a total maximum score of 30 points (15 points on firm flexibility and 15 points on social benefits). Specifically, the *Risk Management* Subcategory has 3 indicators; the *Consumer Protection* Subcategory has 9 indicators; and the *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, points are equally assigned to both categories.

Table 51. 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	12	9	12	21	25.00
1.1.1	Customer Due Diligence (CDD) Requirement	2	n/a	2	2	3.00
1.1.2	Enhanced and Simplified CDD	2	1	2	3	4.00
1.1.3	e-KYC	3	3	3	6	6.00
1.1.4	Third-Party KYC	1	1	1	2	3.00
1.1.5	Digital ID System	3	3	3	6	6.00
1.1.6	Digital Commercial Lending	1	1	1	2	3.00
1.2	Secured Transactions	17	17	17	34	25.00
1.2.1	Integrated Legal Framework for Secured Transactions	4	4	4	8	4.00
1.2.2	Securing Single Categories of Assets	4	4	4	8	4.00
1.2.3	Securing Multiple Categories of Assets and Future Assets	2	2	2	4	4.00

1.2.4	Debts and Obligations	3	3	3	6	3.00
1.2.5	Priority of Claims Outside Insolvency	1	1	1	2	4.00
1.2.6	Out of Court Enforcement of Security Interests	3	3	3	6	6.00
1.3	Credit Bureaus and Registries	10	10	10	20	25.00
1.3.1	Legal Framework and Governance	3	3	3	6	9.00
1.3.2	Data Management, Integrity and Protection	3	3	3	6	6.00
1.3.3	Advanced Features	2	2	2	4	2.00
1.3.4	Data Subject and Consumer Rights	2	2	2	4	8.00
1.4	E-Payments	15	15	15	30	25.00
1.4.1	Risk Management	3	3	3	6	5.00
1.4.2	Consumer Protection	9	9	9	18	15.00
1.4.3	Promotion of Competition	3	3	3	6	5.00
	Total	54	51	54	105	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; e-KYC = Electronic Know Your Customer; FFP = Firm Flexibility Point; SBP = Social Benefits Point.

6.2 Pillar II—Access to Financial Infrastructure

Pillar II covers 39 indicators with a total score of 78 points (39 points on firm flexibility and 39 points on social benefits) (table 52). The scoring for each category under this pillar is as follows:

- 6.2.1** *Commercial Lending* has 11 indicators with a total maximum score of 22 points (11 points on firm flexibility and 11 points on social benefits). The *Customer Due Diligence (CDD)* Subcategory has 2 indicators; the *Simplified CDD* and *Supervisory Approach and Guidance* Subcategories have 1 indicator each; the *e-KYC* Subcategory has 4 indicators; the *Digital ID System* Subcategory has 2 indicators; and the *Digital Commercial Lending* Subcategory has 1 indicator. As these measures directly affect firms and society, points are equally assigned for firm flexibility and social benefits.
- 6.2.2** *Operation of Collateral Registries* has 7 indicators with a total maximum score of 14 points (7 points on firm flexibility and 7 points on social benefits). Specifically, the *Registry Scope and Coverage* Subcategory has 1 indicator; the *Registry Functions and Operation* Subcategory has 3 indicators; the *Online Access and Management of Registration Notice* Subcategory has 2 indicators; and the *Reliability of the Registration System* Subcategory has 1 indicator. These 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.
- 6.2.3** *Operation of Credit Bureaus and Registries* has 11 indicators with a total maximum score of 22 points (11 points on firm flexibility and 11 points on social benefits). The *Governance and Operations*, *Data Coverage*, *Data Management*, *Integrity and Protection*, *Advanced Features*, and *Value Added Services* Subcategories have 2 indicators each; and the *Data Subjects Access to Information* Subcategory has 1 indicator. Because these measures directly affect firms and society, points are equally assigned for firm flexibility and social benefits.
- 6.2.4** *E-Payments* has 10 indicators with a total maximum score of 20 points (10 points on firm flexibility and 10 points on social benefits). The *Interoperability of Payment Service Providers* Subcategory has 4 indicators; and the *Equal Access to Different PSPs* and *Supervisory Oversight and Innovation Facilitation* Subcategories have 3 indicators each. As these measures directly affect firms and society, points are assigned to both firm flexibility and social benefits.

Table 52. Aggregate Scoring Pillar II

Pillar II–Access to Financial Infrastructure		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Commercial Lending	11	11	11	22	25.00
2.1.1	Customer Due Diligence (CDD)	2	2	2	4	4.00
2.1.2	Simplified CDD	1	1	1	2	4.00
2.1.3	Supervisory Approach and Guidance	1	1	1	2	4.00
2.1.4	e-KYC	4	4	4	8	5.00
2.1.5	Digital ID System	2	2	2	4	4.00
2.1.6	Digital Commercial Lending	1	1	1	2	4.00
2.2	Operation of Collateral Registries	7	7	7	14	25.00
2.2.1	Registry Scope and Coverage	1	1	1	2	5.00
2.2.2	Registry Functions and Operation	3	3	3	6	9.00
2.2.3	Online Access and Management of Registration Notice	2	2	2	4	8.00
2.2.4	Reliability of the Registration System	1	1	1	2	3.00
2.3	Operation of Credit Bureaus and Registries	11	11	11	22	25.00
2.3.1	Governance and Operations	2	2	2	4	4.00
2.3.2	Data Coverage	2	2	2	4	6.00
2.3.3	Data Management, Integrity and Protection	2	2	2	4	6.00
2.3.4	Advanced Features	2	2	2	4	2.00
2.3.5	Data Subjects Access to Information	1	1	1	2	3.00
2.3.6	Value Added Services	2	2	2	4	4.00
2.4	E-Payments	10	10	10	20	25.00
2.4.1	Interoperability of Payment Service Providers	4	4	4	8	8.00
2.4.2	Equal Access to Different PSPs	3	3	3	6	8.00
2.4.3	Supervisory Oversight and Innovation Facilitation	3	3	3	6	9.00
Total		39	39	39	78	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; PSP= Payment Service Provider; CDD = Customer Due Diligence; e-KYC = Electronic Know Your Customer.

6.3 Pillar III–Operational Efficiency of Receiving Financial Services

Pillar III covers 12 indicators with scores ranging from 0 to 100 on firm flexibility (table 53). 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 7 indicators with a total maximum score of 50 points. Specifically, the *Obtaining a Loan* and *Operational Efficiency of Security Interest* Subcategories have 2 indicators each; and *Operational Efficiency of Credit Data Update* Subcategory has 3 indicators.

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 53. Aggregate Scoring Pillar III

Pillar III–Operational Efficiency of Receiving Financial Services		No. of Indicators	Rescaled Points
3.1	Loans	7	50.00
3.1.1	Obtaining a Loan	2	25.00
3.1.2	Operational Efficiency of Security Interest	2	12.50

3.1.3	Operational Efficiency of Credit Data Update	3	12.50
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	12	100.00

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- ⁴ Celik (2021).
- ⁵ World Bank (2015).
- ⁶ Brown, Jappelli, and Pagano (2009); Martinez Peria and Singh (2014).
- ⁷ World Bank (2020a).
- ⁸ Immordino and Russo (2018); Kelliçi and Baholli (2015).
- ⁹ FATF (2012–2023).
- ¹⁰ FATF (2014, 2012–2023).
- ¹¹ FATF (2014).
- ¹² FATF (2012-2023, 2025), Recommendation 24.
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- ¹⁷ FATF (2020).
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- ²⁵ UNCITRAL (2010, 2016).
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- ²⁷ UNCITRAL (2010, 2016).
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- ³¹ UNCITRAL (2010, 2016).
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- ³³ UNCITRAL (2010, 2016).
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- ³⁵ UNCITRAL (2010, 2016).
- ³⁶ UNCITRAL (2010, 2016).
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- ³⁹ World Bank (2011, 2022b); BCBS (2021).
- ⁴⁰ Credit bureaus and registries (collectively, “credit reporting services providers”) 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.
- ⁴¹ World Bank (2011, 2019, 2022b).
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⁵⁷ Aghion et al. (2021).
⁵⁸ Parlour, Rajan and Zhu (2020).
⁵⁹ FATF (2025).
⁶⁰ FATF (2018, 2025); IDB and OECD (2019).
⁶¹ Joint Committee of the European Supervisory Authorities (2021).
⁶² FATF (2012-2023, 2025).
⁶³ FATF (2012-2023, 2025), Recommendation 26.
⁶⁴ Celik (2021); Perlman and Gurung (2019).
⁶⁵ Lyman et al. (2019); Leung et al. (2022).
⁶⁶ Perlman and Gurung (2019).
⁶⁷ World Bank (2024).
⁶⁸ FATF (2020).
⁶⁹ Caballero (2025).
⁷⁰ OECD (2024).
⁷¹ Kálmán (2025).
⁷² Alvarez de la Campa (2011).
⁷³ UNCITRAL (2010; 2016).
⁷⁴ UNCITRAL (2010; 2016).
⁷⁵ UNCITRAL (2010; 2016).
⁷⁶ World Bank (2011).
⁷⁷ World Bank Group (2011, 2019a).
⁷⁸ World Bank (2020).
⁷⁹ World Bank (2011).
⁸⁰ Giannetti and Jentzsch (2013).
⁸¹ Boar et al (2021).
⁸² Resendiz (2018).
⁸³ Bianchi et al. (2023); OECD (2025a).
⁸⁴ CPMI (2022).
⁸⁵ World Bank (2023).
⁸⁶ OECD (2025b).
⁸⁷ Bacharis and Kwan (2025).
⁸⁸ Bains and Wu (2023).
⁸⁹ European Securities and Markets Authority et al. (2019).
⁹⁰ Beck, Demirguc-Kunt, and Maksimovic (2005).
⁹¹ UNCITRAL (2014, 2019, 2020); World Bank Group (2011).
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⁹³ World Bank (2021b).
⁹⁴ World Bank (2021b).

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) Requirement					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Requirement to Conduct CDD	n/a	1	1	1.50	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Beneficial Ownership	n/a	1	1	1.50	BCBS (2014); European Supervisory Authorities (2013); FATF (2012-2023, 2014, 2025)
Total Points for Subcategory 1.1.1	n/a	2	2	3.00	
1.1.2 Enhanced and Simplified CDD					
Enhanced CDD Measures	n/a	1	1	1.33	BCBS (2014); European Supervisory Authorities (2013); FATF (2014)
Simplified CDD Measures	1	1	2	2.67	BCBS (2014); European Supervisory Authorities (2013); FATF (2013-2017, 2014)
Total Points for Subcategory 1.1.2	1	2	3	4.00	
1.1.3 e-KYC					
Regulatory Authorization	1	1	2	2.00	BCBS (2014); European Supervisory Authorities (2017); FATF (2012-2023)
CDD Functionality within e-KYC	1	1	2	2.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2020)
Data Retention and Security	1	1	2	2.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2012-2023, 2025); GDPR (2016)
Total Points for Subcategory 1.1.3	3	3	6	6.00	
1.1.4 Third-Party KYC					

Reliance on Third-Party KYC and Data Protection	1	1	2	3.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2012-2025); GDPR (2016)
Total Points for Subcategory 1.1.4	1	1	2	3.00	
1.1.5 Digital ID System					
Reliance on Digital ID System and Assurance Levels	1	1	2	2.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2020)
Safeguards against Identity Theft, Unauthorized Access and Data Misuse	1	1	2	2.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2020)
Testing, Certification or Audit of Digital ID System	1	1	2	2.00	BCBS (2014); European Supervisory Authorities (2013); FATF (2020)
Total Points for Subcategory 1.1.5	3	3	6	6.00	
1.1.6 Digital Commercial Lending					
Conditions for Digital Loans and AML/CFT Risk Assessments	1	1	2	3.00	BCBS (2014); FATF (2020); World Bank (2022)
Total Points for Subcategory 1.1.6	1	1	2	3.00	
Total Points for Category 1.1	9	12	21	25.00	
1.2 SECURED TRANSACTIONS					
1.2.1 Integrated Legal Framework for Secured Transactions					
Fiduciary Transfers of Title	1	1	2	1.00	UNCITRAL (2010, 2016)
Financial Leases	1	1	2	1.00	UNCITRAL (2010, 2016)
Assignments of Receivables	1	1	2	1.00	UNCITRAL (2010, 2016)
Retention of Title Sales	1	1	2	1.00	UNCITRAL (2010, 2016)
Total Points for Subcategory 1.2.1	4	4	8	4.00	
1.2.2 Securing Single Categories of Assets					
Accounts Receivable	1	1	2	1.00	UNCITRAL (2010, 2016)
Inventory	1	1	2	1.00	UNCITRAL (2010, 2016)
Tangible Movables	1	1	2	1.00	UNCITRAL (2010, 2016)
Intangible Movables	1	1	2	1.00	UNCITRAL (2010, 2016)
Total Points for Subcategory 1.2.2	4	4	8	4.00	
1.2.3 Securing Multiple Categories of Assets and Future Assets					
Securing Multiple Categories of Assets	1	1	2	2.00	UNCITRAL (2010, 2016)

Securing Future Assets	1	1	2	2.00	UNCITRAL (2010, 2016)
Total Points for Subcategory 1.2.3	2	2	4	4.00	
1.2.4 Debts and Obligations					
Scope and Flexibility of Secured Obligations	1	1	2	1.00	UNCITRAL (2010, 2016)
Automatic Extension of Secured Obligations	1	1	2	1.00	UNCITRAL (2010, 2016); UNIDROIT (2001)
Cancellation of Discharge Mechanisms	1	1	2	1.00	UNCITRAL (2010, 2016)
Total Points for Subcategory 1.2.4	3	3	6	3.00	
1.2.5 Priority of Claims Outside Insolvency					
Priority of Claims Outside Insolvency or Bankruptcy	1	1	2	4.00	UNCITRAL (2010, 2016); UNIDROIT (2001); UCC, Article 9
Total Points for Subcategory 1.2.5	1	1	2	4.00	
1.2.6 Out of Court Enforcement of Security Interests					
Procedural Safeguards	1	1	2	2.00	UNCITRAL (2010, 2016); UNIDROIT (2001, 2023, 2024); UCC, Article 9
Private Sale	1	1	2	2.00	UNCITRAL (2010, 2016); UNIDROIT (2001)
Appropriation	1	1	2	2.00	UNCITRAL (2010, 2016); UNIDROIT (2001, 2019)
Total Points for Subcategory 1.2.6	3	3	6	6.00	
Total Points for Category 1.2	17	17	34	25.00	
1.3 CREDIT BUREAUS AND REGISTRIES					
1.3.1 Legal Framework and Governance					
Legal Framework, Access and Transparency	1	1	2	3.00	World Bank (2011)
Data Privacy and Protection	1	1	2	3.00	World Bank (2011); European Union (2016)
Risk Management and Business Continuity	1	1	2	3.00	World Bank (2022b); BCBS (2021)
Total Points for Subcategory 1.3.1	3	3	6	9.00	
1.3.2 Data Management, Integrity and Protection					
Data Quality and Timeliness	1	1	2	2.00	World Bank (2011, 2019)
Data Retention and Removal	1	1	2	2.00	European Union (2016)
Data Security and Cybersecurity	1	1	2	2.00	World Bank (2019a, 2022b)

Total Points for Subcategory 1.3.2	3	3	6	6.00	
1.3.3 Advanced Features					
Cross-Border Data Sharing	1	1	2	1.00	World Bank (2021c)
Crisis-Related Data	1	1	2	1.00	BCBS (2021)
Total Points for Subcategory 1.3.3	2	2	4	2.00	
1.3.4 Data Subject and Consumer Rights					
Data Consent and Notification Rights	1	1	2	4.00	OECD (2022)
Dispute and Correction Information	1	1	2	4.00	European Union (2016)
Total Points for Subcategory 1.3.4	2	2	4	8.00	
Total Points for Category 1.3	10	10	20	25.00	
1.4 E-PAYMENTS					
1.4.1 Risk Management					
External Review and Internal Control	1	1	2	1.67	OCC (2021); World Bank (2016, 2020)
Cybersecurity and Operational Risk	1	1	2	1.67	OCC (2021); World Bank (2016, 2020)
Liquidity Risk	1	1	2	1.67	OCC (2021); World Bank (2016, 2020)
Total Points for Subcategory 1.4.1	3	3	6	5.00	
1.4.2 Consumer Protection					
Obligations of Payment Service Provider (PSP)	1	1	2	1.67	EU Second Payment Services Directive 2015/2366 (2015); World Bank (2016, 2020); World Bank Group (2017)
Cancellation or Modification of Payment Transactions	1	1	2	1.67	EU Second Payment Services Directive 2015/2366 (2015); World Bank (2016, 2020); World Bank Group (2017)
Protection and Insurance of Customer Funds	1	1	2	1.67	EU Second Payment Services Directive 2015/2366 (2015); World Bank (2020); World Bank Group (2017, 2019b)
Notification and Rectification	1	1	2	1.67	World Bank (2016, 2020); World Bank Group (2017)
Scope of Liabilities	1	1	2	1.67	EU Second Payment Services Directive 2015/2366 (2015); World Bank (2016); World Bank Group (2017)
Disclosure and Notification Requirements	1	1	2	1.67	World Bank (2016, 2020); World Bank Group (2017)

Customer Data Protection	1	1	2	1.67	World Bank (2016, 2020); World Bank Group (2017)
Customer Complaints and Disputes	1	1	2	1.67	World Bank (2016, 2020); World Bank Group (2017)
Disputing a Transaction	1	1	2	1.67	World Bank (2016, 2020); World Bank Group (2017)
Total Points for Subcategory 1.4.2	9	9	18	15.00	
1.4.3 Promotion of Competition					
Fair Competition	1	1	2	1.67	Boar et al. (2021); Resendiz (2018); World Bank (2020)
Equal Treatment of Different PSPs	1	1	2	1.67	World Bank (2016, 2020)
Innovation Facilitation	1	1	2	1.67	World Bank (2016, 2020)
Total Points for Subcategory 1.4.3	3	3	6	5.00	
Total Points for Category 1.4	15	15	30	25.00	
Total Points for Pillar I	51	54	105	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; PSP= Payment Service Provider; KYC=Know Your Customer; FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II–ACCESS TO FINANCIAL INFRASTRUCTURE					
2.1 COMMERCIAL LENDING					
2.1.1 Customer Due Diligence (CDD)					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Customer Direct Identity	1	1	2	2.00	FATF (2025); IDB/OECD (2019)
Beneficial Ownership Registry	1	1	2	2.00	FATF (2018, 2025); IDB/OECD (2019)
Total Points for Subcategory 2.1.1	2	2	2	4.00	
2.1.2 Simplified CDD					
Simplified CDD Measures	1	1	2	4.00	European Supervisory Authorities (2017); FATF (2012-2023, 2025)
Total Points for Subcategory 2.1.2	1	1	2	4.00	
2.1.3 Supervisory Approach and Guidance					
Supervisory Approach and Guidance on Risk-based CDD	1	1	2	4.00	FATF (2012-2023, 2025)
Total Points for Subcategory 2.1.3	1	1	2	4.00	
2.1.4 e-KYC					
System Structure and Ownership	1	1	2	1.25	BCBS (2014); European Supervisory Authorities (2013); FATF (2012-2023, 2025)
Access and Coverage	1	1	2	1.25	BCBS (2014); European Supervisory Authorities (2013); FATF (2012-2023, 2025)
Cost and Participation	1	1	2	1.25	BCBS (2014); European Supervisory Authorities (2013); FATF (2012-2023, 2025)
CDD Functionality within e-KYC	1	1	2	1.25	BCBS (2014); European Supervisory Authorities (2013); FATF (2012-2023, 2025)
Total Points for Subcategory 2.1.4	4	4	8	5.00	
2.1.5 Digital ID System					
Availability of Digital ID System	1	1	2	2.00	FATF (2020); World Bank (2024)
Level of Assurance and ML/FT risk	1	1	2	2.00	FATF (2020); World Bank (2024)
Total Points for Subcategory 2.1.5	2	2	4	4.00	
2.1.6 Digital Commercial Lending					

Availability of Digital Commercial Lending and Regulatory Sandboxes	1	1	2	4.00	BCBS (2014); FATF (2020); OECD (2024); World Bank (2022)
Total Points for Subcategory 2.1.6	1	1	2	4.00	
Total Points for Category 2.1	11	11	22	25.00	
2.2 OPERATION OF COLLATERAL REGISTRIES					
2.2.1 Registry Scope and Coverage					
Registry Scope and Coverage	1	1	2	5.00	UNCITRAL (2010, 2014, 2016)
Total Points for Subcategory 2.2.1	1	1	2	5.00	
2.2.2 Registry Functions and Operation					
Searches	1	1	2	3.00	UNCITRAL (2010, 2014, 2016); UNIDROIT (2001, 2019, 2024)
Verification and Material Checks	1	1	2	3.00	UNCITRAL (2010, 2014, 2016); UNCITRAL (2024)
Safeguards to Prevent Unlawful Registrations	1	1	2	3.00	UNCITRAL (2010, 2014, 2016)
Total Points for Subcategory 2.2.2	3	3	6	9.00	
2.2.3 Online Access and Management of Registration Notice					
Public Access	1	1	2	4.00	UNCITRAL (2010, 2014, 2016)
Digital Management of the Registry Notice	1	1	2	4.00	UNCITRAL (2010, 2014, 2016)
Total Points for Subcategory 2.2.3	2	2	4	8.00	
2.2.4 Reliability of the Registration System					
Reliability of the Registration System	1	1	2	3.00	UNCITRAL (2010, 2014, 2016); UNIDROIT (2001, 2024)
Total Points for Subcategory 2.2.4	1	1	2	3.00	
Total Points for Category 2.2	7	7	14	25.00	
2.3 OPERATION OF CREDIT BUREAUS AND REGISTRIES*					
2.3.1 Governance and Operations					
Inclusion and Transparency	1	1	2	2.00	World Bank (2019a); World Bank Group (2011)
Risk Management and Business Continuity	1	1	2	2.00	World Bank (2022b); BCBS (2021)
Total Points for Subcategory 2.3.1	2	2	4	4.00	

2.3.2 Data Coverage					
Data Reported on Consumers and Firms	1	1	2	3.00	World Bank (2019a); World Bank Group (2011)
Coverage of Data Providers	1	1	2	3.00	Giannetti and Jentzsch (2013); Martinez Peria and Singh (2014); World Bank (2019a); World Bank Group (2011)
Total Points for Subcategory 2.3.2	2	2	4	6.00	
2.3.3 Data Management, Integrity and Protection					
Data Quality and Timeliness	1	1	2	3.00	World Bank (2019a); World Bank Group (2011)
Data Security and Cybersecurity	1	1	2	3.00	World Bank (2019a)
Total Points for Subcategory 2.3.3	2	2	4	6.00	
2.3.4 Advanced Features					
Cross-Border Data Sharing	1	1	2	1.00	ICCR (2021); World Bank Group (2020)
Crisis-Related Data	1	1	2	1.00	ICCR (2021); World Bank Group (2020)
Total Points for Subcategory 2.3.4	2	2	4	2.00	
2.3.5 Data Subjects Access to Information					
Data Subjects Access to Information	1	1	2	3.00	World Bank (2019a); World Bank Group (2011)
Total Points for Subcategory 2.3.5	1	1	2	3.00	
2.3.6 Value Added Services					
Credit Scores	1	1	2	2.00	World Bank (2019a); World Bank Group (2011)
Credit Monitoring and Fraud Detection and Tracking	1	1	2	2.00	World Bank (2022b); BCBS (2021)
Total Points for Subcategory 2.3.6	2	2	4	4.00	
Total Points for Category 2.3	11	11	22	25.00	
2.4 E-PAYMENTS					
2.4.1 Interoperability of Payment Service Providers					
Interoperability across Bank and Non-Bank Payment Service Providers	1	1	2	2.00	CPMI (2022); OECD (2025a); World Bank (2023)
Interoperability of Payment Cards	1	1	2	2.00	CPMI (2022); OECD (2025a); World Bank (2023)
Interoperability of Mobile Money	1	1	2	2.00	CPMI (2022); OECD (2025a); World Bank (2023)

Interoperability of Online Money	1	1	2	2.00	CPMI (2022); OECD (2025a); World Bank (2023)
Total Points for Subcategory 2.4.1	4	4	8	8.00	
2.4.2 Equal Access to Different PSPs					
Access to an Automated Clearing House	1	1	2	2.67	CPMI (2022); OECD (2025a); World Bank (2023)
Access to a Fast Payment System	1	1	2	2.67	CPMI (2022); OECD (2025a); World Bank (2023)
Access to Domestic Card Switch	1	1	2	2.67	CPMI (2022); OECD (2025a); World Bank (2023)
Total Points for Subcategory 2.4.2	3	3	6	8.00	
2.4.3 Supervisory Oversight and Innovation Facilitation					
Monitoring of Anti-Competitive Practices and Availability of Reporting Mechanisms	1	1	2	3.00	CPMI (2022); OECD (2025a, 2025b); World Bank (2023); European Securities and Markets Authority et al. (2019)
Availability of Regulatory Sandboxes	1	1	2	3.00	CPMI (2022); OECD (2025a, 2025b); World Bank (2023); European Securities and Markets Authority et al. (2019)
Availability of Innovation Hubs	1	1	2	3.00	CPMI (2022); OECD (2025a, 2025b); World Bank (2023); European Securities and Markets Authority et al. (2019)
Total Points for Subcategory 2.4.3	3	3	6	9.00	
Total Points for Category 2.4	10	10	20	25.00	
Total Points for Pillar II	39	39	78	100.00	

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

* 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.

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	12.50	Beck, Demirgüç-Kunt, and Maksimovic (2005)
Obstacles to Obtaining a Loan	50	n/a	50	12.50	Beck, Demirgüç-Kunt, and Maksimovic (2005)
Total Points for Subcategory 3.1.1	100	n/a	100	25.00	
3.1.2 Operational Efficiency of Security Interest					
Time for New Registration to Be Reflected in Database	50	n/a	50	6.25	UNCITRAL (2010, 2014, 2016)
Fees for Registration of Security Interest	50	n/a	50	6.25	UNCITRAL (2010, 2014, 2016)
Total Points for Subcategory 3.1.2	100	n/a	100	12.50	
3.1.3 Operational Efficiency of Credit Data Update					
Time to Reflect Credit Information	33.33	n/a	33.33	4.17	World Bank (2011, 2019a)
Time to Resolve a Consumer's or Firm's Dispute	33.33	n/a	33.33	4.17	World Bank (2011, 2019a)
Cost of Accessing Credit Report	33.33	n/a	33.33	4.17	World Bank (2011, 2019a)
Total Points for Subcategory 3.1.3	100	n/a	100	12.50	
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, Operation of Credit Bureaus and Registries, and Electronic Payments (e-payments). The Annotated Questionnaires provide the mapping between each indicator and the corresponding question(s).

Glossary

Accounts receivable: A contractual right to payment of a monetary sum arising from the supply or lease of goods or services, the assignment or license of intellectual property, the provision or processing of data, or the payment obligation for a credit card transaction. It also includes a right to payment resulting from the refinancing or consolidation of such receivables.

Ad valorem fee: A fee for registration or filing calculated as a percentage of the value of the secured obligation or collateral, rather than as a fixed flat amount.

Alternative data providers: Entities outside the traditional regulated financial sector that generate and can furnish information relevant to assessing creditworthiness of Consumers and Firms. These include utilities, telecom and internet companies, e-commerce and digital platforms, mobile money and e-wallet operators, Buy Now, Pay Later providers, insurers, tax authorities, and courts, among others. Their data may include payment histories (utilities, telecom), transactional and behavioral data (e-commerce, mobile money), public records (judgments, tax arrears), and other non-loan obligations.

Appropriation: An enforcement method under which the secured creditor acquires ownership of the encumbered asset in full or partial satisfaction of the secured obligation. Appropriation may be subject to safeguards such as debtor consent and valuation.

Arrears: Obligations that have not been paid by their due date, meaning, an overdue payment.

Assignment of receivables: A transaction functionally equivalent to a security right, under which a debtor (assignor) transfers its right to receive payment under an existing or future monetary claim (receivable) to a creditor (assignee), for the purpose of securing the performance of an obligation. The creditor acquires a property right in the receivable as collateral until the secured obligation is fulfilled. Example: A company/individual assigns its accounts receivable to a lending company in return for a loan. The lending company is repaid from the receivables.

Bias analysis: A systematic assessment of a credit-scoring or decision-making model to identify whether it produces unfair, inaccurate, or systematically skewed outcomes for certain groups of Consumers and Firms. Bias analysis evaluates data inputs, variables, and outcomes to detect and mitigate potential discriminatory effects, ensuring that models operate fairly and consistently across comparable applicants.

Buy Now, Pay Later (BNPL): Short-term consumer credit offered at the point of sale, usually online or in-store, that allows Consumers and Firms to purchase goods or services immediately and pay for them in installments over time, often interest-free if payments are made as agreed. BNPL providers are typically fintech companies or digital platforms rather than traditional banks, though some banks and card networks also offer BNPL products.

Business continuity / disaster recovery: Policies, procedures, and technical measures established by a Credit Reporting Service Provider (CRSP) to ensure that its services remain available, or can be rapidly restored, in the event of a disruption such as a natural disaster, system failure, or cyberattack. Business

continuity focuses on maintaining critical operations, while disaster recovery emphasizes restoring IT systems, databases, and infrastructure within defined timeframes.

Buyer in the Ordinary Course of Business (BIOC): A person who purchases a tangible asset from a seller engaged in selling goods of that kind, acting in good faith and without knowledge that the sale violates a secured creditor's rights. Such a buyer acquires the asset free of any existing security right, even if that right has been properly registered or perfected.

Collateral: Any movable asset in which a security interest is created. For the purposes of this questionnaire, such assets include accounts receivable, inventory, tangible and intangible movable assets. This questionnaire excludes from its scope **specialized assets**, such as aircraft, ships and other waterborne vessels, intellectual property, securities, deposit accounts, and non-transferable public licenses or permits, as well as all immovable property.

Collateral registry: A public database in which notices of security rights in movable assets are registered to render them effective (enforceable) against third parties and to establish their priority. The registry typically covers all types of movable assets (except specialized assets) and extends to functional equivalents of security rights, such as fiduciary transfers of title, financial leases, retention-of-title sales, and assignments of receivables.

Commercial lender: A regulated lending entity that grants loans to businesses.

Commercially reasonable manner (Out-of-court enforcement): Disposition or other enforcement methods, timing, and terms that a prudent seller in the relevant market would use to obtain a fair return under the circumstances. Reasonableness is judged by the process, not price alone (e.g., giving reasonable notice, choosing an appropriate sale method (public or private), providing adequate market exposure/advertising, setting fair terms, and avoiding conflicts of interest). A low price by itself does not make a sale unreasonable, but a grossly inadequate price may be evidence that the process was not commercially reasonable.

Consumer: A natural person who obtains or seeks to obtain credit or financial services for personal, family, or household purposes, and whose credit-related data may be collected, stored, and shared by a CRSP.

Consumer protection: Legal, regulatory and operational measures that ensure the accuracy, fairness, transparency, privacy and accountability of credit information collected, processed and disclosed about individual Consumers. These measures safeguard Consumer rights in accessing, correcting, controlling and being informed about their data and how it is used in credit-reporting and credit-scoring systems.

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 Service Provider (CRSP): A private credit bureau or a public credit registry that provides credit reporting services involving the collection, processing and dissemination of data for the purpose of facilitating credit-related decisions, financial supervision and other legitimate purposes. For the purposes of this questionnaire, this definition includes only core or traditional credit reporting service

providers. It excludes specialized, niche, or alternative credit reporting service providers, focusing on business information, credit risk assessment, tenant screening, employment background screening, specialty consumer credit reporting for subprime lenders, verifying specific kind of consumer behavior, or other similar services.

Credit score: A number assigned to Consumers and Firms based on their ability and capacity to repay debt. It is primarily used in creditworthiness assessment, relying on data from Credit Reporting Service Providers (CRSPs), which pool information from multiple creditors and possibly public 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: Transfer or exchange of credit data on Consumers or Firms across national borders, enabling lenders or other authorized Data Users in one economy to access credit information collected in another, under appropriate legal and technical safeguards. This may occur through direct access between CRSPs, indirect access via domestic CRSPs, portability of reports, authorized right-of-access transfers by Consumers and Firms, intra-group sharing within multinational institutions, or hub-and-spoke/multilateral platforms.

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.

Data provider: A data provider is any institution or entity that supplies credit-related information on Consumers and Firms to a Credit Reporting Service Provider. Traditional data providers include banks and regulated Non-Bank Financial Institutions such as leasing companies, consumer finance firms, microfinance institutions, and credit cooperatives. Alternative data providers include entities outside the core financial sector, such as utility companies, telecommunications providers, retailers, landlords, e-commerce platforms, and fintech lenders, whose data helps expand credit histories beyond conventional lending records.

Data subject: A Consumer or a Firm whose identification details, credit history, and related information are collected, stored, and distributed by a CRSP.

Data user: An institution, organization, or individual that is legally authorized to access credit information from a credit bureau or public credit registry for a legitimate, defined purpose such as assessing creditworthiness, managing credit risk, conducting tenant or employment screening, or fulfilling supervisory or regulatory functions.

Debtor: A person who has an interest in collateral, other than a security interest or other lien, whether or not they are an obligor; or a consignee.

Default: A failure to meet a financial obligation/pay the loan when its due.

Digital ID system: A digital ID system is a technology-based framework that creates, manages, and verifies an individual's identity electronically, enabling secure authentication and access to services in both the public and private sectors.

Disparate-impact analysis: A legal and statistical test used to determine whether a credit-scoring model or decision-making process, although neutral on its face, disproportionately disadvantages Consumers based on legally protected characteristics (such as gender, ethnicity, age, or other status). The test examines whether the outcomes of the model produce significantly different results across groups, even if there is no explicit intent to discriminate.

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.

e-KYC system: An e-KYC system (electronic Know Your Customer system) is a digital process used by financial institutions, telecom providers, government agencies, and other regulated entities to verify the identity of individuals electronically.

e-KYC utility: An e-KYC utility is a shared platform that enables banks and other institutions to verify customer identities through digital methods. These platforms utilize technologies such as biometrics, facial recognition, and government document uploads to create a standardized, trusted source of customer data accessible to multiple participants.

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. E-money is a broader category which includes specific instruments such as mobile money (e.g. M-PESA), online money (e.g. PayPal, Venmo) and prepaid cards.

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.

Electronic wallet (e-wallet): E-money product, where the record of funds is stored on a particular device, typically in an IC (integrated circuit) chip on a card or mobile phone.

Fast payment systems: Also referred to as instant payment, real-time payment or immediate payment, is an infrastructure focused on clearing and/or settlement of fast payments for its participants, where it is defined as a payment in which the transmission of the payment message and the availability of “final” funds to the payee occur in real time or near-real time or as near to a 24-hour and seven-day (24/7) basis as possible.

Fiduciary transfer of title: A transaction functionally equivalent to a security right, under which ownership of an asset is transferred to the creditor for security purposes with the expectation of retransfer upon satisfaction of the secured obligation. The debtor may retain possession of the tangible assets or continue to hold, manage, and collect intangible assets (e.g., receivables) until default. Example: A company/individual transfers the title of a machine to a bank as security for a loan and expects to retrieve ownership of the machine following payment of the debt.

Financial institutions: Entities licensed or otherwise authorized to conduct core financial intermediation activities, such as accepting deposits, extending credit, and managing investments. They include commercial banks, savings banks, and development banks.

Financial lease: A transaction functionally equivalent to a security right, under which a lease of movable assets, in substance, functions as secured financing. The lessee selects the asset and supplier, while the lessor acquires it to lease to the lessee. The lease term typically covers most of the asset's useful life, and total lease payments equal the asset's full value plus financing charges. The lessee bears ownership-related risks and costs (e.g., maintenance, insurance, taxes) and often has the option to purchase the asset at the end of the term for a nominal price. Example: A manufacturing company leases industrial equipment from a financial institution for nearly its full useful life. Lease payments equal the equipment purchase price plus financing charges, and the company may buy it at the end of the lease for a nominal amount.

Fintechs: Firms whose core business focuses on using technology to deliver financial services either solely or primarily online, and whose primary business is of a financial nature.

Firm: A legally recognized business entity, including sole proprietorships, partnerships, cooperatives, and corporations, that can obtain credit or financial services and whose credit-related data may be collected, stored, and shared by a CRSP. Firms are distinguished from Consumers in that the credit information relates to business obligations, even if the firm is owned/operated by a single person.

Floating charge (Floating security right): A security right that extends to a shifting pool of assets, such as inventory or receivables, without requiring item-by-item identification.

Functional equivalent: A legal device or transaction that, while not creating a security right in form, performs the same economic function of securing payment or performance of an obligation. Examples include fiduciary transfers of title, financial leases, retention-of-title sales, and assignments of receivables. For the purposes of the secured transactions law, functional equivalents are treated as security rights to ensure equal effectiveness, priority, and enforcement rules regardless of their form.

Future assets: Movable assets, which do not exist or which the debtor does not yet have rights in or the power to encumber at the time the security agreement is concluded, but which may become collateral once acquired or come into existence.

Future obligations (future advances): Obligations that may arise after the security agreement is concluded, including revolving credit.

Historical data: Borrowing credit history that records Consumers and Firms' ability to repay debts and demonstrates responsibility in repaying them. It also shows their transactions and relevant financial history.

Incorporated entities: Separate legal entities incorporated through a registration process established by legislation with a distinct and separate legal personality.

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.

Intangible movables: Non-physical, assignable movable rights other than receivables or any rights to payment, for which perfection by registration is the preferred method. Examples: non-monetary contract rights (e.g., franchise/distribution), transferable private licenses/authorizations, transferable quotas/allocations, domain names (where recognized), transferable platform/service licenses or reseller rights, API or software access rights tied to a contract, data-use/processing rights granted by contract, or commercial tort claims (if assignable). Excluded: receivables/payment rights, deposit accounts, securities/investment property, intellectual property recorded in specialized registries, and non-transferable public licenses/permits.

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.

Inventory: Goods held for sale, lease, or use in production or supply of other goods or services.

KYC: Know Your Customer is the process through which banks obtain and verify information about the identity of their customer.

Legal framework (Credit Bureaus and Registries questionnaire): The set of laws, regulations, and supervisory guidelines that govern the establishment, operation, and oversight of CRSPs. It covers both sector-specific rules (licensing, permissible purposes, reciprocity, data quality, access, and transparency) and cross-cutting laws (data protection, privacy, cybersecurity, consumer protection, competition, tort liability and financial supervision) that materially affect credit reporting. Together, these instruments define the rights and obligations of CRSPs, Data Providers, Data Users, and Data Subjects to ensure fairness, security, and efficiency.

Legal framework (Secured Transactions and Collateral Registries questionnaire): The set of binding domestic rules that govern secured transactions - comprising primary legislation (statutes/codes), secondary legislation (regulations/decrees), registry rules (legally binding operating regulations, forms, and fee schedules), and binding judicial precedent - including applicable subnational laws and any international instruments.

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, i.e. specialized assets, such as aircraft, ships and other waterborne vessels, intellectual property, securities, deposit accounts, and non-transferable public licenses or permits, as well as all immovable property.

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 Consumers or Firms to qualify for loans or credit at favorable interest rates.

Non-Bank Financial Institutions (NBFIs): Financial entities that provide financial services but do not have a full banking license and cannot accept deposits from the public. They typically include microfinance institutions, finance and leasing companies, credit cooperatives, insurance companies, pension funds, investment funds, more recent fintech and big tech firms, and other specialized financial service providers.

Non-bank payment service provider: An entity that is not a bank but provides payment services, including mobile money providers, fintech companies, and other specialized payment platforms.

Non-regulated entities: Retailers, utility companies, trade creditors, and microfinance institutions.

Ombudsman: An independent or semi-independent body or official responsible for receiving, investigating, and resolving complaints from Consumers and Firms regarding financial services, including disputes about credit reports or data accuracy. In the credit reporting context, an ombudsman may mediate

between Consumers, Firms, CRSPs, and Data Providers when disputes remain unresolved through internal mechanisms and may issue recommendations or binding decisions depending on national law.

Online access: Ability of Consumers or Firms to view/download their credit report directly from a CRSP through a web portal or mobile application. This access is interactive and user-initiated, allowing them to obtain their own credit information online in real time, without human interaction.

Out-of-Court disposition or enforcement: The realization of collateral by a secured creditor after default without court involvement, through methods such as private sale, public auction, or appropriation.

Payment cards: Payment card provided in exchange for prior deposit of funds specifically for use through this card product.

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.

Penetration test: A controlled and authorized security exercise that simulates a real-world cyberattack to evaluate the effectiveness of a system's defenses, conducted by qualified independent experts ("ethical hackers"). It attempts to exploit identified vulnerabilities to demonstrate their potential impact. Penetration testing is usually performed annually or after major system changes and provides assurance on the practical resilience of security controls.

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 a Consumer's or Firm's creditworthiness and ability to manage debt responsibly.

Private sale: A method of selling assets conducted without open bidding, where a government agency, court, or private enforcement agency is not involved.

Proceeds: Anything received in whatever form (including rights to payment) from an encumbered asset, including from its sale, exchange, transfer, lease, license, collection, natural or civil fruits, insurance payable by reason of loss or damage, and damage or loss claims; and anything further derived from those proceeds (proceeds of proceeds), including property acquired with proceeds (e.g., replacements purchased with sale or insurance proceeds).

Products: New tangible assets created when one or more tangible assets (whether of the same or different kinds) are combined, manufactured, assembled, or processed in such a way that the original assets lose their separate identity. This definition also includes commingled goods, where the collateral is mixed with other goods so that separation is no longer possible, and the resulting mass is treated as the product.

Public auction: A method of selling assets in a public forum through open and competitive bidding conducted by a government agency, court, private enforcement agency or secured creditor.

Registration: The filing of a security interest at any registry to give notice to third parties and establish its legal effectiveness and priority against competing claims.

Regulated entities: Banks or similar financial institutions that are regulated, supervised, and subject to periodic examination by a government agency.

Rental payment information providers: Companies that collect information about Consumers' or Firms' rental history, including payment history and lease agreements. These include property management companies, landlords, rental listing platforms, government housing authorities, property records offices or tenant screening companies.

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: A record of a Consumer's or Firm's past behavior in repaying credit obligations. It includes 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 a Consumer or a Firm.

Retailers and merchants: Companies that sell goods or services directly to Consumers or Firms, either through physical locations or digital platforms. These include department stores, furniture and appliance stores, car dealers, electronics and fashion retailers, online marketplaces, among others.

Retention of title sale: A transaction functionally equivalent to a security right, under which the seller delivers goods to the buyer but retains ownership (title) to the goods until the purchase price or another specified obligation has been fully paid or performed. Example: The title to the inventory remains vested with the seller until the buyer (company/individual) pays the purchase price in full, at which point ownership automatically transfers to the buyer.

Right of redemption: The debtor's or grantor's right to discharge the secured obligation and recover the collateral before its final disposition or appropriation.

Secured transactions: All transactions, irrespective of the form, that create a right in any type of movable asset to secure the performance of a debt or obligation.

Specialized assets: Assets that are typically subject to their own dedicated legal or registration systems rather than the general collateral registry. These include aircraft, ships and other waterborne vessels, intellectual property rights, securities, deposit accounts, and non-transferable public licenses or permits, as well as all immovable property (land and buildings).

Supporting obligation: A promise, undertaking, or right that backs the payment or performance of a secured obligation or relates to the collateral's value or realization (e.g., a guarantee, suretyship, keep-well agreement, credit-insurance claim, or indemnity).

Tangible movables: Physical movable assets other than money, negotiable instruments, or specialized assets. Examples include equipment and machinery, vehicles, agricultural goods (e.g., crops, seeds, livestock), consumer goods (e.g., appliances, furniture, electronics unless exempted by some laws as household goods), inventory (e.g., finished goods held for sale, spare parts, materials in trade), raw materials and minerals, commodities (e.g., precious metals, art, antiques), among others.

Tax authorities: Entities that provide tax-related data and information to CRSPs, helping to assess the creditworthiness of Consumers and Firms. These include government tax authorities, tax collection agencies, and tax information providers.

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.

Traditional data providers: Regulated financial institutions that supply core credit information to a CRSP. These typically include commercial banks, savings banks, development banks, and other deposit-taking institutions, as well as licensed Non-Bank Financial Institutions that extend credit (e.g., leasing, finance companies, microfinance). Their data usually covers loan accounts, repayment history, arrears, defaults, and information on collateral.

Transaction account: A transaction account is broadly defined as an account held with a bank or other authorized and/or regulated service provider (including a non-bank) which can be used to make and receive payments. Transaction accounts can be further differentiated into deposit transaction accounts and e-money accounts.

Unified collateral registry: A single registry system covering all security rights in movable assets and their functional equivalents, covering all types of debtors and creditors nationwide, except for specialized assets typically subject to separate registries (e.g., ships, aircraft, securities, deposit accounts).

Unincorporated entities: Entities that are considered non-registered partnerships, sole proprietorships, and individuals with no separate or distinct legal personality.

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.

Vulnerability assessment: A systematic process to identify, analyze, and prioritize security weaknesses in information systems, networks, or applications. It typically uses automated scanning tools and configuration reviews to detect known vulnerabilities or misconfigurations, helping organizations reduce risk before exploitation occurs. Vulnerability assessments are generally broad in scope, conducted periodically or continuously, and focus on detection rather than exploitation.

COMMERCIAL LENDING 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → provide response to question ...” or “N → provide response to question ...” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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 I, domestic commercial loans are considered.
PILLAR II–ACCESS TO FINANCIAL INFRASTRUCTURE FOR COMMERCIAL LENDING	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where practices are not applicable at a national level and vary across states or regions.
Type of Transactions	The parameter is used in cases where practices are different across different types of transactions. Under Pillar II, the transactions measured are limited to a commercial loan/transaction.

Customer Due Diligence (CDD)

1. Are commercial lenders explicitly required to conduct Customer Due Diligence (CDD) when reviewing loan applications under your economy’s regulatory framework? (Y/N) *(not scored)*

2. Does the regulatory framework require the commercial lender to verify the purpose and intended use of the requested loan when conducting the CDD? (Y/N)
3. Is there a specific mechanism for commercial lenders to verify customer identity (*such as a registry, an e-KYC utility, or another platform that would allow such verification*)? (Y/N)
Y → provide response to questions 4 and 5.
4. Does the mechanism in place allow for real-time customer identification? (Y/N)
5. Does the mechanism in place allow for a verification of the authenticity of documents and information provided? (Y/N)
6. When conducting a CDD, are commercial lenders required to identify and assess the ownership and control structure of legal persons and arrangements (*i.e., beneficial ownership*)? (Y/N)
7. Does the regulatory framework provide for a specific mechanism (private or public) to use, to identify beneficial owners (*such as a registry, an e-KYC utility, or another centralized platform that would allow such verification*)? (Y/N)
8. Does the regulatory framework require the commercial lenders to determine whether the beneficial owner poses a significant money laundering and financing of terrorism (ML/TF) risk - *such as a sanctioned individual or politically exposed person (PEP)* - that may prevent the commercial lender from doing business with the customer? (Y/N)
9. Does the regulatory framework require mandatory registration of beneficial owners in your economy? (Y/N) (*not scored*)
10. Is there a registry that collects and stores beneficial ownership information for all types of legal entities? (Y/N)
Y → provide response to questions 11-13.
11. Is the information in the beneficial owner registry verified and regularly updated? (Y/N)
12. Is the information in the beneficial owner registry accessible to relevant stakeholders (*e.g., financial institutions*)? (Y/N)
13. Does the beneficial ownership registry provide different levels of access for authorities, stakeholders (*e.g., financial institutions*) and the general public? (Y/N)
14. Does the regulatory framework establish enforcement measures and penalties for non-compliance, including sanctions for commercial lenders that fail to update records of accurate beneficial ownership information? (Y/N)

Enhanced and Simplified CDD

15. Does the regulatory framework require commercial lenders to identify high-risk clients applying for commercial loans? (Y/N) (*not scored*)
16. Are there mandatory enhanced CDD procedures that the commercial lenders must follow when high-risk clients are identified? (Y/N)

- 17. Does the regulatory framework require commercial lenders to apply enhanced CDD measures when the following high-risk customer identity factors are present:**
- 17.1 Unusual or excessively complex ownership structures (Y/N)
 - 17.2 Virtual asset service providers (VASP) (Y/N)
 - 17.3 Bearer shares (Y/N)
 - 17.4 Cash-intensive businesses (Y/N)
 - 17.5 Customers located in high-risk jurisdictions (Y/N)
- 18. Does the regulatory framework require commercial lenders to apply enhanced CDD measures when the following high-risk customer activity factors are present:**
- 18.1 Operations in high-risk geographical locations (Y/N)
 - 18.2 Involvement in private banking (Y/N)
 - 18.3 Virtual asset-related activities (Y/N)
 - 18.4 Anonymous transactions such as cash dealings (Y/N)
- 19. Does the economy's regulatory framework allow simplified CDD measures for low-risk customers applying for commercial loans? (Y/N)**
- 20. Does the regulatory framework or competent authority provide guidance to commercial lenders on how to identify low-risk clients? (Y/N)**
- 21. Does the regulatory framework or competent authority provide guidance to commercial lenders on how to apply simplified CDD measures? (Y/N)**
- 22. Does the regulatory framework or competent authority's guidance allow commercial lenders to apply simplified CDD measures for low-risk clients in the following areas:**
- 22.1 Identifying the ownership structure of the customer (Y/N)
 - 22.2 Identifying the beneficial owners of the customer (Y/N)
 - 22.3 Determining the nature and purpose of the customer's business (Y/N)
 - 22.4 Reducing the frequency of CDD updates (Y/N)
 - 22.5 Lowering the intensity of ongoing risk monitoring (Y/N)
- 23. In practice, do the majority of commercial lenders apply simplified CDD measures for low-risk clients? (Y/N)**
- 24. In practice, does applying simplified CDD measures by commercial lenders reduce the time of customer verification? (Y/N)**

Supervisory Approach and Guidance

- 25. Does the supervisory authority in your economy actively monitor commercial lenders to ensure that they effectively implement the risk-based approach to AML/CFT? (Y/N)**
- 26. Does the supervisory authority provide guidance and feedback during and/or after examinations on the effectiveness of CDD and other AML/CFT controls? (Y/N)**
- 27. Do the supervisory authority and the Financial Intelligence Unit (FIU) collaborate with the private sector to ensure that commercial lenders have accessible channels to seek guidance on CDD requirements? (Y/N)**

e-KYC

28. Are commercial lenders permitted to rely on previously conducted CDD for existing customers as long as the information remains accurate and up to date? (Y/N)
29. Are there any regulations or guidelines issued by the competent authority governing the use of e-KYC systems for digital and remote collection and verification of customer identity information by commercial lenders? (Y/N)
30. Is there an e-KYC utility in place in your economy? (Y/N)
Y → provide response to questions 31-33.
31. Is the e-KYC utility centralized? (Y/N)
32. Is the e-KYC utility owned or operated by (not scored):
- 32a. The government or a government agency
 - 32b. The private sector (e.g., a consortium of banks, fintechs, or regulated entities)
 - 32c. A public-private partnership (PPP) model
 - 32d. Other
33. Is the e-KYC utility accessible to all licensed commercial lenders in the jurisdiction? (Y/N)
34. Is the use of e-KYC systems widespread among commercial lenders in the jurisdiction (*i.e., adopted by a majority of institutions*)? (Y/N)
35. Are access fees charged for the use of the e-KYC utility? (Y/N; N – good practice)
36. Is information on fees charged for the use of the e-KYC utility publicly available? (Y/N)
37. Does the regulatory framework require the e-KYC process to document and verify the stated purpose of the financial transaction (*e.g., loan*)? (Y/N)
38. Does the regulatory framework require the e-KYC process to capture the expected nature of the business relationship? (Y/N)
39. Does the regulatory framework require enhanced due diligence protocols for high-risk customers identified through the e-KYC process? (Y/N)
40. Do the e-KYC system(s) collect and record beneficial ownership information? (Y/N)
41. Do the e-KYC system(s)* include functionality to screen customers against PEP and sanctions lists? (Y/N)
Note: If there is more than one e-KYC system in use, please respond Yes if there is at least one system which has the functionality.
42. Are the records collected through e-KYC required to be stored and retrievable for at least five years? (Y/N)

43. Does the regulatory framework require the e-KYC utility to comply with national data protection and privacy requirements? (Y/N)

44. Is customer consent legally required before data is shared via the e-KYC utility? (Y/N)

Third-Party KYC

45. Does the regulatory framework permit commercial lenders to rely – partially or completely – on a KYC, or an e-KYC conducted by a third-party provider? (Y/N)

Y → provide response to questions 46-51.

46. Does the regulatory framework require that third-party providers make customer information available to commercial lenders without delay as a condition of providing KYC services in the economy? (Y/N)

47. Does the regulatory framework require third-party providers to retain and/or delete customer data, in line with AML/CFT record-keeping rules and data protection laws? (Y/N)

48. Does the regulatory framework require commercial lenders to verify that the third-party provider is subject to regulation, supervision, or monitoring and complies with the economy's regulations on CDD? (Y/N)

49. Does the regulatory framework require that third-party providers be approved or certified by the competent authority before offering KYC services to commercial lenders in the economy? (Y/N)

50. Does the regulatory framework require commercial lenders to assess the country risk of the economy in which the third-party provider is based? (Y/N)

51. If the third-party provider is part of the same financial group as the commercial lender, does the regulatory framework allow reliance under group-wide AML/CFT programs, provided those programs are effectively implemented and supervised at the group level? (Y/N)

Digital ID System

52. Does the government or competent authority operate or provide an authorized or recognized digital ID system that would allow the implementation of CDD measures? (Y/N)

53. Are commercial lenders permitted under the regulatory framework to rely on digital ID system(s) when verifying customer identity (*e.g., civil registries, biometric databases*)? (Y/N)

54. Do the digital ID system(s) provide a level of assurance (LOA) proportionate to the ML/TF risk associated with the customer? (Y/N)

55. Are there policies or regulations that define what assurance levels are acceptable for low-, medium-, or high-risk customers? (Y/N)

56. Does the regulatory framework require backup procedures for cases where the digital ID system(s) are unavailable or do not provide sufficient assurance? (Y/N)

57. Does the regulatory framework require the digital ID system(s) to include safeguards against identity theft, unauthorized access, and data misuse? (Y/N)

58. Does the regulatory framework require that the digital ID system(s) undergo independent testing, certification or audit to ensure reliability and integrity? (Y/N)

Digital Commercial Lending

59. Is digital commercial lending available in your economy? (Y/N)

Y → provide response to question 60.

60. What digital commercial lending platforms are available in your economy?

60.1 Bank-based platforms (e.g. commercial banks, digital-only banks) (Y/N)

60.2 Non-bank financial institutions (e.g. fintech lenders, NBFCs, microfinance institutions, credit unions, online marketplaces, P2P platforms, leasing companies) (Y/N)

61. Is there a regulatory framework in place for open banking? (Y/N)

62. Is open banking available in practice? (Y/N)

63. Is digital lending in your economy subject to a special regulatory framework prescribing the conditions under which a loan may be granted digitally (*such as limits on loan amounts, permitted purpose, required guarantees or documentation*)? (Y/N)

64. Are digital commercial lenders subject to the same AML/CFT risks assessments and CDD requirements as traditional commercial lenders? (Y/N)

65. Are regulatory sandboxes and innovation hubs available to test and pilot digital lending models before their application across the economy? (Y/N)

1.1 COMMERCIAL LENDING			
1.1.1 Customer Due Diligence (CDD) Requirement			
Indicators	FFP	SBP	Total Points
Requirement to Conduct CDD	n/a	1	1
- CDD and purpose/intended use of the loan (2)	n/a	1	1
Beneficial Ownership	n/a	1	1
- Requirement to identify and assess ownership and control structure (6)	n/a	0.25	0.25
- Specific mechanism to identify beneficial owners (7)	n/a	0.25	0.25
- Requirement to determine ML/TF risk of beneficial owners (8)	n/a	0.25	0.25
- Enforcement and penalties for non-compliance (14)	n/a	0.25	0.25
Total Points	n/a	2	2
1.1.2 Enhanced and Simplified CDD			
Indicators	FFP	SBP	Total Points
Enhanced CDD Measures	n/a	1	1
- Enhanced CDD procedures for high-risk customers (16)	n/a	0.33	0.33
- High-risk customer identity factors (17)	n/a	0.33	0.33

- High-risk customer activity factors (18)	n/a	0.33	0.33
Simplified CDD Measures	1	1	2
- Simplified CDD review for low-risk customers (19)	0.25	0.25	0.5
- Guidance on identification of low-risk customers (20)	0.25	0.25	0.5
- Guidance on application of simplified CDD measures (21)	0.25	0.25	0.5
- Guidance on application of simplified CDD measures for low-risk customers in specific areas (22)	0.25	0.25	0.5
Total Points	1	2	3
1.1.3 e-KYC			
Indicators	FFP	SBP	Total Points
Regulatory Authorization	1	1	2
- Digital and remote collection and verification of customer information (29)	1	1	2
CDD Functionality within e-KYC	1	1	2
- Transaction purpose verification in e-KYC (37)	0.33	0.33	0.67
- Expected business relationship profiling in e-KYC (38)	0.33	0.33	0.67
- Risk-based enhanced due diligence through e-KYC (39)	0.33	0.33	0.67
Data Retention and Security	1	1	2
- Record retention and retrievability of e-KYC data (42)	0.33	0.33	0.67
- Compliance of e-KYC utilities with data protection and privacy laws (43)	0.33	0.33	0.67
- Customer consent requirements for e-KYC data sharing (44)	0.33	0.33	0.67
Total Points	3	3	6
1.1.4 Third-Party KYC			
Indicators	FFP	SBP	Total Points
Reliance on Third-Party KYC and Data Protection	1	1	2
- Reliance on previously conducted CDD (28)	0.17	0.17	0.33
- Reliance on third-party KYC and e-KYC (45)	0.17	0.17	0.33
- Requirement to make customer information available without a delay (46)	0.11	0.11	0.22
- Customer data protection in third-part KYC arrangements (47)	0.11	0.11	0.22
- Compliance requirements for KYC service providers (48)	0.11	0.11	0.22
- Approval or certification requirement to offer KYC services (49)	0.11	0.11	0.22
- Country risk assessment requirement of the third-party provider (50)	0.11	0.11	0.22
- Reliance under group-wide AML/CFT programs (51)	0.11	0.11	0.22
Total Points	1	1	2
1.1.5 Digital ID System			
Indicators	FFP	SBP	Total Points
Reliance on Digital ID System and Assurance Levels	1	1	2
- Reliance on digital ID system (53)	0.33	0.33	0.67
- Policies or regulations on assurance levels (55)	0.33	0.33	0.67
- Backup procedures (56)	0.33	0.33	0.67
Safeguards against Identity Theft, Unauthorized Access and Data Misuse	1	1	2
- Safeguards against identity theft, unauthorized access and data misuse (57)	1	1	2
Testing, Certification or Audit of Digital ID System	1	1	2

- Requirement for independent testing, certification or audit of digital ID system (58)	1	1	2
Total Points	3	3	6
1.1.6 Digital Commercial Lending			
Indicators	FFP	SBP	Total Points
Conditions for Digital Loans and AML/CFT Risk Assessments	1	1	2
- Conditions under regulations for digital loans (63)	0.33	0.33	0.67
- Regulation on open banking (61)	0.33	0.33	0.67
- AML/CFT assessments and CDD (64)	0.33	0.33	0.67
Total Points	1	1	2
2.1 COMMERCIAL LENDING			
2.1.1 Customer Due Diligence (CDD)			
Indicators	FFP	SBP	Total Points
Customer Direct Identity	1	1	2
- Mechanism for verification (3)	0.33	0.33	0.67
- Mechanism for real time identification (4)	0.33	0.33	0.67
- Mechanism for verification of documents (5)	0.33	0.33	0.67
Beneficial Ownership Registry	1	1	2
- Availability of beneficial ownership (BO) registry (10)	0.25	0.25	0.5
- Information verification and update (11)	0.25	0.25	0.5
- Access to BO registry by relevant stakeholders (12)	0.25	0.25	0.5
- Different levels of access to BO registry (13)	0.25	0.25	0.5
Total Points	2	2	4
2.1.2 Simplified CDD			
Indicators	FFP	SBP	Total Points
Simplified CDD	1	1	2
- Application of simplified CDD measures for low-risk clients (23)	0.5	0.5	1
- Reduced time for customer verification (24)	0.5	0.5	1
Total Points	1	1	2
2.1.3 Supervisory Approach and Guidance			
Indicators	FFP	SBP	Total Points
Supervisory Approach and Guidance on Risk-based CDD	1	1	2
- Supervisory approach to risk-based CDD (25)	0.33	0.33	0.67
- Guidance on CDD and AML/CFT control effectiveness (26)	0.33	0.33	0.67
- Accessible channels to seek guidance on CDD requirements (27)	0.33	0.33	0.67
Total Points	1	1	2
2.1.4 e-KYC			
Indicators	FFP	SBP	Total Points
System Structure and Ownership	1	1	2
- Availability of e-KYC utility (30)	0.5	0.5	1
- e-KYC utility structure (31)	0.5	0.5	1
Access and Coverage	1	1	2
- Accessibility of e-KYC utility (33)	0.5	0.5	1
- Usage of e-KYC utility (34)	0.5	0.5	1

Cost and Participation	1	1	2
- Access fees (35)	0.5	0.5	1
- Transparency of access fees (36)	0.5	0.5	1
CDD Functionality within e-KYC	1	1	2
- Collection and recording of beneficial ownership information (40)	0.5	0.5	1
- Functionality to screen against PEP and sanctions lists (41)	0.5	0.5	1
Total Points	4	4	8
2.1.5 Digital ID System			
Indicators	FFP	SBP	Total Points
Availability of Digital ID System	1	1	2
- Availability of digital ID system (52)	1	1	2
Level of Assurance and ML/FT risk	1	1	2
- Level of assurance proportional to ML/FT risk (54)	1	1	2
Total Points	2	2	4
2.1.6 Digital Commercial Lending			
Indicators	FFP	SBP	Total Points
Availability of Digital Commercial Lending and Regulatory Sandboxes	1	1	2
- Availability of digital commercial lending (59)	0.16	0.16	0.33
- Availability of digital commercial lending platforms (60)*	0.16	0.16	0.33
- Availability of open banking (62)	0.33	0.33	0.67
- Availability of regulatory sandboxes and innovation hubs (65)	0.33	0.33	0.67
<i>*A full score is granted if both 60.1 and 60.2 are Yes, and half a score is assigned if only one option is Yes</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). 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 linear approach to transform economy-level answers into indicator scores ranging from 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.

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

66. Time to Obtain a Loan: How many days did it take from the moment the application was submitted until the decision was communicated?

67. Obstacles to Obtaining a Loan: Percent of firms reporting complex procedures, unfavorable interest rates, or high collateral requirements 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 (66)	100 (50%)	n/a	100 (50%)
Obstacles to Obtaining a Loan (67)	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 below present all indicators (including their components, if applicable) under each pillar, with 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → *provide response to question ...*” or “N → *provide response to question ...*” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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. Does the legal framework regulate the creation, perfection, and priority of fiduciary transfers of title?**
 - 1a. Yes, governed by a single law that covers other security interests, including all other functional equivalents
 - 1b. Yes, but governed by multiple/separate law(s)
 - 1c. No, but recognized and enforceable under common law or contract law principles
 - 1d. No, they do not exist at all in my economy
- 2. Does the legal framework require fiduciary transfers of title to be registered to be effective against third parties?**

- 2a. Yes, in a single, unified collateral registry that covers other security interests, including all other functional equivalents
- 2b. Yes, but in separate registries, such as asset-specific or debtor/creditor-specific
- 2c. No, registration is not required
- 3. Does the legal framework regulate the creation, perfection and priority of financial leases?**
- 3a. Yes, governed by a single law that covers other security interests, including all other functional equivalents
- 3b. Yes, but governed by multiple/separate law(s)
- 3c. No, but recognized and enforceable under common law or contract law principles
- 3d. No, they do not exist at all in my economy.
- 4. Does the legal framework require financial leases to be registered to be effective against third parties?**
- 4a. Yes, in a single, unified collateral registry that covers other security interests, including all other functional equivalents
- 4b. Yes, but in separate registries, such as asset-specific or debtor/creditor-specific
- 4c. No, registration is not required
- 5. Does the legal framework regulate the creation, perfection and priority of assignments of receivables?**
- 5a. Yes, governed by a single law that covers other security interests, including all other functional equivalents
- 5b. Yes, but governed by multiple/separate law(s)
- 5c. No, but recognized and enforceable under common law or contract law principles
- 5d. No, they do not exist at all in my economy.
- 6. Does the legal framework require assignments of receivables to be registered to be effective against third parties?**
- 6a. Yes, in a single, unified collateral registry that covers other security interests, including all other functional equivalents
- 6b. Yes, but in separate registries, such as asset-specific or debtor/creditor-specific
- 6c. No, registration is not required
- 7. Does the legal framework regulate the creation, perfection and priority of retention of title sales?**
- 7a. Yes, governed by a single law that covers other security interests, including all other functional equivalents
- 7b. Yes, but governed by multiple/separate law(s)
- 7c. No, but recognized and enforceable under common law or contract law principles
- 7d. No, they do not exist at all in my economy
- 8. Does the legal framework require retention of title sales to be registered to be effective against third parties?**
- 8a. Yes, in a single, unified collateral registry that covers other security interests, including all other functional equivalents
- 8b. Yes, but in separate registries, such as asset-specific or debtor/creditor-specific
- 8c. No, registration is not required
- 9. Do the rules on creation, priority, and perfection apply equally to both incorporated and unincorporated debtors, for the following functional equivalents? (Y/N)**
- 9a. Fiduciary transfer of title

- 9b. Financial lease
- 9c. Assignment of receivables
- 9d. Retention-of-title sale

10. Do the rules on creation, priority and perfection apply equally to both incorporated and unincorporated creditors, for the following functional equivalents? (Y/N)

- 10a. Fiduciary transfer of title
- 10b. Financial lease
- 10c. Assignment of receivables
- 10d. Retention-of-title sale

1.2.2 Securing Single Categories of Assets

11. Does the legal framework allow the following categories of assets to be used as collateral? (Y/N)

- 11a. Accounts receivable
Y → provide response to questions 12a and 13a.
- 11b. Inventory
Y → provide response to questions 12b and 13b.
- 11c. Tangible movables
Y → provide response to questions 12c and 13c.
- 11d. Intangible movables
Y → provide response to questions 12d and 13d.

12. Does the legal framework allow the use of the following assets as collateral without significant restrictions (e.g., consent requirements, valuation rules, exclusions of certain assets, registry technicalities limiting or preventing registration of certain assets, etc.)? (Y/N)

Note: Acceptable restrictions include exemptions for household or personal-use assets (e.g., wages, pensions, household necessities, tools of trade) and public policy exclusions (e.g., government property, military or hazardous goods).

- 12a. Accounts receivable
- 12b. Inventory
- 12c. Tangible movables
- 12d. Intangible movables

13. Does the legal framework allow the following categories of assets to be described in general terms when used as collateral both in the security agreement and at registration? (Y/N)

Note: The description can be generic (e.g., “all receivables,” “all inventory”) OR allowing to easily identify the collateral by stating the type of collateral, location, or other characteristic (e.g., “all inventory located at Warehouse X”), as long as each asset is not described specifically.

- 13a. Accounts receivable
- 13b. Inventory
- 13c. Tangible movables
- 13d. Intangible movables

1.2.3 Securing Multiple Categories of Assets and Future Assets

14. Does the legal framework allow any debtor to grant, under a single charge instrument (e.g., pledge, business/floating charge), a security right over multiple categories of movable assets without listing each asset individually (i.e. generally described)? (Y/N)

Y → provide response to questions 15 and 16.

15. **Does the legal framework allow such security right over multiple categories of movable assets without any limitations** (*e.g., excluding certain categories of assets, collateral is accessory to a mortgage, specific description of location of movables, updating of lists of collateral upon change, limit in value*)? (Y/N)
16. **Does the legal framework allow to perfect that multi-category security right without requiring separate registrations per category** (*i.e., in a single filing*)? (Y/N)
17. **Does the legal framework allow a debtor to grant a security right over future (or after-acquired) assets so that the security right is created automatically when the debtor acquires rights in those assets** (*e.g., future inventory or receivables*)? (Y/N)
18. **Does the legal framework automatically extend the security interest 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 made from that lumber*)? (Y/N)
19. **Does the legal framework automatically extend the security interest to proceeds of the original collateral** (*e.g., if the original collateral covers raw materials, such as lumber, the proceeds will include money from the sale of lumber, receivables from the sale of the furniture made with the lumber, new lumber purchased with the sale proceeds or insurance payout, and steel or other materials received in exchange for lumber*)? (Y/N)

1.2.4 Debts and Obligations

20. **Does the legal framework allow a creditor to secure any type of debt or obligation of the debtor** (*i.e., future, fixed, conditional, fluctuating*)? (Y/N)
Note: Please select Yes only if there are no restrictions on any types of debts and obligations that can be pledged.
21. **Does the legal framework allow all types of debts and obligations to be described in general terms both in the security agreement and at registration** (*e.g., “all obligations owed to the secured creditor at any time,” or “obligations of a debt of up to US\$ 1,000,000 [as in a line of credit or revolving facility], so that the obligations will fluctuate under that threshold without requiring a new agreement every time a new obligation is created”*)? (Y/N)
22. **Does the legal framework provide that the priority of a perfected security right automatically extends to future obligations (advances) incurred after the time of perfection, without requiring a new registration?** (Y/N)
23. **Does the legal framework provide that interest, maintenance, and enforcement costs are automatically included in the secured debt (up to any statutory limit, if applicable)?** (Y/N)
24. **Does the legal framework provide that a security interest extends automatically to any supporting obligations** (*e.g., guarantees, indemnities*) **without any additional agreement or registration?** (Y/N)
25. **Does the legal framework impose a duty on the secured creditor to cancel or discharge a registration once the secured obligation has been satisfied?** (Y/N)

- 26. Does the legal framework provide the debtor with a legal mechanism (judicial or administrative) to request or effect cancellation of the registration in the following situations? (Y/N)**
 26a. After extinguishment: The secured obligation has been fully satisfied, but the registration remains active.
 26b. Never attached (advance filing): An advance/precautionary registration was filed, but no security rights ever came into existence (e.g., the deal did not close).

1.2.5 Priority of Claims Outside Insolvency

- 27. Does the legal framework set a clear rule for the priority of competing security rights (including statutory liens such as tax and labor claims, whether or not registered) and for distributing proceeds when collateral is disposed through out-of-court enforcement (i.e., outside insolvency)? (Y/N)**
- 28. Does the legal framework grant a secured creditor an absolute priority over labor or tax claims, whether unregistered or that were registered later, but before commencement of any court proceedings? (Y/N)**
- 29. Please rank the following creditors' claims according to their priority and provide the legal basis: registered security interests, unregistered tax claims, unregistered labor claims, other claims that rank before registered security interests (please specify). (not scored)**
Note: 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.
- 30. Does the legal framework provide that a buyer in the ordinary course of business (BIOC) of goods takes the goods free of any security rights? (Y/N)**

1.2.6 Out-of-Court Enforcement of Security Interests

- 31. Does the legal framework allow a secured creditor to enforce against the collateral upon default without court involvement (i.e. out-of-court enforcement)? (Y/N)**
 Y → please provide response to questions 32-39.
- 32. Does the legal framework allow a secured creditor to take possession of the collateral upon default under the following conditions? (Y/N)**
 32a. The debtor/grantor's written consent (can be in the security agreement or given post-default)
 32b. The creditor's advance notice of default/intent to take possession
 32c. No objection at the time from the person in possession
- 33. Does the legal framework provide that, upon default, a secured creditor may dispose of collateral through a private sale? (Y/N)**
- 34. Does the legal framework require that the debtor and other interested parties (e.g., junior creditors) be notified in advance of the private sale, except in the case of perishable or rapidly declining assets? (Y/N)**
Note: if the legal framework does not allow private sale of the collateral at all, please select "No".
- 35. Does the legal framework allow a secured creditor to appropriate (take ownership) the collateral in full or partial satisfaction of the debt under the following conditions? (Y/N)**

Note: if your legal framework does not allow appropriation of the collateral at all, please select “No” to all options.

35a. The creditor’s proposal in writing to acquire the collateral in full or partial satisfaction of the debt

35b. The debtor/grantor’s written consent (if partial satisfaction)

35c. No written objection from the debtor/grantor within the statutory period (if full satisfaction)

36. Does the legal framework require that the collateral the creditor appropriates be valued at fair market value (e.g., by appraisal, expert valuation, or prevailing market price)? (Y/N)

Note: if your legal framework does not allow appropriation of the collateral at all, please select “No”.

37. Does the legal framework require that any out-of-court disposition of collateral - including private sale, public auction, or appropriation - be conducted in a commercially reasonable manner as to method, manner, time, place, and terms, consistent with prevailing market practice? (Y/N)

38. Does the legal framework provide the debtor with a right to redeem the collateral at any time before the collateral is disposed of (via a public or private sale) or appropriated? (Y/N)

39. Does the legal framework provide that proceeds from out-of-court enforcement must be applied in the following general order: (i) enforcement costs, (ii) satisfaction of the secured obligation, (iii) surplus (if any) returned to the debtor? (Y/N)

1.2 SECURED TRANSACTIONS			
1.2.1 Integrated Legal Framework for Secured Transactions			
Indicators	FFP	SBP	Total Points
Fiduciary Transfers of Title Fiduciary transfers of title are: - governed by a single law (1a) AND registered in a single registry (2a) AND the same rules apply equally to incorporated and unincorporated debtors and creditors (9a AND 10a) OR - either (i) governed by a single law and registered in separate registries (1a AND 2b) OR (ii) governed by multiple laws or recognized under common or contract law (1b OR 1c), AND same rules apply equally to incorporated and unincorporated debtors and creditors (9a AND 10a) OR - either (i) governed by multiple laws or recognized under common or contract law (1b OR 1c) AND registered in separate registries (2b), OR (ii) governed by a single law and registered in a single, unified registry (1a AND 2a), AND same rules do not apply equally to either incorporated and unincorporated debtors or creditors. (9a[No] OR 10a[No])	1 1 OR 0.5 OR 0.35	1 1 OR 0.5 OR 0.35	2 2 OR 1 OR 0.7
Financial Leases Financial Leases are: - governed by a single law (3a) AND registered in a single registry (4a) AND the same rules apply equally to incorporated and unincorporated debtors and creditors (9b AND 10b) OR	1 1 OR	1 1 OR	2 2 OR

- either (i) governed by a single law and registered in separate registries (3a AND 4b) OR (ii) governed by multiple laws or recognized under common or contract law (3b OR 3c), AND same rules apply equally to incorporated and unincorporated debtors and creditors (9b AND 10b) OR	0.5 OR	0.5 OR	1 OR
- either (i) governed by multiple laws or recognized under common or contract law (3b OR 3c) AND registered in separate registries (4b), OR (ii) governed by a single law and registered in a single, unified registry (3a AND 4a), AND same rules do not apply equally to either incorporated and unincorporated debtors or creditors (9b[No] OR 10b[No])	0.35	0.35	0.7
Assignments of Receivables	1	1	2
Assignments of Receivables are:			
- governed by a single law (5a) AND registered in a single registry (6a) AND the same rules apply equally to incorporated and unincorporated debtors and creditors (9c AND 10c) OR	1 OR	1 OR	2 OR
- either (i) governed by a single law and registered in separate registries (5a AND 6b) OR (ii) governed by multiple laws or recognized under common or contract law (5b OR 5c), AND same rules apply equally to incorporated and unincorporated debtors and creditors (9c AND 10c) OR	0.5 OR	0.5 OR	1 OR
- either (i) governed by multiple laws or recognized under common or contract law (5b OR 5c) AND registered in separate registries (6b), OR (ii) governed by a single law and registered in a single, unified registry (5a AND 6a), AND same rules do not apply equally to either incorporated and unincorporated debtors or creditors (9c[No] OR 10c[No])	0.35	0.35	0.7
Retention of Title Sales	1	1	2
Retention of title sales are:			
- governed by a single law (7a) AND registered in a single registry (8a) AND the same rules apply equally to incorporated and unincorporated debtors and creditors (9d AND 10d) OR	1 OR	1 OR	2 OR
- either (i) governed by a single law and registered in separate registries (7a AND 8b) OR (ii) governed by multiple laws or recognized under common or contract law (7b OR 7c), AND same rules apply equally to incorporated and unincorporated debtors and creditors (9d AND 10d) OR	0.5 OR	0.5 OR	1 OR
- either (i) governed by multiple laws or recognized under common or contract law (7b OR 7c) AND registered in separate registries (8b), OR (ii) governed by a single law and registered in a single, unified registry (7a AND 8a), AND same rules do not apply equally to either incorporated and unincorporated debtors or creditors (9d[No] OR 10d[No])	0.35	0.35	0.7
Total Points	4	4	8
1.2.2 Securing Single Categories of Assets			
Indicators	FFP	SBP	Total Points
Accounts Receivable Accounts receivable:	1	1	2

- Can be used as collateral (11a) AND no significant restrictions on creation (12a) AND general description is allowed (13a) OR	1 OR	1 OR	2 OR
- Can be used as collateral (11a) AND either there are significant restrictions on creation (12a[No]) or general description is not allowed (13a[No]) OR	0.5 OR	0.5 OR	1 OR
- Can be used as collateral (11a), AND there are significant restrictions on creation (12a[No]) AND general description is not allowed (13a[No])	0.25	0.25	0.5
Inventory	1	1	2
Inventory:			
- Can be used as collateral (11b) AND no significant restrictions on creation (12b) AND general description is allowed (13b) OR	1 OR	1 OR	2 OR
- Can be used as collateral (11b) AND either there are significant restrictions on creation (12b[No]) or general description is not allowed (13b[No]) OR	0.5 OR	0.5 OR	1 OR
- Can be used as collateral (11b), AND there are significant restrictions on creation (12b[No]) AND general description is not allowed (13b[No])	0.25	0.25	0.5
Tangible Movables	1	1	2
Tangible movables:			
- Can be used as collateral (11c) AND no significant restrictions on creation (12c) AND general description is allowed (13c) OR	1 OR	1 OR	2 OR
- Can be used as collateral (11c) AND either there are significant restrictions on creation (12c[No]) or general description is not allowed (13c[No]) OR	0.5 OR	0.5 OR	1 OR
- Can be used as collateral (11c), AND there are significant restrictions on creation (12c[No]) AND general description is not allowed (13c[No])	0.25	0.25	0.5
Intangible Movables	1	1	2
Intangible movables:			
- Can be used as collateral (11d) AND no significant restrictions on creation (12d) AND general description is allowed (13d) OR	1 OR	1 OR	2 OR
- Can be used as collateral (11d) AND either there are significant restrictions on creation (12d[No]) or general description is not allowed (13d[No]) OR	0.5 OR	0.5 OR	1 OR
- Can be used as collateral (11d), AND there are significant restrictions on creation (12d[No]) AND general description is not allowed (13d[No])	0.25	0.25	0.5
Total Points	4	4	8
1.2.3 Securing Multiple Categories of Assets and Future Assets			

Indicators	FFP	SBP	Total Points
Securing Multiple Categories of Assets	1	1	2
- Single security right covers multiple asset classes (14) AND there are no material limitations on included asset categories (15) AND there is single registration for multi-category security rights (16)	1	1	2
OR			
- Single security right covers multiple asset classes (14) AND there is single registration for multi-category security rights (16) AND there are material limitations on included asset categories (15[No])	0.5	0.5	1
Securing Future Assets	1	1	2
- Security interest over future (after acquired) assets (17)	0.33	0.33	0.67
- Automatic extension of the collateral to products of the original collateral (18)	0.33	0.33	0.67
- Automatic extension of the collateral to proceeds of the original collateral (19)	0.33	0.33	0.67
Total Points	2	2	4
1.2.4 Debts and Obligations			
Indicators	FFP	SBP	Total Points
Scope and Flexibility of Secured Obligations	1	1	2
- Ability to secure all types of obligations (current, future, fixed, fluctuating) (20)	0.33	0.33	0.67
- Description of debts and obligations (21)	0.33	0.33	0.67
- Automatic priority for future advances (22)	0.33	0.33	0.67
Automatic Extensions of Secured Obligations	1	1	2
- Automatic inclusion of the interest, maintenance, and enforcement cost in the secured debt (23)	0.5	0.5	1
- Automatic extension to supporting obligations (24)	0.5	0.5	1
Cancellation and Discharge Mechanisms	1	1	2
- Mechanism for the secured creditor to cancel the registration (25)	0.5	0.5	1
- Mechanism for the debtor to request cancellation after satisfying an obligation (26a)	0.25	0.25	0.5
- Mechanism for the debtor to request cancellation of an advanced registration (26b)	0.25	0.25	0.5
Total Points	3	3	6
1.2.5 Priority of Claims Outside Insolvency			
Indicators	FFP	SBP	Total Points
Priority of Claims outside Insolvency or Bankruptcy	1	1	2
- Clear priority rules for competing claims (27)	0.33	0.33	0.67
- Treatment of secured creditors and statutory liens (28)	0.33	0.33	0.67
- Protection of buyers in the ordinary course of business (30)	0.33	0.33	0.67
Total Points	1	1	2
1.2.6 Out of Court Enforcement of Security Interests			
Indicators	FFP	SBP	Total Points
Procedural Safeguards	1	1	2
- Out of court enforcement of security interests (31)	0.2	0.2	0.4
- Conditions for taking possession (32a AND 32b AND 32c)	0.2	0.2	0.4
- Commercially reasonable realization (37)	0.2	0.2	0.4

- Debtor's right of redemption (38)	0.2	0.2	0.4
- Order of distribution of proceeds (39)	0.2	0.2	0.4
Private Sale	1	1	2
- Availability of private sale (33)	0.5	0.5	1
- Notice requirements for interested parties (34)	0.5	0.5	1
Appropriation	1	1	2
- Appropriation by creditor (35a AND 35b AND 35c)	0.5	0.5	1
- Conditions for acquisition of collateral (36)	0.5	0.5	1
Total Points	3	3	6

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

PILLAR II—ACCESS TO FINANCIAL 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 Registry Scope and Coverage

40. Is there a registry (or registries) in your economy where security interests can be registered to be enforceable against third parties?

40a. Yes, there is a single unified collateral registry that covers all types of security interests, including all functional equivalents

40b. Yes, there are multiple registries in your economy (e.g. collateral registry and a separate receivables registry, or separate registries by different debtor types, asset types, transaction types or jurisdictions)

Y → provide response to questions 41 and 42.

40c. No, there is no registry (registries) where security interests must be registered for third-party effectiveness.

41. If multiple registries exist for different debtor types, asset types, transaction types or jurisdictions (e.g., companies registry and bill of sale registry, receivables registry and pledge registry, or multiple province/state registries), do the same principles for third party effectiveness apply? (Y/N)

42. If multiple registries exist, is a single registration of a security interest at such registries effective nationwide and no additional filings are required for enforceability against third parties? (Y/N)

43. Can all types of creditors register a security interest in the registry (or registries), i.e. the registry (or registries) is not limited to security interests granted to certain kinds of creditors only (e.g., commercial banks, incorporated creditors)? (Y/N)

2.2.2 Registry Functions and Operations

44. Does the registry (or registries) have an electronic database searchable in the following manner? (Y/N)

44a. Search by a serial number (for high value assets)

- 44b. Search by other identifiers (e.g. creditor name, collateral class, type, model, claim amount, registration filing date, registration status)
- 44c. Search by ISO-standardized identifiers and code sets
- 44d. AI-assisted natural language search
- 44e. OCR-assisted (image or photo based) identifier search

45. Can foreign parties or any parties from abroad search the registry's (or registries') data without being discriminated against on the grounds of their location or nationality? (Y/N)

Note: requirements such as creating a user account, logging in, or paying a fee are not considered a restriction on foreign parties' ability to access the registry, as long as they can comply with those requirements.

46. Is the priority of the registration notice established at the time of its submission to the registry irrespective of registry's actions afterwards (e.g. accepting the notice for registration, rejecting, reviewing)? (Y/N)

47. Is it sufficient to submit a simple notice to register, amend (renew) or cancel a security interest, i.e. without attaching any electronic and/or paper documents, such as a copy of the loan contract? (Y/N)

N → provide response to question 48.

48. Does the registry (or registries) accept the submitted registration notice without conducting human review of the attached documents to verify the legality of the transaction (automated checks are acceptable)? (Y/N)

49. Does the registry (or registries) accept the submitted registration notice without conducting human review of the correctness, completion, and accuracy of the information in the registration notice (automated checks are acceptable)? (Y/N)

50. Does the registry (or registries) have the following safeguards to prevent and detect illegal or unlawful registrations? (Y/N)

- 50a. Perform automated checks of information in the registration notices either before or after accepting registrations
- 50b. Require attestation from the submitting party and capture its identity with a complete audit trail
- 50c. Require debtor's consent and/or authorization or other evidence of the existence of security agreement, after accepting registrations
- 50d. Expedited administrative removal/cancellation of unauthorized registration notices

51. Does the registry (or registries) provide a formal mechanism for challenging an incorrect or fraudulent registration by an affected party? (Y/N)

2.2.3 Online Access and Management of Registration Notice

52. Can any member of the public directly search the registry's (or registries') data without intermediaries (e.g., lawyers, notaries, clerks, registrars, banks, state agencies)? (Y/N)

Note: Requirements such as creating a user account, logging in, or personalizing access are not considered a restriction on the public's ability to access the registry.

53. Can secured creditors (or their representatives) register, amend (renew), and cancel a notice in the registry's (or registries') system without the assistance of intermediaries (e.g., lawyers, notaries, clerks, registrars, banks, state agencies)? (Y/N)
54. Does the registry (or registries) have an online system that allows users (i.e., creditors, debtors, or their representatives) to carry out the following actions?
- 67a. Search for registrations (Y/N)
 - 67b. Register new security interests (Y/N)
 - 67c. Amend or renew existing registrations (Y/N)
 - 67d. Cancel or terminate registrations (Y/N)
 - 67e. Challenge an incorrect or fraudulent registration (Y/N)
55. Does the registry (or registries) send automated electronic notifications to the debtor when a registration is registered, amended (renewed), and cancelled? (Y/N)

2.2.4 Reliability of the Registration System

56. Is reliance on information obtained from the collateral registry protected under the legal framework (e.g., users acting in good faith are protected if they rely on registry data, the registry issues official search results/certificates (digitally signed or stamped, time-stamped) that are admissible as evidence)? (Y/N)
57. To what extent do you consider the information recorded in the collateral registry to be reliable?
- 57a. Very reliable
 - 57b. Somewhat reliable
 - 57c. Not reliable

2.2 OPERATION OF COLLATERAL REGISTRIES			
2.2.1 Registry Scope and Coverage			
Indicators	FFP	SBP	Total Points
Registry Scope and Coverage	1	1	2
- Unified registry for security interests exists (40a)	0.5	0.5	1
OR	OR	OR	OR
- Multiple registries for security interests exist (40b)	0.25	0.25	0.5
AND have consistent rules for third-party effectiveness (41) AND single registration applies nationwide where applicable (42)			
- Ability of all creditor types to register security interests (43)	0.5	0.5	1
Total Points	1	1	2
2.2.2 Registry Functions and Operation			
Indicators	FFP	SBP	Total Points
Searches	1	1	2
- Serial number search (44a)	0.16	0.16	0.33
- Other identifiers search (44b)	0.16	0.16	0.33
- ISO-standardized identifiers search (44c)	0.16	0.16	0.33
- AI assisted search (44d)	0.16	0.16	0.33
- OCR assisted search (44e)	0.16	0.16	0.33

- No discrimination of foreign parties (45)	0.2	0.2	0.4
Verification and Material Checks	1	1	2
- Priority established at the time of submission (46)	0.33	0.33	0.67
- Availability of notice-based filing (47)	0.33	0.33	0.67
OR	OR	OR	OR
- No human review of legality of transaction (48)	0.16	0.16	0.33
- No human review of notice for correctness (49)	0.33	0.33	0.67
Safeguards to Prevent Unlawful Registrations	1	1	2
<i>0.5 point is assigned if at least 2 out of the following 4 elements are YES:</i>			
- Automated checks (50a)	0.5	0.5	1
- Attestation from the submitting party (50b)			
- Debtor's consent and/or authorization (50c)			
- Expedited administrative removal of unauthorized registration notices (50d)			
- Availability of a mechanism for challenging an incorrect or fraudulent registration (51)	0.5	0.5	1
Total Points	3	3	6
2.2.3 Online Access and Management of Registration Notice			
Indicators	FFP	SBP	Total Points
Public Access	1	1	2
- Unrestricted public access to registry database (52)	0.5	0.5	1
- Secured creditor's unrestricted access to registry system (53)	0.5	0.5	1
Digital Management of the Registry Notice	1	1	2
- Online search (54.1)	0.16	0.16	0.32
- Online registration (54.2)	0.16	0.16	0.32
- Online amendment (54.3)	0.16	0.16	0.32
- Online cancellation (54.4)	0.16	0.16	0.32
- Online challenge of notices (54.5)	0.16	0.16	0.32
- Automated notifications to the debtor (55)	0.2	0.2	0.4
Total Points	2	2	4
2.2.4 Reliability of the Registration System			
Indicators	FFP	SBP	Total Points
Reliability of the Registration System	1	1	2
- Protection of users relying on collateral registry data (56)	0.5	0.5	1
- Perception of users on reliability of collateral registry data (57a) OR	0.5	0.5	1
	OR	OR	OR
- Perception of users on reliability of collateral registry data (57b)	0.25	0.25	0.50
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 linear approach to transform economy-level answers into indicator scores ranging from 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. For

this indicator, a lower threshold 0 day as the minimum and 3 days as the maximum has been set in accordance with international best practices.

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

58. Please provide the time in calendar days it takes for a newly registered security interest to become publicly searchable in the (first) registry’s database after its registration.

Note: Please provide a response for the (first) relevant registry. If a registered security interest is searchable instantaneously, a few minutes/hours, or the same day, please insert “0”. If the security interest is searchable the next day, please insert “1”; otherwise, please insert the actual number of calendar days.

59. Please provide the time in calendar days it takes for a newly registered security interest to become publicly searchable in the second registry’s database after its registration.

Note: Please provide a response for the second relevant registry. If a registered security interest is searchable instantaneously, a few minutes/hours, or the same day, please insert “0”. If the security interest is searchable the next day, please insert “1”; otherwise, please insert the actual number of calendar days.

60. Please provide the time in calendar days it takes for a newly registered security interest to become publicly searchable in the third registry’s database (if any) after its registration.

Note: Please provide a response for the third relevant registry, if any; if your economy does not have a third registry, please select "There is no third registry". If a registered security interest is searchable instantaneously, a few minutes/hours, or the same day, please insert “0”. If the security interest is searchable the next day, please insert “1”; otherwise, please insert the actual number of calendar days.

61. What are the fees in local currency to register a security interest in the (first) registry?

Note: Please provide the fees for the (first) relevant registry, or select one of the applicable choices as described below.

61a. Registry 1: [NUMERIC ENTRY] LCU

61b. Registry 1: The registry charges no fees for registration

61c. Registry 1: The registry' fees are ad valorem, i.e. a percentage of the value of the transaction rather than a flat amount

62. What are the fees in local currency to register a security interest in the second registry?

Note: Please provide the fees for the second relevant registry, or select one of the applicable choices as described below.

62a. Registry 2: [NUMERIC ENTRY] LCU

62b. Registry 2: The registry charges no fees for registration

62c. Registry 2: The registry' fees are ad valorem, i.e. a percentage of the value of the transaction rather than a flat amount

63. What are the fees in local currency to register a security in the third registry?

Note: Please provide the fees for the third relevant registry, if any; or select one of the applicable choices as described below. If your economy does not have a third registry, please select "There is no third registry".

63a. Registry 3: [NUMERIC ENTRY] LCU

63b. Registry 3: The registry charges no fees for registration

63c. Registry 3: The registry' fees are ad valorem, i.e. a percentage of the value of the transaction rather than a flat amount

63d. Registry 3: There is no third registry

3.1. LOANS			
3.1.2 Operational Efficiency of Security Interest			
Indicators*	FFP	SBP	Total Points
Time for New Registration to Be Reflected in Database (58, 59, 60)	100 (50%)	n/a	100 (50%)
Fees for Registration of Security Interests** (61, 62, 63) <i>**If the average registry's fees are ad valorem (missing value), 0 point is assigned for this indicator</i>	100 (50%)	n/a	100 (50%)
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.

** Indicators are calculated as the average responses for each registry, considering only valid and non-negative values.*

OPERATION CREDIT BUREAUS AND REGISTRIES QUESTIONNAIRE

The tables below present all indicators (including their components, if applicable) under each pillar, with 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → *provide response to question ...*” or “N → *provide response to question ...*” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

Credit Reporting Service Providers (*not scored*)

- i. Please list all Credit Reporting Service Providers (CRSPs) operating currently in your economy.
- ii. Please enter the date your CRSP began operating (i.e., *when your Credit Reporting Service Provider started issuing credit reports*).

For the next set of questions, consider credit references on repayment history from any Data User. Please provide the number of unique Consumers and Firms listed in the database of your CRSP with at least 1 (or more) credit reference (positive or negative) from January 2, 2020, to January 1, 2025.

- iii. Number of unique Consumers
Note: Please count each Consumer once, regardless of the number of credit references for such Consumer. Please kindly enter "0" if not applicable.
January 2, 2020 - January 1, 2025
- iv. Number of unique Firms
Note: Please count each Firm once, regardless of the number of credit references for such Firm. Please kindly enter "0" if not applicable.
January 2, 2020 - January 1, 2025

Please provide the number of unique Consumers and Firms listed in the database of your CRSP, who had no borrowing history / no hit in the past 5 years, but for whom at least 1 (or more) lender requested a credit report from your CRSP in the period between January 2, 2024, and January 1, 2025.

- v. Number of unique Consumers

Note: Please count each Consumers once, regardless of the number of credit references for such Consumer. Please kindly enter "0" if not applicable.

January 2, 2024 - January 1, 2025.

vi. Number of unique Firms

Note: Please count each Firm once, regardless of the number of credit references for such Firm. Please kindly enter "0" if not applicable.

January 2, 2024 - January 1, 2025.

Legal Framework, Access and Transparency

- 1. Regulation of Credit Reporting Service Providers: Is there a legal framework that regulates the establishment and operation of the Credit Reporting Service Providers (CRSPs) in your economy? (Y/N)**
- 2. Core Safeguards: Does the legal framework provide for any of the following core safeguards applicable to the credit reporting system and CRSPs? (Y/N)**
 - 2a. Define permissible purposes for which credit information can be used by Data Users (e.g., credit granting decisions, tenant screening, etc., and not for other purposes like general marketing)
 - 2b. Require the CRSPs to provide equal access to their services for all eligible participants (i.e., no unfair exclusion or preferential treatment)
- 3. Mandated Use of Credit Data. Are all supervised Financial Institutions required to use the CRSPs' data for credit underwriting by either the legal framework or self-regulating industry rules with legal consequences, such as liability rules, sanctions, etc.? (Y/N)**

Inclusion and Transparency

- 4. Coverage of Lenders: Does your CRSP systematically engage all supervised Financial Institutions in the market to both submit and retrieve credit data? (Y/N)**

Note: "Systematically engage" refers to proactive steps such as formal invitations, onboarding programs, or regulatory coordination to include all supervised Financial Institutions as Data Providers and Data Users.

 - 4a. Yes, all Financial Institutions are engaged and invited
 - 4b. Yes, but only certain categories of Financial Institutions are engaged (please specify in comments)
 - 4c. No formal engagement or outreach program exists
- 5. Operational Transparency: Does your CRSP or its regulator publish operational statistics (e.g., number of Consumers and Firms covered, update frequency)? (Y/N)**

Data Privacy and Protection

- 6. Data Protection Regulation. Is there a general data protection or privacy law in your economy that applies to the handling of personal data by CRSPs? (Y/N)**
- 7. Consent for Data Sharing. Does the legal framework mandate that Data Subjects are required to give consent to Data Providers and CRSPs before their credit information is released to Data Users? (Y/N)**

8. **Use of Sensitive Personal Data.** Does the legal framework restrict CRSPs from providing sensitive personal data of Consumers and Firms to Data Users? (Y/N)

Note: Laws might prohibit including information about a person's race, religion, health, or political affiliation in credit reports.

9. **Data Confidentiality.** Does the legal framework impose a general duty of confidentiality on the CRSPs, Data Providers and Data Users regarding credit information (with penalties for unlawful disclosure)? (Y/N)

10. **Supervision of Credit Data Protection.** Is there an independent public authority responsible for enforcing data protection standards in credit reporting (e.g., a data protection commission, privacy authority, consumer protection agency, or financial supervisor)? (Y/N)

Note: this question is part of indicator – Inclusion and Transparency.

Risk Management and Business Continuity

11. **Risk Management Program:** Does the legal framework require CRSPs to implement a comprehensive risk management and internal controls system that collectively addresses all operational, technological, reputational, regulatory, compliance and other material risks? (Y/N)

12. **Risk Management in Practice:** Does your CRSP have a documented risk management function with a designated officer/unit? (Y/N)

13. **Continuity Test.** Does the legal framework require the CRSPs to perform live disaster-recovery or business-continuity tests of the credit reporting system? (Y/N)

14. **Business Continuity Test in Practice.** Within the last twelve months, has your CRSP performed any live disaster-recovery or business-continuity tests of the credit reporting system? (Y/N)

Data Reported on Consumers and Firms

15. **Does your CRSP report data on loans of Consumers in a full credit report?** (Y/N)

Y → provide response to question 16.

16. **Data Reported on Consumers.** Which of the following data on loans of Consumers does your CRSP always include in a full credit report? (Y/N)

16a. On-time payments

16b. Historical patterns of repayments

16c. Defaults or restructured debts (e.g., number and amount of defaults or restructured debts)

16d. Arrears or late payments (e.g., number and amount of arrears or late payments)

16e. Number of days a loan is overdue

17. **Does your CRSP report data on loans of Firms in a full credit report?** (Y/N)

Y → provide response to question 18.

18. **Data Reported on Firms.** Which of the following data on loans of Firms does your CRSP always include in a full credit report? (Y/N)

18a. On-time payments

18b. Historical patterns of repayments

18c. Defaults or restructured debts (e.g., number and amount of defaults or restructured debts)

18d. Arrears or late payments (e.g., number and amount of arrears or late payments)

18e. Number of days a loan is overdue

Coverage on Data Providers

Financial Institutions and NBFIs. Which of the following Data Providers in your economy both submit data to your CRSP and retrieve data from it? (questions 19 through 23)

19. Financial Institutions (Y/N)

20. Microfinance institutions (Y/N)

21. Credit cooperatives or credit unions (Y/N)

22. Leasing and factoring companies (Y/N)

23. Mortgage finance companies (Y/N)

Alternative Data Providers - Fintech and Digital: Which of the following Alternative Data Providers in your economy submit data to your CRSP? (questions 24 through 27)

24. E-commerce platforms (Y/N)

25. Digital lenders / Crowdfunding platforms (P2P platforms) (Y/N)

26. Mobile money / e-wallet operators (Y/N)

27. BNPL (Buy Now, Pay Later) providers (Y/N)

Alternative Data Providers - General. Which of the following Alternative Data Providers in your economy submit data to your CRSP? (questions 28 through 31)

28. Retailers and merchants (Y/N)

29. Utility companies (Y/N)

30. Rental payment information providers (Y/N)

31. Telecommunication companies (Y/N)

Alternative Data Providers - Public Sector. Which of the following Alternative Data Providers in your economy submit data to your CRSP? (questions 32 through 34)

32. Courts (Y/N)

33. Tax authorities (Y/N)

34. Collateral registries (Y/N)

35. Incentives for Alternative Data Providers: Does your CRSP or its regulator use any of the following incentives to encourage or require Alternative Data Providers to submit data to your CRSP? (Y/N)

35a. Legal or regulatory requirement, or supervisory coordination with public authorities

35b. Commercial or contractual incentives (e.g., revenue sharing, preferential terms, discounts)

35c. Technical or financial support (e.g., free APIs, onboarding assistance)

35d. Access privileges in return for contributing data (e.g., ability to view limited credit information)

Data Quality and Timeliness

36. Data Accuracy and Correction: Does the legal framework, explicitly or indirectly, require CRSPs to comply with any of the following? (Y/N)

36a. Verify incoming data for accuracy and completeness (e.g., automated validation, consistency cross-checks, format verification, etc.)

36b. Track data quality over time (e.g., KPIs, audit reports, anomaly detection)

36c. Correct errors when discovered promptly or within a legally set time frame

37. Validation/Audits of Data. Does your CRSP perform automated validation checks on incoming data and periodical audits to detect errors or inconsistencies (e.g., automated format/logic checks; periodic record sampling and KPI/audit reviews)? (Y/N)

38. Time to Correct Discovered Errors. How many calendar days does it typically take for your CRSP to correct errors when discovered as a result its own internal checks of data accuracy?

Note: If no average is officially tracked, please provide a typical estimate based on common practice.

39. Updates Frequency: Does the legal framework specify a minimum frequency for data updates to be submitted by Data Providers (e.g., monthly or within a certain number of days of any change)? (Y/N)

40. Unique Identifiers: In practice, does your CRSP use unique identifiers (e.g., a national ID, or registration/tax ID) to accurately match data to the correct Data Subject? (Y/N)

41. Timeliness of Reported Credit Information (Legal). Does the legal framework require that the CRSPs reflect reported credit information in the database within a certain time? (Y/N)

Cross-Border Data Sharing

42. Cross-Border Sharing (Legal). Does the legal framework explicitly allow Cross Border Credit Information Sharing at all? (Y/N)

Y → provide response to question 43.

43. Cross-Border Sharing Conditions. If Cross Border Credit Information Sharing is explicitly allowed, which of the following safeguards or enabling conditions are provided for by the legal framework? (Y/N)

43a. Clear rules in place for data transfer or partnerships, not subject to the regulator's ad hoc approvals

43b. Adequate data protection laws in the receiving economy

43c. Data subject's consent required for cross-border transfer

43d. Security and risk controls are required (e.g., cybersecurity measures and independent audits/assessments)

43e. Consumer protection/liability (i.e., clear liability, dispute-resolution for cross-border issues)

44. Types of Foreign Entities Receiving Credit Information. With which types of foreign entities does your CRSP currently share credit data? (Y/N)

44a. Foreign CRSP(s) (either via a Memorandum of Understanding, formal agreement or at Consumer' or Firm' request)

- 44b. Foreign Financial Institutions (e.g., banks, lenders, and other creditors)
- 44c. Affiliated companies/entities in the same corporate group (e.g., sister bureau in another economy)
- 44d. Multilateral/third-party organizations (e.g., international/regional platforms)
- 44e. Cross-border technology or data service providers (e.g., cloud platforms or data hubs that route or store data across borders)

Crisis-Related Data

- 45. Crisis-Related Data (Legal).** Does the legal framework contain any provisions that specifically govern how Crisis-Related Data is recorded, displayed/flagged, used in decisions, or retained/removed (e.g., during declared emergencies or authority-recognized relief periods)? (Y/N)
- 46. Identification of Crisis-Related Data.** Does the CRSP use technical reporting codes or special reporting to identify Crises-Related Data (e.g., financial, health, and climate related arrears)? (Y/N)
Y → provide response to question 47.
- 47. Removal of Crisis-Related Data.** Is the identification of Crises-Related Data removed from the credit report after the crisis or relief period ends? (Y/N)

Data Retention and Removal

- 48. Data Retention (Legal).** Does your legal framework provide time limits on how long the Positive and Negative Data should be retained in a credit report? (Y/N)
- 49. Retention of Positive Data.** For how many years is Positive Data reflected in credit reports?
Note: Please provide the number of years, or select the applicable choice as described below if Positive Data is never removed.
 - 49a. [NUMERIC ENTRY] years
 - 49b. Positive data is never removed
- 50. Retention of Negative Data.** For how many years at most is Negative Data reflected in credit reports?
Note: Please provide the number of years, or select the applicable choice as described below if Negative Data is never removed.
 - 50a. [NUMERIC ENTRY] years
 - 50b. Negative data is never removed
- 51. Removal of Negative Data if Repaid.** For how many years is Negative Data (e.g., late payments, defaults) reflected in the credit report after the obligation has been fully repaid or resolved?
Note: Please provide the number of years or select one of the applicable choices as described below.
 - 51a. [NUMERIC ENTRY] years
 - 51b. Negative data is never removed after the obligation has been fully repaid or resolved
 - 51c. Negative data is immediately removed after the obligation has been fully repaid or resolved

Data Security and Cybersecurity

- 52. Security Requirements:** Does the legal framework have data security rules applicable to the CRSPs (e.g., mandates to comply with information security standards, encryption requirements, or cybersecurity regulations)? (Y/N)

- 53. Encryption:** As a standard practice, is sensitive personal and credit data encrypted both in transit and at rest within your CRSP's systems? (Y/N)
- 54. Identity-proofing and Authentication Controls.** Which of the following methods does your CRSP use to verify the Data Subject's identity before allowing Online access to their credit report or account?
- 54a. Verification through a national ID or other authoritative registry (Y/N)
 - 54b. ID document and biometric/liveness verification (Y/N)
 - 54c. Multi-factor authentication (MFA) at login (e.g., one-time code, authenticator app, or hardware token) (Y/N)
- 55. Security Testing:** Does your CRSP undergo regular security testing, such as Penetration Tests, Vulnerability Assessments, or similar tests by qualified experts? (Y/N)
- 56. Security Certification:** Is the CRSP certified or compliant with any recognized information security standards (e.g., ISO/IEC 27001 for information security management)? (Y/N)

Data Subjects Access to Information

- 57. Frequency of Free Reports.** Does the legal framework provide that Data Subjects are entitled to obtain a free credit report at least once a year, if requested? (Y/N)
Note: If your legal framework grants this right only to Consumers, please answer "Yes".
- 58. Online Access.** Can Data Subjects view/download their credit report online from your CRSP via a web portal or mobile app (i.e., via Online Access)? (Y/N)

Data Consent and Notification Rights

- 59. Data Subject Consent for Usage.** Does the legal framework provide Data Subjects with a right to "freeze" their report or opt-out of certain Data Users under any circumstances? (Y/N)
Note: If your legal framework grants this right only to Consumers, please answer "Yes".
- 60. Notification of Data Subjects.** Does the legal framework require the CRSPs to notify Data Subjects when Negative Data is included in their credit reports? (Y/N)
Note: If your legal framework grants this right only to Consumers, please answer "Yes".

Dispute and Correction of Information

- 61. Right to Dispute:** Does the legal framework provide Data Subjects with a right to dispute inaccurate or incomplete information in their credit reports, and have it investigated by a CRSP (or a Data Provider)? (Y/N)
 Y → provide response to question 62.
- 62. Correction Obligation:** If a dispute investigation finds that information was inaccurate, does the legal framework require the CRSPs and Data Providers to correct or delete the erroneous information in credit reports within a certain period of time? (Y/N)
- 63. Cost of Dispute:** Does your CRSP allow Data Subjects to file a dispute or request a correction in their report free of charge, regardless of the method of filing?

Note: If your CRSP charges Consumers and Firms different fees, please insert the lesser fee amount charged. This question is part of indicator – Data Subjects Access to Information.

- 64. External Redress Mechanism: Does the legal framework provide Data Subjects a formal mechanism to refer their unresolved disputes or the disputes with unsatisfactory outcomes to an external body (e.g., a financial regulator, an Ombudsman, administrative agency, court, consumer protection agency or a dedicated consumer credit dispute board)? (Y/N)**

Credit Scores

- 65. Availability of Credit Scores. Does your CRSP provide Credit Scores to Data Users? (Y/N)**

Y → provide response to questions 66-72.

- 66. When did your CRSP start providing the credit scoring service? (not scored)**

- 67. Interpretation of Credit Scores. Does your CRSP provide guidance in a permanent accessible digital format (e.g., via a website or app) on how to understand or interpret a Credit Score? (Y/N)**

- 68. Factors Influencing Credit Scores. Does your CRSP explain in a permanent accessible digital format (e.g., via a website or app) the key factors that influence a Credit Score? (Y/N)**

- 69. Score Simulation Tool. Does your CRSP provide in a permanent accessible digital format (e.g., via a website or app) a score simulation tool (e.g., to model how changes in behavior affect the credit score)? (Y/N)**

- 70. Tips to Improve Credit Score. Does your CRSP provide in a permanent accessible digital format (e.g., via a website or app) personalized tips to help customers improve their Credit Score or access better financial products? (Y/N)**

- 71. Disparate Impact Analysis. Does the legal framework require CRSPs to perform and document Bias or Disparate-impact Analysis over credit-scoring models? (Y/N)**

Note: This question is part of indicator - Data Consent and Notification Rights.

- 72. Disparate Impact Analysis in Practice. Within the last twelve months, has your CRSP performed and documented a Bias or Disparate-impact Analysis of every credit-scoring model it supplies? (Y/N)**

Credit Monitoring and Fraud Detection and Tracking

- 73. Portfolio Monitoring. Does your CRSP offer a portfolio monitoring service, including tracking credit risk trends, delinquency patterns, or early warning signals? (Y/N)**

- 74. Theft and Fraud Alerts. Does your CRSP provide identity theft protection or fraud alert services (e.g., notifications of suspicious activity, attempted account openings, or unusual credit report changes)? (Y/N)**

- 75. Access History. Does your CRSP provide Data Subjects with access to a history of who has viewed their credit report (e.g., list of lenders, employers, landlords, or other authorized users)? (Y/N)**

1.3 CREDIT BUREAUS AND REGISTRIES			
1.3.1 Legal Framework and Governance			
Indicators	FFP	SBP	Total Points
Legal Framework Access and Transparency*	1	1	2
- Regulation of credit reporting service providers (1)	0.25	0.25	0.5
- Core safeguards - permissible purposes defined (2a)	0.25	0.25	0.5
- Core safeguards - equal access to CRSP services (2b)	0.25	0.25	0.5
- Mandated use of credit data (3)	0.25	0.25	0.5
Data Privacy and Protection	1	1	2
- Data protection regulation (6)	0.25	0.25	0.5
- Consent for data sharing (7)	0.25	0.25	0.5
- Use of sensitive persona data (8)	0.25	0.25	0.5
- Data confidentiality (9)	0.25	0.25	0.5
Risk Management and Business Continuity	1	1	2
- Risk management program (11)	0.5	0.5	1
- Continuity test (13)	0.5	0.5	1
Total Points	3	3	6
1.3.2 Data Management, Integrity and Protection			
Data Quality and Timeliness	1	1	2
- Data accuracy and correction - completeness (36a)	0.2	0.2	0.4
- Data accuracy and correction - quality overtime (36b)	0.2	0.2	0.4
- Data accuracy and correction - error correction (36c)	0.2	0.2	0.4
- Updates frequency (39)	0.2	0.2	0.4
- Timeliness of reported credit information (41)	0.2	0.2	0.4
Data Retention and Removal	1	1	2
- Historical data (48)	0.25	0.25	0.5
- At least two years of historical data are shared (49, 50, 51)*	0.75	0.75	1.5
*0.75 is assigned if at least 2 years of historical data is shared, but not more than 10 years of negative data are shared. Zero is assigned if credit bureaus and registries erase data on defaults as soon as they are repaid or distribute negative information more than 10 years after defaults are repaid			
Data Security and Cybersecurity	1	1	2
- Security requirements (52)			
Total Points	3	3	6
1.3.3 Advanced Features			
Cross-Border Data Sharing	1	1	2
- Cross-border sharing (42)	0.5	0.5	1
- Cross-border sharing conditions - clarity of rules (43a)	0.1	0.1	0.2
- Cross-border sharing conditions - data protection laws (43b)	0.1	0.1	0.2
- Cross-border sharing conditions - data subject's consent (43c)	0.1	0.1	0.2
- Cross-border sharing conditions - security and risk controls (43d)	0.1	0.1	0.2
- Cross-border sharing conditions - consumer protection (43e)	0.1	0.1	0.2
Crisis-Related Data	1	1	2
- Crisis-related data (45)			
Total Points	2	2	4
1.3.4 Data Subject and Consumer Rights			
Data Consent and Notification Rights	1	1	2

- Data subject consent for usage (59)	0.4	0.4	0.8
- Notification of data subjects (60)	0.4	0.4	0.8
- Disparate impact analysis (71)	0.2	0.2	0.4
Dispute and Correction of Information	1	1	2
- Right to dispute (61)	0.33	0.33	0.67
- Data correction obligation (62)	0.33	0.33	0.67
- External redress mechanism (64)	0.33	0.33	0.67
Total Points	2	2	4
2.3 OPERATION OF CREDIT BUREAUS AND REGISTRIES			
2.3.1 Governance and Operations			
Indicators	FFP	SBP	Total Point
Inclusion and Transparency	1	1	2
- Coverage of lenders - all financial institutions (4a)	0.4	0.4	0.8
OR	OR	OR	OR
- Coverage of lenders - certain financial institutions (4b)	0.2	0.2	0.4
- Operational transparency (5)	0.2	0.2	0.4
- Supervision of credit data protection (10)	0.4	0.4	0.8
Risk Management and Business Continuity	1	1	2
- Risk management in practice (12)	0.5	0.5	1
- Business continuity test in practice (14)	0.5	0.5	1
Total Points	2	2	4
2.3.2 Data Coverage			
Data Reported on Consumers and Firms	1	1	2
- Reporting data on consumers (15)	0.2	0.2	0.4
- Types of data reported on consumers (16a AND 16b AND 16c AND 16d AND 16e)	0.3	0.3	0.6
- Reporting data on firms (17)	0.2	0.2	0.4
- Types of data reported on firms (18a AND 18b AND 18c AND 18e)	0.3	0.3	0.6
Coverage of Data Providers	1	1	2
Data from alternative sources are shared in addition to data from financial institutions and NBFIs:			
- Financial institutions (19)	0.1	0.1	0.2
- Microfinance institutions (20)	0.1	0.1	0.2
- Credit cooperatives or credit unions (21)	0.1	0.1	0.2
- Leasing and factoring companies (22)	0.1	0.1	0.2
- Mortgage finance companies (23)	0.1	0.1	0.2
- Alternative data providers** (24-34)	0.3	0.3	0.6
- Incentives for alternative data providers*** (35a, 35b, 35c, 35d)	0.2	0.2	0.4
**0.3 is assigned if at least 5 out of 11 alternatives data providers (e-commerce platforms, digital lenders/crowdfunding platforms, mobile money/e-wallet operators, BNPL, retailers and merchants, utility companies, rental payment information providers, telecommunication companies, courts, tax authorities, and collateral registries) submit data to credit reporting system provider			
***0.2 is assigned if YESs to at least 2 out of the following 4 incentives: 35a, 35b, 35c, or 35d			
Total Points	2	2	4
2.3.3 Data Management, Integrity and Protection			

Data Quality and Timeliness	1	1	2
- Validation/audits of data (37)	0.4	0.4	0.8
- Time to correct discovered errors (38)****	0.3	0.3	0.6
- Unique identifiers (40)	0.3	0.3	0.6
****Numeric entry must be below 30 days			
Data Security and Cybersecurity	1	1	2
- Encryption (53)	0.16	0.16	0.33
- Identity-proofing and authentication controls - ID verification (54a)	0.16	0.16	0.33
- Identity-proofing and authentication controls - biometric verification (54b)	0.16	0.16	0.33
- Identity-proofing and authentication controls - multi-factor authentication (54c)	0.16	0.16	0.33
- Security testing (55)	0.16	0.16	0.33
- Security certification (56)	0.16	0.16	0.33
Total Points	2	2	4
2.3.4 Advanced Features			
Cross-Border Data Sharing	1	1	2
- Types of foreign entities receiving credit information - foreign CRSP(s) (44a)	0.2	0.2	0.4
- Types of foreign entities receiving credit information - foreign financial institutions (44b)	0.2	0.2	0.4
- Types of foreign entities receiving credit information - affiliated companies (44c)	0.2	0.2	0.4
- Types of foreign entities receiving credit information - third-party organizations (44d)	0.2	0.2	0.4
- Types of foreign entities receiving credit information - data service providers (44e)	0.2	0.2	0.4
Crisis-Related Data	1	1	2
- Identification of crisis-related data (46)	0.6	0.6	1.2
- Removal of crisis-related data (47)	0.4	0.4	0.8
Total Points	2	2	4
2.3.5 Data Subjects Access to Information			
Data Subjects Access to Information	1	1	2
- Frequency of free reports (57)	0.4	0.4	0.8
- Online access (58)	0.4	0.4	0.8
- Cost of dispute (63)	0.2	0.2	0.2
Total Points	1	1	2
2.3.6 Value Added Services			
Credit Scores	1	1	2
- Availability of credit scores (65)	0.25	0.25	0.5
- Interpretation of credit scores (67)	0.15	0.15	0.3
- Factors influencing credit scores (68)	0.15	0.15	0.3
- Score simulation tools (69)	0.15	0.15	0.3
- Tips to improve credit score (70)	0.15	0.15	0.3
- Disparate impact analysis in practice (72)	0.15	0.15	0.3
Credit Monitoring and Fraud Detection and Tracking	1	1	2
- Portfolio monitoring (73)	0.33	0.33	0.67
- Theft and fraud alerts (74)	0.33	0.33	0.67
- Access history (75)	0.33	0.33	0.67
Total Points	2	2	4

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

The scores for Pillar III indicators are calculated using the linear approach to transform economy-level answers into indicator scores ranging from 0 to 100, where 0 and 100 represent the lowest and highest possible scores, respectively. The best and worst performers for the average days it takes for credit information to be reflected in credit report from the moment credit reporting agency receives such information and the average days it takes to resolve a consumer or firm's disputes are identified according to the thresholds established by international standards, which set the acceptable timeframe ranging from a minimum of 0 to a maximum of 30 calendar days. Similarly, the best and worst performers for the cost for a consumer or firm for accessing their credit report are assessed according to internal standard threshold, which set the acceptable cost to 0 to one percent of GNI per capita.

3.1 LOANS

3.1.3 Operational Efficiency of Credit Data Update

76. Time to Reflect Credit Information. What is the average number of calendar days it takes, in practice, for data submitted to your CRSP to be reflected in credit reports?

Note: If no average is officially tracked, please provide a typical estimate based on common practice.

77. Time to Resolve a Consumer or Firm's Dispute. What is the average time (in calendar days) it takes your CRSP to resolve disputes filed by Data Subjects (Consumers or Firms), in practice?

Note: If the average time differs between Consumers and Firms, please report the shorter timeframe.

78. Cost of Accessing Credit Report. What is the cost for Data Subjects to access their credit report from your CRSP's database in local currency?

Note: If your CRSP charges Consumers and Firms different fees, please insert the lesser fee amount charged. Please enter "0" if Data Subjects are entitled to a free credit report at least once a year. If Data Subjects need to pay a subscription fee to access their first credit report in a year, please enter the fee amount for the least expensive access package.

3.1. LOANS			
3.1.3 Operational Efficiency of Credit Data Update			
Indicators	FFP	SBP	Total Points
Time to Reflect Credit Information - Average days it takes for credit information to be reflected in credit report from the moment credit reporting agency receives such information (76)	100 (33.33%)	n/a	100 (33.33%)
Time to Resolve a Consumer's or Firm's Dispute - Average days it takes to resolve a consumer or firm's disputes (77)	100 (33.33%)	n/a	100 (33.33%)
Cost of Accessing Credit Report - Cost for a consumer or firm for accessing their credit report (78)	100 (33.33%)	n/a	100 (33.33%)
Total Points for Subcategory 3.1.3	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.

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 for this indicator. If the bureau or registry is operational but does not distribute a credit report by the cut-off date for B-READY data collection, the score is also 0 for this indicator. 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).

E-PAYMENTS 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → provide response to question ...” or “N → provide response to question ...” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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.
PILLAR II–ACCESS TO FINANCIAL INFRASTRUCTURE FOR ELECTRONIC PAYMENTS	
Parameters	
Business Location	The largest (most populous) city in the economy. The parameter is used in cases where practices are not applicable at a national level and vary across states or regions.
Type of Transactions	The parameter is used in cases where practices are different across different types of transactions. Under Pillar II, the transactions measured are limited to a domestic transaction.

E-PAYMENTS

1. Do electronic payment (e-payments) methods exist in your economy? (Y/N) (not scored)

1.4.1 Risk Management

2. Are there provisions in the regulatory framework that mandate routine external review (by regulator or overseer) of regulatory compliance by non-bank payment service providers (PSPs)? (Y/N)
3. Does the scope of review of non-bank PSPs explicitly include an assessment of information technology (IT) risk management? (Y/N)
4. Does the scope of review of non-bank PSPs explicitly include an assessment of compliance with data protection and privacy laws and regulations? (Y/N)
5. Does the scope of review of non-bank PSPs explicitly include an assessment of financial risk management? (Y/N)
6. Does the scope of review of non-bank PSPs explicitly include an assessment of compliance with regulatory reporting requirements (evaluate whether regulatory reporting requirements are met in a timely manner)? (Y/N)
7. Does the regulatory framework require non-bank PSPs to implement internal controls to safeguard the integrity, authenticity, and confidentiality of data and operating processes? (Y/N)
8. Does the regulatory framework impose cybersecurity requirements—covering areas such as governance, risk management, and technical safeguards—on non-bank PSPs? (Y/N)
Note: The answer may also be Yes if the requirements are included in the payment service provider's licensing process.
9. Does the regulatory framework require non-bank PSPs to appoint an officer to lead the cybersecurity function (e.g., CISO) or assign board-level accountability for cybersecurity matters? (Y/N)
10. Is there a legal obligation for non-bank PSPs to conduct regular vulnerability assessments or penetration testing of their payment platform (Y/N)
11. Does the regulatory framework require non-bank PSPs to develop contingency plans and business continuity procedures in the event of systems and technology failures (for example, backup sites, alternative processing centers, or failover systems)? (Y/N)
12. Does the legal framework require non-bank PSPs to maintain and test an incident response and recovery plan in case of a cybersecurity incident and breach? (Y/N)
13. Does the legal or regulatory framework require non-bank PSPs to guarantee customers' access to their funds (refers to funds placed with the payment service provider) on demand for withdrawal and payments subject to reasonable restrictions? (Y/N)

Note: Reasonable restrictions refer to exceptions including large amounts, time of day, holidays, geographic location, etc.

- 14. Does the regulatory framework provide for customer usage limits (*refer to maximum total daily amount of the transactions executed*) for users of non-bank electronic payment services, either directly through regulation or via user agreements? (Y/N)**

1.4.2 Consumer Protection

- 15. Does the regulatory framework authorize a non-bank PSPs (either directly or through user agreements) to temporarily suspend, block, or restrict the use of a payment instrument in cases of security risk or suspected unauthorized/fraudulent use? (Y/N)**
- 16. Does the regulatory framework authorize a non-bank PSP (either directly or through user agreements) to temporarily suspend, block, or restrict access to transaction account in cases of security risk or suspected unauthorized/fraudulent use? (Y/N)**
- 17. Are the PSPs required to implement two-factor authentication for remotely initiated transactions using the following instruments?**
- 17.1 Debit card (Y/N)
 - 17.2 Credit card (Y/N)
 - 17.3 Prepaid card (Y/N)
- 18. Are the PSPs required to implement two-factor authentication for remotely initiated transactions using the following methods?**
- 18.1 Traditional credit transfer (Y/N)
 - 18.2 Instant credit transfer (Y/N)
 - 18.3 Direct debit (Y/N)
 - 18.4 Mobile money (Y/N)
 - 18.5 Online money (Y/N)
- 19. Does the regulatory framework explicitly allow the payer to unilaterally cancel or modify payment transaction (excluding instant payments) before it is executed by the payer's non-bank payment service provider? (Y/N)**
- 20. Does the regulatory framework provide a recourse mechanism for instant payments after the transaction has been executed? (Y/N)**
- 21. Does the regulatory framework include provisions to protect customer funds held with non-bank payment service providers? (Y/N)**
- 22. Does the regulation require separation of customer funds from the funds of non-bank payment service provider? (Y/N)**
- 23. Does the regulation require non-bank payment service providers to deposit customer funds with the central bank? (Y/N)**
- 24. Does the regulation prohibit the use of customer funds for purposes other than to redeem e-money and execute fund transfers? (Y/N)**

25. Does the regulation explicitly protect customer funds from the potential bankruptcy/insolvency of the non-bank payment service provider? (Y/N)
26. Does the regulation explicitly protect customer funds from the risk of bankruptcy or insolvency of any bank or other institution where a non-bank payment service provider deposits those funds? (Y/N)
27. Does the regulatory framework limit how non-bank payment service providers can invest customer funds *(for example, by requiring them to place funds only in low-risk assets such as central bank deposits or government securities)*? (Y/N)
28. Does the regulatory framework require insurance of customer funds held by non-bank payment service providers? (Y/N)

For the following questions, please specify whether the regulatory framework requiring insurance of customer funds held by non-bank payment service providers covers the following: (questions 29 through 32):

29. A deposit insurance fund that extends to non-bank payment service providers (Y/N)
30. A deposit insurance fund that covers customer funds of non-bank payment service providers deposited with commercial banks (Y/N)
31. A requirement of commercial insurance for customer funds held with non-bank payment service providers (Y/N)
32. A customer guarantee fund available to non-bank payment service providers (Y/N)
33. Does the regulatory framework require non-bank payment service providers to notify the affected customer when suspected unauthorized or fraudulent payment activity is detected on the customer's transaction account or instrument? (Y/N)
34. Does the regulatory framework require non-bank payment service providers to rectify unauthorized or incorrectly executed e-payment transactions by reversing or refunding the transaction amount to the payer? (Y/N)
35. Does the regulatory framework include provisions on liability for non-bank PSPs in the case of fraud related to e-payments? (Y/N)
36. Do laws or regulations specify the scope of liability for non-bank PSPs in the case of unauthorized payment transactions? (Y/N)
37. Does the regulatory framework set a limit (maximum amount) to the customer's financial liability for unauthorized payment transactions, where the customer did not act fraudulently? (Y/N)

38. Does the regulatory framework require non-bank payment service providers to disclose to customers, prior to or at the time of service initiation, the general terms and conditions of service? (Y/N)
39. Does the regulatory framework require non-bank payment service providers to disclose to customers a complete fee schedule and charges for e-payment services prior to account opening or initiating their first transaction? (Y/N)
40. Does the regulatory framework require non-bank payment service providers to notify users of any changes to fees before the changes take effect? (Y/N)
41. Does the regulatory framework require non-bank payment service providers to disclose to customers, prior to account opening or activation, the allocation of liability for unauthorized transactions *(including those arising from fraud, errors, loss, theft, or compromise of payment instruments or credentials)*? (Y/N)
42. Does the regulatory framework require non-bank payment service providers to disclose to customers, prior to or at the time of service initiation, how their personal and transaction data will be collected, used, or shared? (Y/N)
43. Does the regulatory framework require non-bank payment service providers to process customer's personal information related to electronic payment transactions only when there is a legal basis, in compliance with national data protection/privacy requirements? (Y/N)
44. Does the regulatory framework require non-bank payment service providers to limit the collection of customer's personal data to what is strictly necessary for the specific, stated purposes of their services? (Y/N)
45. Does the regulatory framework require non-bank PSPs to obtain clear, specific and informed consent through a positive opt-in before processing customer's personal data?(Y/N)
46. Does the regulatory framework require non-bank payment service providers to establish, implement, and maintain written policies and procedures for handling customer complaints and resolving errors related to electronic payment transactions? (Y/N)
47. Does the regulatory framework require non-bank payment service providers to establish and maintain an internal mechanism for handling customer complaints and resolving disputes? (Y/N)
48. Is there a time limit within which a transaction can be disputed with payment service providers for the following payment methods
- 48.1 Payment cards (Y/N)
 - 48.2 Traditional credit transfer (Y/N)
 - 48.3 Instant credit transfer (Y/N)
 - 48.4 Direct debit (Y/N)
 - 48.5 Mobile money (Y/N)
 - 48.6 Online money (Y/N)

- 49. Does the regulatory framework require non-bank payment service providers to acknowledge receipt of customer complaints or dispute notices related to electronic payment transactions? (Y/N)**
- 50. Does the regulatory framework require the complaints-handling function (unit or representative) to operate independently from other business functions of the non-bank payment service provider? (Y/N)**
- 51. Does the regulatory framework establish an independent governmental authority parties may resort to in case the dispute was not resolved internally with the non-bank payment service provider? (Y/N)**

2.4.1 Interoperability

The questions below refer to interoperability of payment service providers within the economy and do not cover cross-border payments.

- 52. Can a mobile money account (e.g., MTN Mobile Money Rwanda, Tigo Pesa) user seamlessly send money to another user's bank account or online money account (e.g., PayPal) held with a different PSP (bank or non-bank)? (Y/N)**
- 53. Can an online money account (e.g., PayPal) user seamlessly send money to another user's bank account or mobile money account (e.g., MTN Mobile Money Rwanda, Tigo Pesa) held with a different PSP (bank or non-bank)? (Y/N)**
- 54. What is the level of interoperability for payment cards (debit, credit and prepaid) in your economy at a physical point of sale (POS)?**
- 54a. Full interoperability—a payment card issued by a PSP can be used in a POS owned by any other PSP in the economy.
 - 54b. Limited interoperability—a payment card issued by a PSP can be used only in some POS owned by other PSPs.
 - 54c. No interoperability - a payment card issued by a PSP can be used only in POS owned by the same PSP.
- 55. What is the level of interoperability for payment cards (debit, credit and prepaid) in your economy for E-commerce (virtual POS)?**
- 55a. Full interoperability—a payment card issued by a PSP can be used in a POS owned by any other PSP in the economy.
 - 55b. Limited interoperability—a payment card issued by a PSP can be used only in some POS owned by other PSPs.
 - 55c. No interoperability—a payment card issued by a PSP can be used only in POS owned by the same PSP.
- 56. What is the level of interoperability for payment cards (debit, credit and prepaid) in your economy for ATMs?**

- 56a. Full interoperability—a payment card issued by a PSP can be used in an ATM owned by any other PSP in the economy.
- 56b. Limited interoperability—a payment card issued by a PSP can be used only in some ATM owned by other PSPs.
- 56c. No interoperability—a payment card issued by a PSP can be used only in ATM owned by the same PSP.

57. What is the level of interoperability for mobile money in your economy?

- 57a. Full interoperability—a user that holds a mobile money account with a particular PSP can send money to a user that holds a mobile money account with any other PSP.
- 57b. Limited interoperability—a user that holds a mobile money account with a particular PSP can send money to a user that holds a mobile money account only with specific other PSPs rather than all.
- 57c. No interoperability—a user that holds a mobile money account with a particular PSP can send money to another user that holds a mobile money with the same PSP.

58. What is the level of interoperability for online money in your economy?

- 58a. Full interoperability—a user that holds an online money account with a particular PSP can send money to a user that holds an online money account with any other PSP.
- 58b. Limited interoperability—a user that holds an online money account with a particular PSP can send money to a user that holds an online money account only with specific other PSPs rather than all.
- 58c. No interoperability—a user that holds an online money account with a particular PSP can send money to another user that holds an online money with the same PSP.

1.4.3 Promotion of Competition

- 59. Does the regulatory framework (economy-wide competition law or payments-specific regulations) prohibit anti-competitive conduct—such as price-fixing, market allocation, or boycotts—against electronic payment service providers? (Y/N)**
- 60. Does the regulatory framework (economy-wide competition law or payments-specific regulations) include fair competition provisions—such as prohibitions on price-fixing, market or customer allocation, collusive boycotts, and exclusionary conduct or abuse of dominance—to payment systems and their operators (*e.g., RTGS, ACH, card payment schemes*)? (Y/N)**
- 61. Does the regulatory framework (economy-wide competition law or payments-specific regulations) include fair competition provisions—such as prohibitions on price-fixing, market or customer allocation, and group boycotts—applicable to the offering, issuance, and acceptance of payment instruments? (*e.g., credit cards, debit cards, electronic funds transfers*)? (Y/N)**
- 62. Does the regulatory framework (economy-wide competition law or payments-specific regulations) include fair competition provisions—such as prohibitions on price-fixing, market or customer allocation, collusive boycotts, or exclusionary conduct—that apply to payment products for electronic payments (*e.g., mobile payment apps, online platforms, e-wallets*)? (Y/N)**

- 63. Does the regulatory framework (economy-wide competition law or payments-specific regulation) include fair competition provisions that prohibit anti-competitive agreements or exclusionary conduct aimed at restricting, excluding, or discriminating against specific business models of payment service providers (e.g., non-bank PSPs, agent networks, white-label arrangements)? (Y/N)**
- 64. Does the regulatory framework (economy-wide competition law or payments-specific regulation) include fair-competition provisions that apply to payment channels used for electronic payments (e.g., ATM and POS acquiring networks, agent networks, mobile money cash-in/cash-out points)? (Y/N)**
- 65. Do PSPs have equal, non-discriminatory market access to an Automated Clearing House (ACH)?**
Note: This question is part of Subcategory 2.4.2.
 65a. Banks and non-banks have access (with the option to choose, direct or indirect)
 65b. Banks and non-banks are mandated to have direct access
 65c. Banks are mandated to have direct access and non-banks indirect access
 65d. Only banks have access
- 66. Do PSPs have equal, non-discriminatory market access to a Fast Payment System?**
Note: This question is part of Subcategory 2.4.2.
 66a. 1 Banks and non-banks have access (with the option to choose, direct or indirect).
 66b. Banks and non-banks are mandated to have direct access
 66c. Banks are mandated to have direct access and non-banks indirect access
 66d. Only banks have access
- 67. Do PSPs have equal, non-discriminatory market access to Domestic Card Switch?**
Note: This question is part of Subcategory 2.4.2.
 67a. Banks and non-banks have access (with the option to choose, direct or indirect)
 67b. Banks and non-banks are mandated to have direct access
 67c. Banks are mandated to have direct access and non-banks indirect access
 67d. Only banks have access
- 68. Does the regulatory framework set functional requirements (types of functional requirements can be access criteria, operational, technical and security standards, etc.) for payment service providers? (Y/N)**
Note: The answer may also be Yes if the requirements are included in the payment service provider's licensing process.
- 69. Does the regulatory framework set functional requirements (types of functional requirements can be access criteria, operational, technical and security standards, etc.) for payment service providers? (Y/N)**

2.4.2 Equal Access

Please see questions 65, 66 and 67.

2.4.3 Supervisory Oversight and Innovation Facilitation

70. Does the supervisory authority actively monitor and address anti-competitive behavior in the payment services market? (Y/N)
71. Is there a mechanism (e.g., ombudsman, complaints portal) for new entrants to report and resolve discriminatory access issues? (Y/N)
72. Is there an operational regulatory sandbox that allows new payment services or business models to be tested in a controlled environment? (Y/N)
Y → provide response to questions 73 and 74.
73. Are there eligibility criteria and application processes for the regulatory sandboxes? (Y/N)
Note: This question is part of Subcategory 1.4.3.
74. Are they publicly available? (Y/N)
75. Is there an operational innovation hub that supports new market entrants in your economy? (Y/N)
76. Are there eligibility criteria and application processes for innovation hubs? (Y/N)
Note: This question is part of Subcategory 1.4.3.
77. Are they publicly available? (Y/N)
78. Does the regulatory framework provide clear guidance on transitioning from testing to full licensing or authorization? (Y/N)
Note: This question is part of Subcategory 1.4.3.

1.4 E-PAYMENTS			
1.4.1 Risk Management			
Indicators	FFP	SBP	Total Points
External Review and Internal Control	1	1	2
- External review of regulatory compliance of payment service providers (PSP) (2)	0.33	0.33	0.67
- Scope of reviews			
- IT risk management review (3)	0.08	0.08	0.16
- Data protection and privacy review (4)	0.08	0.08	0.16
- Financial risk management review (5)	0.08	0.08	0.16
- Regulatory reporting review (6)	0.08	0.08	0.16
- Implementation of internal controls (7)	0.33	0.33	0.67
Cybersecurity and Operational Risk	1	1	2
- Requirement for cybersecurity (8)	0.2	0.2	0.4
- Cybersecurity function officer (9)	0.2	0.2	0.4
- Vulnerability assessments and penetration testing (10)	0.2	0.2	0.4
- Requirement for a contingency plan (11)	0.2	0.2	0.4
- Incident response and recovery plan in case of breach (12)	0.2	0.2	0.4
Liquidity Risk	1	1	2
- Requirements to ensure customers have access to funds (13)	0.5	0.5	1
- Customer usage limits (14)	0.5	0.5	1

Total Points	3	3	6
1.4.2 Consumer Protection			
Indicators	FFP	SBP	Total Points
Obligations of Payment Service Provider (PSP)	1	1	2
- Restrictions on use of payment instruments (15)	0.25	0.25	0.5
- Restrictions on access to payment account (16)	0.25	0.25	0.5
- Two-factor authentication of debit, credit and prepaid cards (17)	0.25	0.25	0.5
- Two-factor authentication of other payment instruments (18)	0.25	0.25	0.5
Cancellation or Modification of Payment Transaction	1	1	2
- Cancellation or modification of payment transaction (19)	0.5	0.5	1
- Recourse mechanism for instant payments after execution of transaction (20)	0.5	0.5	1
Protection and Insurance of Customer Funds	1	1	1
- Protection of customer funds (21)	0.33	0.33	0.67
- Specific protections for customer funds			
- Separation of customer funds from no-bank PSP's funds (22)	0.06	0.06	0.11
- Depositing customer funds with central bank (23)	0.06	0.06	0.11
- Prohibition on use of funds other than redeeming e-money or executing fund transfers (24)	0.06	0.06	0.11
- Explicit protection of funds from bankruptcy of non-bank PSP (25)	0.06	0.06	0.11
- Explicit protection of funds from bankruptcy of institution where non-bank PSP deposited funds (26)	0.06	0.06	0.11
- Limitations on investment of customer funds (27)	0.06	0.06	0.11
- Insurance of customer funds (28)*	0.33	0.33	0.67
- Different insurance options for customer funds (29-32)			
<i>*A full point is assigned if yes to question 28 and any of the questions from 29 to 32 are answered as yes</i>			
Notification and Rectification	1	1	2
- Notification of unauthorized or fraudulent activity (33)	0.5	0.5	1
- Rectification of unauthorized or incorrectly executed transaction (34)	0.5	0.5	1
Scope of Liabilities	1	1	2
- Provisions on liability for fraud (35)	0.33	0.33	0.67
- Provisions on liability for unauthorized payments (36)	0.33	0.33	0.67
- Limits on customer liability (37)	0.33	0.33	0.67
Disclosure and Notification Requirements	1	1	2
- Disclosure of general terms of service (38)	0.2	0.2	0.4
- Disclosure of fees (39)	0.2	0.2	0.4
- Notification on changes of fees (40)	0.2	0.2	0.4
- Disclosure of liability (41)	0.2	0.2	0.4
- Disclosure of use of customer data (42)	0.2	0.2	0.4
Customer Data Protection	1	1	2
- Customer data protection requirements (43)	0.33	0.33	0.67
- Limiting customer personal data collection (44)	0.33	0.33	0.67
- Informed consent before processing customer personal data (45)	0.33	0.33	0.67
Customer Complaints and Disputes	1	1	2
- Written policies for complaint handling procedures (46)	0.5	0.5	1
- Complaint handling internal mechanisms (47)	0.5	0.5	1
Disputing a Transaction	1	1	2
- Time limit for different payments (48.1-48.6)*	0.25	0.25	0.5

- Acknowledgement of customer complaint (49)	0.25	0.25	0.5
- Dispute handling entities of non-bank PSP (50)	0.25	0.25	0.5
- Dispute handling independent government authority (51)	0.25	0.25	0.5
<i>*Each option equally contributes to the overall weight of the component</i>			
Total Points	9	9	18
1.4.3 Promotion of Competition			
Indicators	FFP	SBP	Total Points
Fair Competition	1	1	2
- Fair competition provisions (59 AND 60 AND 61 AND 62 AND 63 AND 64)	1	1	2
Equal Treatment of Different PSPs	1	1	2
- Functional requirements (68)	0.5	0.5	1
- Proportional and non-discriminatory application of functional requirements (69)	0.5	0.5	1
Innovation Facilitation	1	1	2
- Eligibility criteria for regulatory sandboxes (73)	0.33	0.33	0.67
- Eligibility criteria for innovation hubs (76)	0.33	0.33	0.67
- Guidance on Transitioning (78)	0.33	0.33	0.67
Total Points	3	3	6
2.4 E-PAYMENTS			
2.4.1 Interoperability of Payment Service Providers			
Indicators	FFP	SBP	Total Points
Interoperability across Bank and Non-Bank Payment Service Providers	1	1	2
- Interoperability of mobile money across bank and non-bank payment service providers (52)	0.5	0.5	1
- Interoperability of online money across bank and non-bank payment service providers (53)	0.5	0.5	1
Interoperability of Payment Cards	1	1	2
- Interoperability of payment cards at a physical POS (54)*	0.33	0.33	0.67
- Interoperability of payment cards at a virtual POS (55)*	0.33	0.33	0.67
- Interoperability of payment cards for ATMs (56)*	0.33	0.33	0.67
<i>*A full point is assigned if option “a” is selected (full interoperability) and half a point is assigned if option “b” (limited interoperability) is selected</i>			
Interoperability of Mobile Money	1	1	2
- Interoperability of mobile money (57)*	1	1	2
<i>*A full point is assigned if 57a is selected, and half a point is assigned if 57b is selected</i>			
Interoperability of Online Money	1	1	2
- Interoperability of online money (58)*	1	1	2
<i>*A full point is assigned if 58a is selected, and half a point is assigned if 58b is selected</i>			
Total Points	4	4	8
2.4.2 Equal Access to Different PSPs			
Indicators	FFP	SBP	Total Points

Access to an Automated Clearing House - Equal, non-discriminatory market access to an automated clearing house (65)* <i>*A full point is assigned if 65a is selected, and half a point is assigned if 65b or 65c are selected</i>	1 1	1 1	2 2
Access to a Fast Payment System - Equal, non-discriminatory market access to a fast payment system (66)* <i>*A full point is assigned if 66a is selected, and half a point is assigned if 66b or 66c are selected</i>	1 1	1 1	2 2
Access to Domestic Card Switch - Equal, non-discriminatory market access to domestic card switch (67)* <i>*A full point is assigned if 67a is selected, and half a point is assigned if 67b or 67c are selected</i>	1 1	1 1	2 2
Total Points	3	3	6
2.4.3 Supervisory Oversight and Innovation Facilitation			
Indicators	FFP	SBP	Total Points
Monitoring of Anti-Competitive Practices and Availability of Reporting Mechanisms - Monitoring of anti-competitive practices and (70) - Availability of mechanisms of reporting and resolving discriminatory access issues (71)	1 0.5 0.5	1 0.5 0.5	2 1 1
Availability of Regulatory Sandboxes - Availability of regulatory sandboxes (72) - Transparency of eligibility criteria and application process (74)	1 0.5 0.5	1 0.5 0.5	2 1 1
Availability of Innovation Hubs - Availability of innovation hubs (75) - Transparency of eligibility criteria and application process (77)	1 0.5 0.5	1 0.5 0.5	2 1 1
Total Points	3	3	6

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

Additional Note: For components that contain multiple questions, the component's total weight is allocated equally across the questions, unless otherwise specified.

PILLAR III—OPERATIONAL EFFICIENCY OF RECEIVING FINANCIAL SERVICES

The scores for Pillar III indicators are calculated using the linear approach to transform economy-level answers into indicator scores ranging from 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 to receive an e-payment where a lower threshold of 0 is set for the number of days to receive e-payments.

Data for Pillar III on the Operational Efficiency of Receiving Financial Services are collected through firm-level surveys.

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

79. Cost to receive an e-payment: As a percentage of a typical transaction, how much does it cost to accept payments?

80. 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

81. 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

82. 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?

83. 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 (79)	100 (50%)	n/a	100 (50%)
Cost of Making E-Payment (80)	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 (81)	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 (82)	100 (50%)	n/a	100 (50%)
Usage Level of Making E-Payments (83)	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 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 its impacts may not be uniform across firms, workers, and consumers, international trade consistently delivers broad benefits for the private sector and society as a whole.² Among these benefits is the creation of more and better jobs, with increased trade linked to employment growth and higher labor earnings.³ To remain competitive, firms must continuously adapt, innovate, and improve their efficiency, resulting in aggregate productivity growth and welfare gains.⁴ Trade openness may generate further productivity improvements 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.⁵ Increased access to foreign inputs can boost productivity and export performance, while also creating opportunities for economic diversification and reducing reliance on a single product or market. The complementarity between exports and imports emphasizes the importance of trade openness for reaping the full benefits of international trade.⁶

To fully realize the benefits of international trade, economies need a conducive business environment that reduces trade barriers and lowers compliance and transaction costs for firms. 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 nondiscriminatory, transparent, predictable, and safe trading environment generates incentives to engage in international trade and provides a level playing field. At the same time, an effective regulatory framework also pursues legitimate public policy objectives, including protecting public health and the environment. This may result in the imposition of measures that can create market distortions that impede trade.⁷ Therefore, it is crucial to have regulations that strike a balance between these sometimes-competing objectives. Any restrictive regulatory requirements must be proportional to the pursued policy objectives and applied in a transparent and nondiscriminatory manner.

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.⁸ 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 dimensions, here referred to as pillars. The first pillar assesses the quality of regulatory frameworks, covering *de jure* features that are necessary to establish a nondiscriminatory, transparent, predictable, and safe environment to harness the potential of international trade. The second pillar measures the digital and physical infrastructure underpinning international trade and the quality of border management, thus assessing the *de facto* supply of public services for 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 perceived major obstacles to international trade. Each pillar is divided into categories—defined by common features that inform the grouping—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 and subcategories for all aspects measured by the topic.

Table 1. Summary Table of all Three Pillars for the International Trade Topic

Pillar I—Quality of the Regulatory Framework for International Trade (45 indicators)	
1.1	Trade in Goods (18 indicators)
1.1.1	Absence of Restrictions (Goods) (2 indicators)
1.1.2	Facilitating Practices (Goods) (6 indicators)
1.1.3	Trade Cooperation (Goods) (5 indicators)
1.1.4	Sustainable Trade (Goods) (5 indicators)
1.2	Trade in Transport and Logistics Services (16 indicators)
1.2.1	Absence of Restrictions (Services) (4 indicators)
1.2.2	Facilitating Practices (Services) (4 indicators)
1.2.3	Trade Cooperation (Services) (4 indicators)
1.2.4	Sustainable Trade (Services) (4 indicators)
1.3	Digital Trade (11 indicators)
1.3.1	Absence of Restrictions (Digital) (4 indicators)
1.3.2	Facilitating Practices (Digital) (3 indicators)
1.3.3	Trade Cooperation (Digital) (2 indicators)
1.3.4	Sustainable Trade (Digital) (2 indicators)
Pillar II—Quality of Public Services for the Facilitation of International Trade (43 indicators)	
2.1	Transparency of Trade Regulations (9 indicators)
2.1.1	Online Information on Tariff and Non-Tariff Measures (5 indicators)
2.1.2	Comprehensive Trade Information Portal (2 indicators)
2.1.3	Online Information on Transport and Logistics Services (2 indicators)
2.2	Digitalization and Interoperability of Trade Facilitation Services (9 indicators)
2.2.1	Electronic Trade Facilitation Services (4 indicators)
2.2.2	Comprehensive Electronic Single Window (2 indicators)
2.2.3	Electronic Services for Transport and Logistics Services (3 indicators)
2.3	Infrastructure at Main Customs Border Posts (13 indicators)
2.3.1	Infrastructure at Main Seaport (5 indicators)
2.3.2	Infrastructure at Main Airport (4 indicators)
2.3.3	Infrastructure at Main Customs Land Border Post (4 indicators)
2.4	Border Management Services (12 indicators)
2.4.1	Risk Management for Customs (3 indicators)
2.4.2	Coordinated Border Management (Domestic) (2 indicators)
2.4.3	Coordinated Border Management (with Trading Partner(s)) (4 indicators)
2.4.4	Trusted-Trader Programs (3 indicators)
Pillar III—Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade (9 indicators)	
3.1	Compliance with Export Requirements (3 indicators)
3.1.1	Total Time to Comply with Export Requirements (Average) (1 indicator)
3.1.2	Total Time to Comply with Export Requirements (Dispersion) (1 indicator)
3.1.3	Total Cost to Comply with Export Requirements (1 indicator)
3.2	Compliance with Import Requirements (3 indicators)
3.2.1	Total Time to Comply with Import Requirements (Average) (1 indicator)
3.2.2	Total Time to Comply with Import Requirements (Dispersion) (1 indicator)
3.2.3	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	Perceptions Index of Customs and Trade Regulations Being a Constraint (1 indicator)
3.4.2	Perceptions Index of Transportation Being a Constraint (1 indicator)

1. PILLAR I. QUALITY OF THE REGULATORY FRAMEWORK FOR INTERNATIONAL TRADE

Table 2 shows the structure for Pillar I, Quality of the Regulatory Framework 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 the Regulatory Framework for International Trade

1.1	Trade in Goods
1.1.1	Absence of Restrictions (Goods)
1.1.2	Facilitating Practices (Goods)
1.1.3	Trade Cooperation (Goods)
1.1.4	Sustainable Trade (Goods)
1.2	Trade in Transport and Logistics Services
1.2.1	Absence of Restrictions (Services)
1.2.2	Facilitating Practices (Services)
1.2.3	Trade Cooperation (Services)
1.2.4	Sustainable Trade (Services)
1.3	Digital Trade
1.3.1	Absence of Restrictions (Digital)
1.3.2	Facilitating Practices (Digital)
1.3.3	Trade Cooperation (Digital)
1.3.4	Sustainable Trade (Digital)

1.1 Trade in Goods

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

1.1.1 Absence of Restrictions (Goods)

This set of indicators measures the presence or absence of trade-restrictive measures affecting trade in goods, as established in the regulatory framework. Tariffs raise trade costs for firms by increasing input and product prices, distorting sourcing and production decisions, and reducing productivity and competitiveness.⁹ Non-tariff measures, when restrictive or applied with limited transparency or predictability, can raise compliance costs and trade frictions for firms, constrain market access, and reduce participation in international trade.¹⁰ Therefore, Subcategory 1.1.1—Absence of Restrictions (Goods) comprises 2 indicators (table 3).

Table 3. Subcategory 1.1.1—Absence of Restrictions (Goods)

	Indicators	Components
1	Absence of Tariff Measures	(i) No introduction or increase of import tariffs (past three years) (ii) Absence of export taxes and duties on goods
2	Absence of Non-Tariff Measures	(i) Absence of mandatory pre-shipment inspection requirements for imports (ii) Absence of quantitative restrictions on imports (iii) Absence of price control measures on imports (iv) Absence of advance import deposits or cash margin requirements (v) No antidumping duties imposed or maintained (past three years)

1.1.2 Facilitating Practices (Goods)

This set of indicators measures the extent to which the regulatory framework governing trade in goods incorporates facilitating practices that simplify customs procedures, improve regulatory decision-making, and reduce administrative frictions at the border. These practices support more predictable, transparent, and

proportionate implementation of trade rules, reducing unnecessary compliance costs and uncertainty for firms while preserving governments' ability to pursue legitimate policy objectives.¹¹ Therefore, Subcategory 1.1.2–Facilitating Practices (Goods) comprises six indicators (table 4).

Table 4. Subcategory 1.1.2–Facilitating Practices (Goods)

	Indicators	Components
1	Facilitated Temporary Admission of Goods	Recognition of standardized international customs documents for temporary admission of goods
2	Duty-Free Treatment for Low-Value Commercial Shipments (De Minimis Threshold)	Value threshold below which low-value commercial consignments may be imported duty-free set at $\geq$ SDR 133
3	Advance Rulings Framework with Binding Issuance and Appeal Deadlines	(i) Availability of advance rulings on tariff classification (ii) Availability of advance rulings on origin (iii) Availability of advance rulings on customs value (iv) Existence of binding deadline for issuance of advance rulings (v) Existence of binding deadline for appeals of customs decisions
4	Science-Based Risk Assessment for Sanitary and Phytosanitary Measures	(i) Existence of legal framework for science-based risk assessment for SPS measures (ii) Publication in practice of at least one science-based SPS risk assessment (past three years)
5	Ex Ante Regulatory Impact Assessment for Tariff Measures	(i) Existence of legal framework requiring ex-ante RIA before introducing or increasing tariffs (ii) Publication in practice of at least one ex-ante RIA for a tariff measure (past three years)
6	Ex Ante Regulatory Impact Assessment and Public Consultation for Technical Regulations	(i) Existence of legal framework establishing ex-ante RIA requirements for technical regulations (ii) Publication in practice of at least one ex-ante RIA prior to adoption or amendment of a technical regulation (past three years) (iii) Existence of legal framework establishing formal public consultation requirements for technical regulations, open to all interested parties (iv) Conduct in practice of at least one formal public consultation on a technical regulation (past three years) (v) Minimum public consultation period set at $\geq$ 30 calendar days in practice (vi) Addressing consultation comments through publication of a consolidated consultation report

Note: SDR = Special Drawing Rights; SPS = sanitary and phytosanitary; RIA = regulatory impact assessment.

1.1.3 Trade Cooperation (Goods)

This set of indicators measures the extent of international trade cooperation in goods, as reflected in the existence, transparency, and enforceability of trade agreements and related cooperation mechanisms. Such cooperation matters because credible and transparent commitments open markets by cutting tariffs and harmonizing standards, allowing goods and services to flow more freely across borders. These reduce policy uncertainty, facilitate access to larger export markets as well as access to cheaper inputs and technology, and support firms in joining global value chains and realizing the gains from international integration.¹² Therefore, Subcategory 1.1.3–Trade Cooperation (Goods) comprises five indicators (table 5).

Table 5. Subcategory 1.1.3–Trade Cooperation (Goods)

	Indicators	Components
1	No Preferential Trade Agreement Not Formally Notified to the World Trade Organization*	No ratified preferential trade agreement in force that has not been formally notified to the WTO
2	Establishment of Free Trade Agreement or Customs Union Covering Substantially All Trade with a Main Trading Partner	Existence of a free trade agreement or customs union in force covering substantially all trade with a main trading partner

3	Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Conformity Assessments	Existence of justiciable commitment providing for mutual recognition of conformity assessment results with a main trading partner
4	Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Equivalence of Sanitary and Phytosanitary Measures	Existence of justiciable commitment providing for recognition of equivalence of sanitary and phytosanitary measures with a main trading partner
5	Existence of National Mechanism to Address Complaints on Trade-Agreement Compliance	Existence of a domestic mechanism allowing firms to raise complaints regarding the implementation or compliance with trade agreement commitments

Note: WTO = World Trade Organization.

*Economies which are not members of the World Trade Organization will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

1.1.4 Sustainable Trade (Goods)

This set of indicators measures the extent to which international trade in goods is governed by enforceable sustainability-related commitments. While such measures can increase regulatory complexity for firms, they reflect internationally agreed approaches to addressing environmental and social externalities through rules-based trade governance. These practices deliver clear public benefits in terms of environmental protection, worker rights, and climate mitigation when implemented through transparent and predictable frameworks.¹³ Therefore, Subcategory 1.1.4–Sustainable Trade (Goods) comprises five indicators (table 6).

Table 6. Subcategory 1.1.4–Sustainable Trade (Goods)

	Indicators	Components
1	Separate Permit Required for Trade in Endangered Species	Requirement for a separate permit for any import, export, or re-export of specimens of endangered wild fauna and flora, including parts and derivatives
2	Documentary Evidence of Environmentally Sound Management Contract Required for Hazardous Waste Exports	Requirement for exporters of hazardous waste to submit documentary evidence of a contract with the receiving facility ensuring environmentally sound management as a condition for authorizing transboundary movement
3	Labelling of Chemical Shipments in Accordance with the Globally Harmonized System Required of Exporters	Requirement for exporters to label chemical shipments in accordance with the Globally Harmonized System for Classification and Labelling of Chemicals
4	Justiciable Commitments in an International Agreement with a Main Trading Partner–Pathway for Private Parties to Address Violations of Collective Bargaining and Freedom of Association	Existence of justiciable commitment in an international agreement providing private parties with a formal pathway to address alleged violations of collective bargaining and freedom of association
5	Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition or Linkage of Emissions Trading Systems	Existence of justiciable commitment in an international agreement with a main trading partner providing for the mutual recognition or linkage of emissions trading systems

1.2 Trade in Transport and Logistics Services

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

1.2.1 Absence of Restrictions (Services)

This set of indicators measures the extent to which the regulatory framework restricts foreign participation in key transport and logistics services. Restrictions on services trade reduce cross-border services flows and, in the case of transport and logistics services, they also affect the efficiency and cost of goods trade by shaping connectivity, reliability, and access to markets.¹⁴ For firms, restrictions in these services can raise trade costs and constrain day-to-day commercial operations by limiting access to efficient and competitive

logistics and transport providers that support participation in regional and global value chains.¹⁵ Subcategory 1.2.1–Absence of Restrictions (Services) comprises four indicators (table 7).

Table 7. Subcategory 1.2.1–Absence of Restrictions (Services)

	Indicators	Components
1	Absence of Restrictions on Foreign Maritime Transport Services*	(i) Permission for foreign vessels to be registered in the national ship registry without nationality or local residence requirements (ii) Permission for foreign-flagged vessels to carry domestic cargo between domestic ports (cabotage) (iii) Requirement for port charges to be applied uniformly and without discrimination based on vessel flag or voyage origin/destination (iv) Absence of cargo reservations for specific cargo types based on vessel flag (v) Permission for foreign firms to provide port and ancillary services
2	Absence of Restrictions on Foreign Air Cargo Transport Services**	(i) Permission for foreign firms to obtain an air service license covering cargo without nationality or local residence requirements (ii) Permission for foreign firms to carry cargo between two domestic airports (iii) Permission for foreign firms to provide airport ground handling services
3	Absence of Restrictions on Foreign Road Freight Transport Services***	(i) Permission for foreign road freight operators to perform domestic road freight operations (cabotage) (ii) Absence of establishment or operating conditions applied to foreign road freight firms that are not equally applied to domestic firms (iii) Absence of quantitative restrictions on foreign road freight firms (iv) Permission for foreign professional truck drivers engaged in international road freight to use multiple-entry visas for domestic delivery or transit
4	Absence of Restrictions on Foreign Customs Brokerage and Warehousing Services	(i) Absence of mandatory requirements to lodge customs declarations exclusively through a customs broker or agent (ii) Permission for foreign persons to obtain a customs broker or agent license, registration, or certification without nationality or local residence requirements (iii) Absence of quantitative restrictions on the issuance or renewal of licenses, registration, or certification for foreign customs brokers that do not apply to domestic brokers (iv) Permission for foreign firms to obtain licenses to operate customs-approved storage and warehousing facilities without nationality or local residence requirements (v) Absence in practice of requirements that restrict access to official electronic platforms to holders of domestic-only identification numbers not available to foreign traders

*Economies with no active maritime trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

** Economies with no active air trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

*** Economies with no active land-based trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

1.2.2 Facilitating Practices (Services)

This set of indicators measures whether the regulatory framework governing international transport and logistics services supports competition and interoperable service provision. This matters for firms because transparent and pro-competitive frameworks lower prices, improve reliability, and facilitate firms' participation in cross-border trade in goods.¹⁶ Therefore, Subcategory 1.2.2–Facilitating Practices (Services) comprises four indicators (table 8).

Table 8. Subcategory 1.2.2–Facilitating Practices (Services)

	Indicators	Components
1	Pro-Competitive Regulation of Maritime Transport Services*	(i) Prohibition of pricing agreements between liner carriers under rules on anticompetitive practices (ii) Permission for foreign maritime crew members to enter without a visa and remain for at least 48 hours (iii) Presumption of carrier liability for cargo loss or damage during maritime transport, subject only to listed statutory defenses
2	Pro-Competitive Regulation of Air Transport Services**	(i) Prohibition of pricing agreements between airlines under rules on anticompetitive practices (ii) Requirement for airlines to forfeit airport slots if they fail to use them at least a specified percentage of the time
3	Pro-Competitive Regulation of Road Freight Transport Services***	Prohibition of pricing agreements between road freight operators under rules on anticompetitive practices
4	Facilitated Trade Logistics through Competition and Digitalization	(i) Prohibition of pricing guidelines for customs brokerage services under rules on anticompetitive practices (ii) Availability of a simplified customs declaration with a defined minimal data set for express shipments (iii) Recognition of electronic bills of lading as having the same legal validity as paper bills of lading (iv) Acceptance in practice of electronic bills of lading for the transfer of rights and obligations under contracts of carriage

*Economies with no active maritime trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

** Economies with no active air trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

*** Economies with no active land-based trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

1.2.3 Trade Cooperation (Services)

This set of indicators measures the extent to which international agreements with main trading partners include justiciable commitments that facilitate cooperation in key services supporting trade in goods. Such cooperation matters for firms because it reduces regulatory fragmentation, improves connectivity and mobility, and lowers trade and transport costs, enabling firms to organize operations more efficiently.¹⁷ Therefore, Subcategory 1.2.3–Trade Cooperation (Services) comprises four indicators (table 9).

Table 9. Subcategory 1.2.3–Trade Cooperation (Services)

	Indicators	Components
1	Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Professional Qualifications and Certifications in the Transport and Logistics Sectors	Existence of justiciable commitment in an international agreement with a main trading partner providing for the mutual recognition of professional qualifications and certifications relevant to transport and logistics services
2	Justiciable Commitments in an International Agreement with a Main Trading Partner–Temporary Movement of Natural Persons for Business Purposes	Existence of justiciable commitment in an international agreement with a main trading partner providing for the temporary movement of natural persons for business purposes
3	Air Service Agreement with a Main Trading Partner including Open Skies Provisions for Cargo Transport	Existence of an air service agreement with a main trading partner allowing airlines to freely determine routes, pricing, service frequency, and capacity for cargo transport
4	International Road Freight Operations with Main Land Border Partner Permitted without Trip-Based Permits or Quotas*	Permission for international road freight operations with a land-border trading partner without trip-based permits or quotas

* Economies with no active land-based trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

1.2.4 Sustainable Trade (Services)

This set of indicators measures the extent to which the regulatory framework governing transport and logistics services incorporates internationally recognized standards on transparency, environmental protection, safety, and working conditions. To deliver important social and environmental benefits, these requirements may entail additional compliance obligations for service providers. However, services trade can be aligned with sustainability objectives without undermining efficiency or competitiveness.¹⁸ Therefore, Subcategory 1.2.4–Sustainable Trade (Services) comprises four indicators (table 10).

Table 10. Subcategory 1.2.4–Sustainable Trade (Services)

	Indicators	Components
1	Beneficial Ownership Transparency in Transport Services*	Requirement for the disclosure of ultimate beneficial owners of vessels registered in the national ship registry
2	Environmental and Climate Standards for Transport Services	(i) Requirement for vessels in the national ship registry and vessels sailing into national waters to use fuel with low sulfur content or an approved equivalent method, in line with the IMO 2020 rule** (ii) Incorporation of ICAO Carbon Offsetting and Reduction Scheme for International Aviation standards and recommended practices into the domestic legal framework*** (iii) Establishment of mandatory fuel-economy or carbon dioxide emission standards for heavy-duty vehicles****
3	Safety and Working-Conditions Standards in Transport and Logistics	(i) Establishment of a statutory daily driving time limit of no more than 9 hours for truck drivers**** (ii) Requirement for storage and warehousing facilities to comply with fire-safety guidelines aligned with international standards
4	Training and Certification Requirements for Handling Hazardous Materials	(i) Requirement for customs brokers or agents to complete training and certification aligned with international standards in order to process transactions involving hazardous materials (ii) Requirement for cargo handlers to complete training and certification aligned with international standards in order to handle hazardous materials

Note: IMO = International Maritime Organization; ICAO = International Civil Aviation Organization.

*Economies with no active maritime trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

**Economies with no active maritime trade flows will not be assessed by this component. Their total indicator points will be rescaled accordingly.

*** Economies with no active air trade flows will not be assessed by this component. Their total indicator points will be rescaled accordingly.

**** Economies with no active land-based trade flows will not be assessed by this component. Their total indicator points will be rescaled accordingly.

1.3 Digital Trade

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

1.3.1 Absence of Restrictions (Digital)

This set of indicators measures the extent to which the regulatory framework impose discriminatory or restrictive practices affecting digital trade. Such restrictions can raise compliance and operating costs for firms by fragmenting digital markets, requiring duplicative infrastructure or licensing, limiting the use of efficient payment and data-processing solutions, and distorting competition. This, in turn, reduces firms' ability to scale operations and participate effectively in cross-border digital trade.¹⁹ Therefore, Subcategory 1.3.1–Absence of Restrictions (Digital) comprises four indicators (table 11).

Table 11. Subcategory 1.3.1–Absence of Restrictions (Digital)

	Indicators	Components
1	Absence of Digital Market Entry and Technology-Forcing Requirements	(i) Absence of requirements for suppliers of cross-border digitally delivered services to use specific commercial cryptographic methods or providers contrary to the technology-neutrality principle (ii) Absence of requirements for suppliers to obtain a specialized license to provide goods or services digitally beyond a general business license or sector-specific requirements
2	Absence of Restrictions on Cross-Border Data Flows and Online Content	(i) Absence of restrictions on the cross-border supply of online services based on the content they host, transmit, or display (ii) Absence of data localization requirements imposed as conditions for cross-border trade
3	Absence of Charges and Value Limits on Cross-Border Electronic Payments	(i) Absence of regulatory charges on cross-border electronic payments (ii) Absence of limits on the value of cross-border electronic payments
4	Absence of Discriminatory VAT/GST Treatment for Digital Trade	Absence of discriminatory VAT or GST treatment between resident and non-resident suppliers of digitally ordered or digitally delivered goods and services

Note: VAT = value-added tax; GST = goods and services tax.

1.3.2 Facilitating Practices (Digital)

This set of indicators measures whether the regulatory framework enables key facilitating practices for digital trade. These practices reduce the need for physical presence, lower onboarding and payment frictions, and enable simplified and non-discriminatory tax compliance. In so doing, they can also reduce operational and compliance costs for firms and support broader participation in cross-border digital markets, while remaining consistent with financial integrity and revenue-mobilization objectives.²⁰ Therefore, Subcategory 1.3.2–Facilitating Practices (Digital) comprises three indicators (table 12).

Table 12. Subcategory 1.3.2–Facilitating Practices (Digital)

	Indicators	Components
1	Use of Cross-Border Digital Identity Verification (eKYC) Permitted	Permission for the use of cross-border digital identity verification
2	Use of Digital Currencies for Cross-Border Payments Recognized	Explicit recognition of the use of digital currencies for cross-border payments
3	Remote Fulfillment of VAT/GST Obligations Permitted for Non-Resident Suppliers of Digitally Ordered or Delivered Goods and Services	Permission for non-resident suppliers of digitally ordered or digitally delivered goods and services to fulfill VAT or GST obligations remotely

Note: VAT = value-added tax; GST = goods and services tax.

1.3.3 Trade Cooperation (Digital)

This set of indicators measures whether an economy has undertaken binding and enforceable commitments in international agreements with main trading partners on cross-border data transfers and source code disclosure. Such commitments reduce regulatory uncertainty and fragmentation, supporting firms' ability to operate and scale data-driven business models across borders.²¹ Therefore, Subcategory 1.3.3–Trade Cooperation (Digital) comprises two indicators (table 13).

Table 13. Subcategory 1.3.3–Trade Cooperation (Digital)

	Indicators	Components
1	Justiciable Commitments in an International Agreement with a Main Trading Partner–Cross-Border Data Transfer for Business	Existence of justiciable commitment in an international agreement with a main trading partner providing for cross-border data transfers for the conduct of business
2	Justiciable Commitments in an International Agreement with a Main Trading Partner–	Existence of justiciable commitments in an international agreement with a main trading partner prohibiting the

	Prohibition of Mandatory Disclosure of Source Code or Algorithms	mandatory disclosure of source code or algorithms as a condition for market access

1.3.4 Sustainable Trade (Digital)

This set of indicators measures whether the regulatory framework incorporates safeguards for personal data and online consumer protection in cross-border digital trade contexts. Well-designed data and consumer protection frameworks can support digital trade by building user trust. By strengthening confidence in digital transactions and addressing information asymmetries, these safeguards help sustain consumer and business participation while remaining compatible with open and competitive digital trade.²² Therefore, Subcategory 1.3.4–Sustainable Trade (Digital) comprises two indicators (table 14).

Table 14. Subcategory 1.3.4–Sustainable Trade (Digital)

	Indicators	Components
1	Personal Data Protection for Cross-Border Digital Trade	(i) Inclusion of legal safeguards for personal information within a justiciable commitment with a main trading partner on cross-border data transfer in an international agreement (ii) Establishment of principles of personal data protection applicable to cross-border data flows (iii) Requirement for specific data transfer agreements or formal consent from data subjects prior to cross-border transfers of personal data
2	Online Consumer Protection in Cross-Border Digital Trade	(i) Requirement for foreign providers of digitally ordered goods and services to publicly disclose merchant information to local consumers (ii) Requirement for foreign providers of digitally ordered goods and services to publicly disclose product information relevant to safety and usability (iii) Establishment of limits on unsolicited commercial electronic messages (spam) (iv) Requirement for foreign providers of digitally ordered goods and services to provide consumers with a right to cancel online purchases within a designated period without penalty (v) Establishment of consumer rights to refunds, replacements, or returns when goods supplied by foreign providers arrive damaged (vi) Requirement for foreign providers of digitally ordered goods and services to publicly disclose refund and cancellation policies (vii) Empowerment of a competent authority or court to impose enforceable sanctions on foreign suppliers for non-compliance with online consumer protection rules (viii) Requirement for foreign providers of digitally ordered goods and services to publicly disclose the availability of consumer redress mechanisms

2. PILLAR II. QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE

Table 15 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 15. Pillar II—Quality of Public Services for the Facilitation of International Trade

2.1	Transparency of Trade Regulations
2.1.1	Online Information on Tariff and Non-Tariff Measures
2.1.2	Comprehensive Trade Information Portal
2.1.3	Online Information on Transport and Logistics Services
2.2	Digitalization and Interoperability of Trade Facilitation Services
2.2.1	Electronic Trade Facilitation Services
2.2.2	Comprehensive Electronic Single Window
2.2.3	Electronic Services for Transport and Logistics Services
2.3	Infrastructure at Main Customs Border Posts
2.3.1	Infrastructure at Main Seaport
2.3.2	Infrastructure at Main Airport
2.3.3	Infrastructure at Main Customs Land Border Post
2.4	Border Management Services
2.4.1	Risk Management for Customs
2.4.2	Coordinated Border Management (Domestic)
2.4.3	Coordinated Border Management (with Trading Partner(s))
2.4.4	Trusted-Trader Programs

2.1 Transparency of Trade Regulations

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

2.1.1 Online Information on Tariff and Non-Tariff Measures

This set of indicators measures the extent to which publicly available online information supports firms' ability to understand and comply with requirements applicable to international trade in goods. It examines whether official websites provide comprehensive procedural guidance, searchable and up-to-date market access information, transparency on trade-related rules and their application, and accessible channels for enquiries and data. Clear, searchable, and timely online information reduces information asymmetries, lowers compliance costs, prevents delays and storage fees, and enhances predictability for traders, thereby facilitating firms' participation in cross-border trade, especially small and medium-sized enterprises (SMEs).²³ Therefore, Subcategory 2.1.1—Online Information on Tariff and Non-Tariff Measures comprises five indicators (table 16).

Table 16. Subcategory 2.1.1—Online Information on Tariff and Non-Tariff Measures

	Indicators	Components
1	Official Website Provides End-to-End Procedural Guidance for Importing and Exporting Goods	Availability on an official website of step-by-step explanations, through guidance materials such as summaries, manuals, flowcharts, or videos, covering: (i) Procedures to import and export goods (ii) Procedures to engage in cross-border e-commerce (iii) Procedures applicable to goods subject to technical regulations or sanitary and phytosanitary measures (iv) Explanations of the benefits of preferential trade agreements in force

2	Official Website Provides Searchable Product-Specific Market Access Information	Availability on an official website of searchable information, by HS code and applicable date, on: (i) Applied tariffs, taxes, and fees (ii) Applicable non-tariff measures (iii) Rules of origin
3	Official Website Provides Advance Transparency on Trade Rules and Their Application	Availability on an official website of: (i) Published advance rulings adopted by customs authorities (past three years) (ii) Advance notices of upcoming regulatory changes affecting import and export procedures
4	Official Website Provides a Single Enquiry Point with a Stated Response Timeframe	Availability on an official website of a designated enquiry point for trade-related questions, including an email address and an estimated timeframe for response
5	Official Website Publishes Detailed and Searchable Trade Statistics	Publication on an official website of international trade in goods statistics on at least an annual basis, searchable by HS code, trading partner, and point of entry/exit

2.1.2 Comprehensive Trade Information Portal

This set of indicators measures the extent to which trade-related information is made available online in a centralized and accessible manner. It examines whether a broad range of relevant information is consolidated on a national Trade Information Portal (TIP), kept up to date, and presented in a user-friendly way. By aggregating and publishing all regulatory and procedural trade-related information on a single, accessible website, the TIP allows traders and the public at large to obtain all the information needed to comply with trade requirements.²⁴ In so doing, the TIP is a powerful facilitation tool to enhance transparency and predictability, reducing information asymmetries, improving compliance, and encouraging private sector participation, particularly for SMEs.²⁵ Therefore, Subcategory 2.1.2–Comprehensive Trade Information Portal comprises two indicators (table 17).

Table 17. Subcategory 2.1.2–Comprehensive Trade Information Portal

	Indicators	Components
1	National Trade Information Portal Is Maintained and Kept Up to Date	A single national Trade Information Portal provides, in practice: (i) Step-by-step explanations of procedures to import and export goods (ii) Step-by-step explanations of procedures to engage in cross-border e-commerce (iii) Step-by-step explanations of procedures applicable to goods subject to technical regulations or sanitary and phytosanitary measures (iv) Explanations of the benefits of preferential trade agreements in force (v) Searchable information, by HS code and applicable date, on applied tariffs, taxes, and fees (vi) Searchable information, by HS code and applicable date, on applicable non-tariff measures (vii) Searchable information, by HS code and applicable date, on rules of origin (viii) Published advance rulings adopted by customs authorities in the three years preceding the cut-off date (ix) Advance notices of upcoming regulatory changes affecting import and export procedures (x) A designated enquiry point for trade-related questions, including an email address and an estimated response timeframe (xi) International trade in goods statistics published at least annually, searchable by HS code, trading partner, and point of entry or exit (xii) A visible “last updated” date indicating that the information has been updated within the past six months

2	National Trade Information Portal Is Accessible and User-Friendly	(i) Availability in practice of a language selection option on the Trade Information Portal that makes all pages accessible in the official national language(s) and in English (ii) Availability in practice of a toll-free number or an artificial intelligence-powered chatbot on the Trade Information Portal to answer frequently asked questions

2.1.3 Online Information on Transport and Logistics Services

This subcategory measures the extent to which information on regulatory requirements applicable to transport and logistics services supporting the cross-border movement of goods is available on official websites. The provision of clear, comprehensive, and up-to-date online information reduces information asymmetries and compliance uncertainty for firms seeking to enter or operate in transport and logistics markets. By enhancing transparency and predictability, these practices lower transaction costs on the delivery of these services and, as inputs into the production of goods, may positively impact the competitiveness of domestic industries.²⁶ Therefore, Subcategory 2.1.3–Online Information on Transport and Logistics Services comprises two indicators (table 18).

Table 18. Subcategory 2.1.3–Online Information on Transport and Logistics Services

	Indicators	Components
1	Official Website Publishes Licensing and Registration Requirements for Freight Transport Services	(i) Publication on an official website of all procedures, fees, and forms required to register a vessel in the national ship registry* (ii) Publication on an official website of all procedures, fees, and forms required to obtain or renew an air service license covering cargo (iii) Publication on an official website of all procedures, fees, and forms required to obtain a license or registration to operate as a road freight operator**
2	Official Website Publishes Licensing and Registration Requirements for Customs Brokerage and Warehousing Services	(i) Existence in the legal framework of a requirement for a license, registration, or certification to operate as a customs broker or agent (ii) Publication on an official website of all procedures, fees, and forms required to obtain a customs broker or agent license, registration, or certification (iii) Publication on an official website of all procedures, fees, and forms required to obtain a license or registration to operate customs-approved storage and warehousing facilities

* Economies with no active maritime trade flows will not be assessed by this component. Their total indicator points will be rescaled accordingly.

** Economies with no active land-based trade flows will not be assessed by this component. Their total indicator points will be rescaled accordingly.

2.2 Digitalization and Interoperability of Trade Facilitation Services

Category 2.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Electronic Trade Facilitation Services

This set of indicators measures the extent to which trade-related administrative procedures can be completed electronically in practice through official digital platforms. It examines whether key processes — such as customs clearance, regulatory certification, and tariff rebates — can be conducted end-to-end without paper submissions. It also assesses whether comprehensive and up-to-date user guidance is available to ensure the effective utilization of these electronic services in practice. The full digitalization of trade procedures allows the required information to flow seamlessly between operators and border agencies, eliminating redundant paperwork and manual steps. Such paperless trade environment

streamlines trade by reducing administrative burdens, processing and clearance times, and transaction costs for both firms and border agencies.²⁷ Therefore, Subcategory 2.2.1–Electronic Trade Facilitation Services comprises four indicators (table 19).

Table 19. Subcategory 2.2.1–Electronic Trade Facilitation Services

	Indicators	Components
1	Official Electronic Platforms Enable Fully Electronic Customs Clearance	(i) End-to-end electronic submission of customs clearance documentation and receipt of final clearance decisions possible through the same official electronic platform possible (ii) End-to-end electronic submission of customs clearance documentation for express shipments and receipt of final clearance decisions possible through the same official electronic platform (iii) Electronic submission of financial instruments necessary for customs clearance possible through an official electronic platform
2	Official Electronic Platform Enables Fully Electronic Applications for Regulatory Certificates	(i) Electronic application and receipt of Sanitary and Phytosanitary certificates possible through an official electronic platform (ii) Electronic application and receipt of certificates required under standards or technical regulations possible through an official electronic platform (iii) Electronic application and receipt of certificates of origin possible through an official electronic platform (iv) Electronic application and receipt of environmental certificates possible through an official electronic platform (v) Electronic application and receipt of border security certificates or authorizations for controlled goods possible through an official electronic platform
3	Official Electronic Platforms Enable Fully Electronic Applications for Tariff Rebates	Electronic submission of applications for tariff rebates and receipt of final rebate decisions possible through the same official electronic platform
4	Official Electronic Platforms Provide Comprehensive and Up-to-Date User Guidance	Availability of comprehensive and up-to-date user guidance covering all platform functions

2.2.2 Comprehensive Electronic Single Window

This subcategory measures the extent to which trade facilitation services are interoperable across border agencies through the implementation of an Electronic Single Window. It examines whether traders can complete end-to-end processing of trade formalities through a single electronic interface, including the submission, processing, and issuance of customs declarations, supporting documents, and related benefits. It also assesses whether centralized electronic payment of all fees and charges required for customs clearance and related post-clearance processes is available through the same system. These electronic systems streamline, digitize and unify cross-border processes under a single platform.²⁸ In so doing, they reduce fragmentation, duplication, and transaction costs for both firms and border agencies and lead to an increase in trade flows.²⁹ Therefore, Subcategory 2.2.2–Comprehensive Electronic Single Window comprises two indicators (table 20).

Table 20. Subcategory 2.2.2–Comprehensive Electronic Single Window

	Indicators	Components
1	Electronic Single Window Enables End-to-End Processing of Trade Formalities	- A single official electronic platform enables end-to-end electronic processing of trade-related procedures, including: (i) Submission of all customs clearance documentation and receipt of final clearance decisions (ii) Submission of customs clearance documentation and receipt of final clearance decisions for express shipments (iii) Submission of electronic financial instruments required for customs clearance

		(iv) Application for and receipt of Sanitary and Phytosanitary certificates (v) Application for and receipt of certificates required under standards or technical regulations (vi) Application for and receipt of certificates of origin (vii) Application for and receipt of environmental certificates (viii) Application for and receipt of border security certificates or authorizations for controlled goods (ix) Application for tariff rebates and receipt of final rebate decisions
2	Electronic Single Window Supports Centralized Electronic Payment for All Fees and Charges	Electronic Single Window supports centralized electronic payment, in practice, for all fees and charges required for customs clearance and related post-clearance benefits, including those levied by customs and other relevant government agencies

2.2.3 Electronic Services for Transport and Logistics Services

This subcategory measures the extent to which licensing, registration, and reporting requirements for transport and logistics services can be completed through official electronic platforms. It examines whether key procedures for freight transport services, customs brokerage and warehousing services, and maritime operations are available in electronic form. The digitalization of these processes reduces regulatory compliance costs for firms by limiting paper-based procedures, improving clarity on applicable requirements, and supporting more predictable compliance with transport- and logistics-related regulations.³⁰ Therefore, Subcategory 2.2.3–Electronic Services for Transport and Logistics Services comprises three indicators (table 21).

Table 21. Subcategory 2.2.3–Electronic Services for Transport and Logistics Services

	Indicators	Components
1	Electronic Completion of Licensing and Registration for Freight Transport Services	(i) Electronic submission of applications possible for registration in the national ship registry (ii) Electronic submission of applications possible to obtain or renew an air service license covering cargo (iii) Electronic submission of applications possible to obtain a road freight operator license or registration
2	Electronic Completion of Licensing and Registration for Customs Brokerage and Warehousing Services	(i) Electronic submission of applications possible to obtain a customs broker/agent license, registration, or certification (ii) Electronic submission of applications possible to obtain a license to operate customs-approved storage and warehousing facilities
3	Official Maritime Platform Enables Electronic Submission of All Vessel Arrival and Departure Information and Documents	Electronic submission of all vessel arrival and departure information and documents possible through an official maritime platform

2.3 Infrastructure at Main Customs Border Posts

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

2.3.1 Infrastructure at Main Seaport

This subcategory measures the availability of physical facilities and operational systems at an economy's main seaport that support the inspection, storage, handling, and movement of traded goods. It examines the quality of border control and inspection facilities, specialized cargo storage, direct intermodal connectivity, systems supporting cargo and port operations, and green energy facilities for vessels. These elements are critical for ensuring that goods can be processed, transferred and cleared through the seaport in a predictable and reliable manner. Well-developed port infrastructure and operational systems reduce logistics costs, dwell times, and compliance risks, and improve the connection between maritime and inland transport

networks.³¹ Therefore, Subcategory 2.3.1–Infrastructure at Main Seaport comprises five indicators (table 22).

Table 22. Subcategory 2.3.1–Infrastructure at Main Seaport*

	Indicators	Components
1	Main Seaport Has Functional Border Control and Inspection Facilities	Availability of: (i) Functional fixed scanners for non-intrusive screening of containers (ii) Functional Weight-in-Motion scales capturing axle and gross vehicle weights of trucks in motion (iii) Designated, covered, access-controlled intrusive examination area equipped with surveillance systems (iv) A testing laboratory for regulatory compliance testing of shipment samples, located inside or in proximity to the seaport
2	Main Seaport Has Specialized Cargo Storage Facilities	Availability of: (i) Designated storage facilities for hazardous materials applying safety protocols (ii) Functional refrigerated container storage facilities (iii) Multi-temperature cold storage facilities for perishable goods, located inside or in proximity to the seaport (iv) A customs-bonded warehouse located inside or in proximity to the seaport
3	Main Seaport Enables Direct Intermodal Connectivity	Availability of on-dock rail infrastructure enabling direct transfer of containers from the terminal to railway carriages without truck drayage
4	Main Seaport Uses Digital Systems Supporting Cargo and Port Operations	Use of: (i) Automated systems to identify and track cargo and vehicles within cargo and logistics areas (ii) Digital truck booking system to manage and schedule truck arrivals and departures (iii) Terminal operating system enabling real-time tracking and management of cargo movements (iv) A port community system enabling real-time electronic data exchange among public and private stakeholders
5	Main Seaport Has Green Energy Infrastructure for Vessels	Availability of: (i) Sustainable fuel bunkering facilities supplying alternative or low-carbon fuels (ii) Onshore power supply (shore power/cold ironing) providing electricity to vessels at berth

*Economies with no operational seaports will not be assessed by this subcategory. Their total category points will be rescaled accordingly.

2.3.2 Infrastructure at Main Airport

This subcategory measures the availability of physical facilities and operational systems at an economy's main airport that support the inspection, storage, handling, and movement of traded goods. It examines the quality of border control and inspection facilities, specialized cargo storage, systems supporting cargo and airport operations, and green energy facilities for aircraft. These elements are critical for ensuring that air cargo can be processed, transferred, and cleared through the airport in a predictable and reliable manner. Well-developed air cargo facilities and operational systems reduce logistics costs, dwell times, and compliance risks in air-based supply chains, and improve the competitiveness of air freight services.³² Therefore, Subcategory 2.3.2–Infrastructure at Main Airport comprises four indicators (table 23).

Table 23. Subcategory 2.3.2–Infrastructure at Main Airport*

	Indicators	Components
1	Main Airport Has Functional Border Control and Inspection Facilities	Availability of: (i) Functional fixed scanners to screen cargo without physical unpacking

		(ii) Designated, covered, access-controlled intrusive examination area equipped with surveillance systems (iii) Functional Weight-in-Motion scales for trucks accessing cargo areas (iv) A testing laboratory for shipment samples for regulatory compliance, located inside or in the proximity of the airport
2	Main Airport Has Specialized Cargo Storage Facilities	Availability of: (i) Designated storage facilities for hazardous materials applying appropriate safety protocols (ii) Functional facilities for refrigerated cargo storage (iii) Multi-temperature cold storage for perishable goods inside or in the proximity of the airport (iv) A customs-bonded warehouse inside or in the proximity of the airport
3	Main Airport Uses Digital Systems Supporting Cargo and Airport Operations	Use of: (i) Automated systems to identify and track cargo and vehicles in cargo and logistics areas (ii) Digital truck booking system to manage truck arrivals and departures at cargo terminals (iii) An airport operations and management system supporting real-time coordination of cargo handling and ground operations (iv) An Air Cargo Community System enabling data exchange among airport community stakeholders
4	Main Airport Has Green Energy Infrastructure for Aircraft	Availability of refueling facilities supplying sustainable aviation fuels or other low-carbon alternatives to conventional jet fuel

*Economies with no operational airports will not be assessed by this subcategory. Their total category points will be rescaled accordingly.

2.3.3 Infrastructure at Main Customs Land Border Post*

This subcategory measures the availability of physical facilities and operational systems at an economy's main customs land border post that support the inspection, temporary storage, handling, and movement of traded goods. It examines the quality of border control and inspection facilities, specialized cargo storage, systems supporting cargo and border operations, and green energy facilities for freight vehicles. These elements are critical for ensuring road freight cargo can be processed, transferred, and cleared through the land border in a predictable and reliable manner. Well-developed land border infrastructure and operational systems reduce logistics costs, congestion, and compliance risks in cross-border road freight operations.³³ Therefore, Subcategory 2.3.3—Infrastructure at Main Customs Land Border Post comprises four indicators (table 24).

Table 24. Subcategory 2.3.3—Infrastructure at Main Customs Land Border Post*

	Indicators	Components
1	Main Customs Land Border Post Has Functional Border Control and Inspection Facilities	Availability of: (i) Functional mobile scanners to screen cargo without unloading goods (ii) A designated, covered, access-controlled intrusive examination area equipped with surveillance systems (iii) Functional Weight-in-Motion scales capturing axle and gross vehicle weights of trucks in motion (iv) A testing laboratory for shipment samples for regulatory compliance, located inside or in the proximity of the land border post
2	Main Customs Land Border Post Has Specialized Cargo Storage Facilities	Availability of: (i) Designated areas for the temporary storage or isolation of hazardous materials (ii) Reliable power supply and supporting infrastructure to maintain temperature and humidity control for temporary storage of perishable goods

		(iii) A customs-bonded warehouse inside or in the proximity of the land border post
3	Main Customs Land Border Post Uses Digital Systems Supporting Cargo and Border Operations	Use of: (i) Use of automated systems to identify and track cargo and vehicles in cargo and logistics areas (ii) Use of a digital truck booking system to manage truck arrivals, queuing, and clearance at the border
4	Main Customs Land Border Post Has Green Energy Infrastructure for Freight Vehicles	Availability of charging stations for electric freight vehicles

* Economies with no operational customs land border posts will not be assessed by this subcategory. Their total category points will be rescaled accordingly.

2.4 Border Management Services

Category 2.4 is divided into four subcategories consisting of several indicators, each of which may, in turn, have several components.

2.4.1 Risk Management for Customs

This subcategory measures the extent to which customs and other border agencies use coordinated, data-driven risk management to determine control actions for traded goods. It examines the use of Electronic Single Windows for consolidating risk outcomes, the application of automated risk management techniques applied by customs authorities, and the integration of risk assessment processes across multiple border agencies. Effective risk management reduces unnecessary inspections, improves predictability of clearance outcomes, and enables expedited release of low-risk consignments while maintaining regulatory oversight.³⁴ Therefore, Subcategory 2.4.1–Risk Management for Customs comprises three indicators (table 25).

Table 25. Subcategory 2.4.1–Risk Management for Customs

	Indicators	Components
1	Electronic Single Window Used for Consolidated Risk Assessment	Risk assessment for customs clearance conducted through the Electronic Single Window, producing a single consolidated outcome that reflects decisions from customs and all other relevant border agencies and is communicated electronically to traders
2	Customs Authority Applies Automated Risk Management Systems and Techniques	Use of: (i) A risk management system that automatically applies algorithms or data-analysis techniques to select consignments for physical inspection (ii) Algorithms or data-analysis techniques to conduct risk-based post-clearance audits on imports
3	Border Agencies Conduct Integrated Risk Management	(i) Existence of a unified border management system enabling customs and other border agencies to conduct joint risk assessment (ii) Single submission of supporting documents for risk assessment, without requiring traders to submit documents separately to customs and SPS authorities

2.4.2 Coordinated Border Management (Domestic)

This set of indicators measures the extent to which border agencies coordinate their activities to reduce duplication, delays, and administrative burdens associated with border controls. Effective coordination—through joint or delegated inspections and structured inter-agency cooperation—limits repetitive procedures and minimizes uncertainty for firms when goods are selected for inspection.³⁵ In addition, the effective functioning of a National Trade Facilitation Committee provides an institutional mechanism for sustained coordination between public authorities and the private sector.³⁶ These practices enhance

predictability in border processes, lower compliance costs, and enable smoother movement of goods across borders. Therefore, Subcategory 2.4.2–Coordinated Border Management (Domestic) comprises two indicators (table 26).

Table 26. Subcategory 2.4.2–Coordinated Border Management (Domestic)

	Indicators	Components
1	Border Agencies Coordinate Physical Inspections	(i) Legal framework establishes a requirement for Customs authorities and other border agencies to conduct joint physical inspections or to delegate inspections wherever possible (ii) In practice, at the main seaport, shipments selected for physical inspection are subject to a single joint or delegated inspection rather than multiple separate inspections by Customs and Sanitary and Phytosanitary authorities* (iii) In practice, at the main airport, shipments selected for physical inspection are subject to a single joint or delegated inspection rather than multiple separate inspections by Customs and Sanitary and Phytosanitary authorities** (iv) In practice, at the main customs land border post, shipments selected for physical inspection are subject to a single joint or delegated inspection rather than multiple separate inspections by Customs and Sanitary and Phytosanitary authorities***
2	National Trade Facilitation Committee Is Established and Operational	(i) National Trade Facilitation Committee formally established under the domestic legal framework (ii) National Trade Facilitation Committee held at least two official meetings (past 12 months) (iii) Dedicated budget and staff resources allocated to the National Trade Facilitation Committee secretariat (iv) Formal measures in place to ensure representation of small and medium-sized enterprises in National Trade Facilitation Committee membership or consultation processes

*Economies with no operational seaports will not be assessed by this component. Their total indicator points will be rescaled accordingly.

** Economies with no operational airports will not be assessed by this component. Their total indicator points will be rescaled accordingly.

*** Economies with no operational customs land border posts will not be assessed by this component. Their total indicator points will be rescaled accordingly.

2.4.3 Coordinated Border Management (with Trading Partner(s))

This set of indicators measures the extent to which border management practices are coordinated with main trading partners to reduce duplication, delays, and uncertainty in cross-border trade. Such shared border cooperation includes the electronic exchange of trade documents, mutual recognition of inspections, alignment of border operations at shared land borders, and facilitation of maritime access. Unlike border walls, these cooperative practices enable authorities to rely on partner-country procedures and infrastructure, streamlining clearance processes and a more efficient allocation of resources. Firms benefit from a faster, more predictable movement of goods across borders, lower compliance costs and enhanced integration into regional and global value chains.³⁷ Therefore, Subcategory 2.4.3–Coordinated Border Management (with Trading Partner(s)) comprises four indicators (table 27).

Table 27. Subcategory 2.4.3–Coordinated Border Management (with Trading Partner(s))

	Indicators	Components
1	Official Electronic Platforms Exchange Trade Information with a Main Trading Partner	Electronic exchange and acceptance of: (i) Customs declarations and supporting transport documents with equivalent systems operated by a main trading partner (ii) Sanitary and Phytosanitary certificates issued by a main trading partner, without routine re-inspection or paper originals

		(iii) Certificates of origin issued by a main trading partner, without routine re-inspection or paper originals
2	Main Customs Border Posts Recognize Inspections Conducted by a Main Trading Partner	Recognition, in practice, of inspections conducted by the authorities of a main trading partner at the: (i) Main seaport* (ii) Main airport** (iii) Main customs land border post***
3	Economy Aligns Border Operations at Shared Land Border****	(i) Operation of a single shared border facility where border agencies of both economies conduct inspections jointly (ii) Alignment of operating hours of domestic border agencies with those of the partner economy at the shared land border
4	Economy Cooperates with Trading Partner to Facilitate Maritime Access for Goods*****	(i) Existence of operational intermodal facilities connected to a foreign seaport under a recognized transit regime (ii) Maintenance, in practice, of customs offices, liaison posts, or warehouses within or in proximity of a foreign seaport to facilitate the clearance or movement of goods traded by sea

* Economies with no operational seaports will not be assessed by this component. Their total indicator points will be rescaled accordingly.

** Economies with no operational airports will not be assessed by this component. Their total indicator points will be rescaled accordingly.

*** Economies with no operational customs land border posts will not be assessed by this component. Their total indicator points will be rescaled accordingly.

**** Economies with no operational customs land border posts will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

***** Economies with an operational seaport and no operational customs land border post will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

2.4.4 Trusted-Trader Programs

This set of indicators measures the extent to which a Trusted Trader program delivers meaningful facilitation benefits to firms that demonstrate compliance with customs requirements. Such programs — often referred to as Authorized Economic Operator (AEO) schemes— can reduce administrative burden, lower compliance costs, and improve predictability by offering simplified procedures, financial facilitation, and operational flexibilities. When these benefits are available in practice, firms can move goods more efficiently through the border and integrate more seamlessly into international supply chains.³⁸ Therefore, Subcategory 2.4.4–Trusted-Trader Programs comprises three indicators (table 28).

Table 28. Subcategory 2.4.4–Trusted-Trader Programs

	Indicators	Components
1.	Trusted Trader Program Is Accessible Across the Supply Chain	(i) Implementation of a Trusted Trader program for exporters (ii) Implementation of a Trusted Trader program for importers (iii) Eligibility of all types of supply-chain operators to apply for Trusted Trader program (iv) Measures implemented under the Trusted Trader program to facilitate participation of small and medium enterprises (v) Ability to complete the Trusted Trader application process entirely online
2	Trusted Trader Program Grants Meaningful Trade Facilitation Benefits	Trusted Trade program: (i) Allows submission of periodic customs declarations instead of per-shipment declarations (ii) Provides partial reduction or full waiver of financial guarantees covering customs debts or related obligations (iii) Allows use of a single financial guarantee to cover multiple import or export shipments (general bond) (iv) Grants access to dedicated fast lanes for customs clearance (v) Provides flexibility in the location of physical inspections (e.g., inspections at approved premises rather than at the border)

		(vi) Provides extended validity periods or expedited renewal procedures for customs-bonded warehouse licenses or approvals
3	Trusted Trader Program Benefits Are Recognized Beyond Domestic Customs	(i) Recognition of Trusted Trader benefits by Sanitary and Phytosanitary authorities without requiring separate accreditation (ii) Mutual recognition of Trusted Trader benefits by Customs authorities of at least one main trading partner, without requiring a separate application

3. PILLAR III. OPERATIONAL EFFICIENCY OF EXPORTING GOODS, IMPORTING GOODS, AND ENGAGING IN DIGITAL TRADE

Table 29 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 subcategories will be discussed in more detail in the order shown in the table.

Table 29. 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 (Average)
3.1.2	Total Time to Comply with Export Requirements (Dispersion)
3.1.3	Total Cost to Comply with Export Requirements
3.2	Compliance with Import Requirements
3.2.1	Total Time to Comply with Import Requirements (Average)
3.2.2	Total Time to Comply with Import Requirements (Dispersion)
3.2.3	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	Perceptions Index of Customs and Trade Regulations Being a Constraint
3.4.2	Perceptions Index of Transportation Being a Constraint

3.1 Compliance with Export Requirements

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

3.1.1 Total Time to Comply with Export Requirements (Average)

This set of indicators measures the average time required for firms to comply with regulatory and procedural requirements for exporting goods. It captures the mean duration of completing documentary, border, and related compliance processes, providing a summary measure of the typical time burden faced by exporters. Time requirements are a critical determinant of trade performance as longer and more complex procedures can delay shipments, increase inventory and coordination costs, and reduce firms' ability to respond to foreign demand, particularly for time-sensitive and perishable goods.³⁹ Therefore, Subcategory 3.1.1—Total Time to Comply with Export Requirements (Average) comprises one indicator that captures the average time to comply with export requirements (table 30).

Table 30. Subcategory 3.1.1—Total Time to Comply with Export Requirements (Average)

	Indicators	Components
1	Total Time to Comply with Export Requirements (Average)	The average period (in days, or hours if less than a day) 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 Time to Comply with Export Requirements (Dispersion)

This set of indicators measures the dispersion in the time required for firms to comply with regulatory and procedural requirements for exporting goods. It captures the degree of variation in documentary, border, and related compliance times across firms or shipments, reflecting the predictability and reliability of export processes. High dispersion signals uncertainty in clearance outcomes, which can complicate planning, increase buffer inventories, and disproportionately affect time-sensitive trade.⁴⁰ Assessing dispersion alongside average time provides a more comprehensive view of export performance by distinguishing between overall efficiency and the consistency with which procedures are applied. Therefore, Subcategory 3.1.2–Total Time to Comply with Export Requirements (Dispersion) comprises one indicator that captures the dispersion in the time to comply with export requirements (table 31).

Table 31. Subcategory 3.1.2–Total Time to Comply with Export Requirements (Dispersion)

	Indicators	Components
1	Total Time to Comply with Export Requirements (Dispersion)	The dispersion in the time (in days, or hours if less than a day) required for directly exported goods to be released by all border control agencies, including clearance procedures prior to arrival at the point of exit

3.1.3 Total Cost to Comply with Export Requirements

This set of indicators measures the total cost incurred by firms to comply with regulatory and procedural requirements for exporting goods. It captures expenses related to documentary compliance, border procedures, and associated fees, reflecting the financial burden imposed by export processes. Higher compliance costs can reduce firms' competitiveness and constrain participation in international markets, particularly for smaller exporters.⁴¹ Therefore, Subcategory 3.1.2–Total Cost to Comply with Export Requirements comprises one indicator that captures the total cost to comply with export requirements (table 32).

Table 32. Subcategory 3.1.3–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 three subcategories consisting of one indicator each.

3.2.1 Total Time to Comply with Import Requirements (Average)

This set of indicators measures the average time required for firms to comply with regulatory and procedural requirements for importing goods. It captures the mean duration of completing documentary, border, and related compliance processes, providing a summary measure of the typical time burden faced by importers. Time requirements are a critical determinant of trade performance as longer and more complex procedures can delay access to inputs and consumer goods, increase inventory and coordination costs, and disrupt production and distribution processes.⁴² Therefore, Subcategory 3.2.1–Total Time to Comply with Import Requirements (Average) comprises one indicator that captures the average time to comply with import requirements (table 33).

Table 33. Subcategory 3.2.1–Total Time to Comply with Import Requirements (Average)

	Indicators	Components

1	Total Time to Comply with Import Requirements (Average)	The average period (in days, or hours if less than a day) 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 Time to Comply with Import Requirements (Dispersion)

This set of indicators measures the dispersion in the time required for firms to comply with regulatory and procedural requirements for importing goods. It captures the degree of variation in documentary, border, and related compliance times, reflecting the predictability and reliability of import processes. High dispersion signals uncertainty in clearance outcomes, which can complicate supply-chain planning, increase buffer inventories, and disproportionately affect smaller firms and time-sensitive imports.⁴³ Therefore, Subcategory 3.2.2–Total Time to Comply with Import Requirements (Dispersion) comprises one indicator that captures the dispersion in the time to comply with import requirements (table 34).

Table 34. Subcategory 3.2.2–Total Time to Comply with Import Requirements (Dispersion)

	Indicators	Components
1	Total Time to Comply with Import Requirements (Dispersion)	The dispersion in the time (in days, or hours if less than a day) 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

3.2.3 Total Cost to Comply with Import Requirements

This set of indicators measures the total cost incurred by firms to comply with regulatory and procedural requirements for importing goods. It captures expenses related to documentary compliance, border procedures, and associated fees, reflecting the financial burden imposed by import processes. Higher compliance can raise input prices, reduce firm competitiveness, and increase the cost of goods for consumers.⁴⁴ Therefore, Subcategory 3.2.3–Total Cost to Comply with Import Requirements comprises one indicator that captures the total cost to comply with import requirements (table 35).

Table 35. Subcategory 3.2.3–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

This indicator measures the extent to which firms engage in international trade through digitally ordered exports. It captures the share of trading firms that export goods using digital channels, reflecting the adoption of digital technologies in firms' export activities. Digital ordering can lower market entry barriers, expand firms' access to foreign customers, and support participation in cross-border trade, particularly for small and medium-sized enterprises (SMEs).⁴⁵ Therefore, Subcategory 3.3.1–Share of Trading Firms Exporting Digitally Ordered Goods comprises one indicator that captures the share of trading firms exporting low-value goods ordered online (table 36).

Table 36. 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 duty-free 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 Perceptions Index of Customs and Trade Regulations Being a Constraint

Perception-based questions on major obstacles capture subjective experiences and viewpoints of firms, shedding light on the challenges that businesses face. Firms’ perceptions of trade regulations as obstacles may play a crucial role in shaping their trade strategies, market selection, risk management approach, and trade outcomes.⁴⁶ Therefore, Subcategory 3.4.1–Perceptions Index of Customs and Trade Regulations Being a Constraint comprises one indicator (table 37).

Table 37. Subcategory 3.4.1–Perceptions Index of Customs and Trade Regulations Being a Constraint

	Indicators	Components
1	Perceptions Index of Customs and Trade Regulations Being a Constraint	Whether firms view customs and trade regulations as an obstacle to their operations

3.4.2 Perceptions Index of Transportation Being a Constraint

Perception-based questions on major obstacles capture subjective experiences and viewpoints of firms, shedding light on the challenges that businesses face. Firms’ perceptions of transportation as obstacles may play a crucial role in shaping their trade strategies, market selection, risk management approach, and trade outcomes.⁴⁷ Therefore, Subcategory 3.4.2–Perceptions Index of Transportation Being a Constraint comprises one indicator (table 38).

Table 38. Subcategory 3.4.2–Perceptions Index of Transportation Being a Constraint

	Indicators	Components
1	Perceptions Index of Transportation Being a Constraint	Whether firms view transportation as an obstacle to their operations

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 international trade lawyers, maritime and aviation lawyers, freight forwarders, customs brokers, clearing agents, trade economists, and other trade experts.

The data for Pillar III are collected through Enterprise Surveys. These surveys provide representative data on the firms’ practical experience dealing with trade and customs processes. 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 Regulations–Goods, Trade Regulations–Services, Trade–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 39).

The data for the Digital Trade questionnaire are collected through the Utility Services (Internet), Financial Services (Electronic Payments), and Taxation questionnaires. Hence, digital trade expert selection will follow the respective topics’ screening processes.

Table 39. Screener Questionnaire and Respondent Criteria

Relevant Experts’ Professions	
Trade Regulations–Goods	International trade lawyers, international trade economists other international trade experts
Trade Regulations–Services	International trade lawyers, international trade economists, maritime and aviation lawyers, other international trade experts
Trade–Public Services	Customs brokers, freight forwarders, clearing agents, trade managers, other international trade experts
Relevant Areas of Specialization	
Trade Regulations–Goods	Expertise in international trade law, policy, or economics, and particularly in: customs regulations and formalities, import and export restrictions, and preferential trade agreements
Trade Regulations–Services	Expertise in international trade law, policy, or economics, and particularly in: cross-border services in transport and logistics sectors, and services for maritime, air, and road transport operations for cargo
Trade–Public Services	Expertise with trade facilitation services, and particularly in: customs clearance operations, electronic submission of customs clearance documentation, services available at the main seaport, airport, and land customs border posts
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 Regulations–Goods	Experience providing professional advice, legal or consulting services in: customs regulations and formalities, import and export restrictions, and preferential trade agreements
Trade Regulations–Services	Experience providing professional advice, legal or consulting services in cross-border services in transport and logistics sectors, and services for maritime, air, and road transport operations for cargo
Trade–Public Services	Experience preparing and submitting documentation for customs clearance, using the electronic single window for trade or the customs management system, handling or supervising customs clearance operations at different sea, air, and land customs border posts

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 international trade.

IV. PARAMETERS

To ensure data comparability across economies, the International Trade topic uses general and specific parameters for expert questionnaires and firm-level surveys. A parameter refers to an assumption made about the existence of trade flows by transport mode, trading partners, and WTO membership of a given economy.

5.1 General Parameters

To strike a balance between cross-country comparability and economy-specific representativeness, the International Trade topic employs the following general parameter.

5.1.1 Active Trade Flows by Transport Mode

Justification:

Depending on its physical and political geography, an economy's trade flows may take place via maritime, air, or land-based routes. The regulatory frameworks and trade facilitation services differ across transport modes and have direct implications for the time and cost of importing and exporting. To enable meaningful comparison, it is therefore necessary to determine whether an economy has active trade flows across all transport modes or only a subset of them. For example, landlocked economies do not have active trade flows via maritime transport, and island economies do not have active trade flows via road transport.

Application:

This parameter applies to all Pillars. Specifically, it determines the applicability of the transport services subsectors measured in Pillars I and II, as well as the threshold pairs for assessing time and cost in the categories Compliance with Export Requirements and Compliance with Import Requirements in Pillar III.

5.2 Specific Parameters

Trade regulations and their applicability may also vary depending on an economy's traded goods and services, and their 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 Services Sectors and Subsectors

Justification:

Regulation of trade in services varies at the subsector level. Considering the crucial role of certain service sectors as inputs and facilitators for international trade in goods, five subsectors across transport services and logistics services are selected as specific parameters for the International Trade topic: Maritime Freight Transport, Air Freight Transport, Road Freight Transport, Customs Brokerage, and Cargo Handling, Storage and Warehousing.

Application:

This parameter applies to indicators assessing trade in services in both Pillars I and II. Indicators measuring services classified under the Customs Brokerage and Cargo Handling, Storage and Warehousing subsectors are applicable to all economies. However, those covering the subsectors of Maritime Freight Transport, Air Freight Transport, and Road Freight Transport depend on the active trade flows by transport mode (see subsection 5.1.1). Economies with active trade flows by maritime, air, and road transport modes are assessed on all three subsectors (Maritime Freight Transport, Air Freight Transport, and Road Freight Transport). Economies without active trade flows by a given transport mode are not assessed on the corresponding subsector. For example, landlocked economies are not assessed on questions related to Maritime Freight Transport, and island economies are not assessed on questions related to Road Freight Transport.

5.2.2 Main Trading Partner(s)

Justification:

This parameter refers to an economy's main trading partner(s) by different trade categories. While economies typically engage in trade with a wide range of partners, the intensity of these relationships varies. Trade intensity is influenced by factors such as geographical proximity, market size, and historical or institutional linkages. Identifying an economy's main trading partner(s) is important because closer cooperation and coordination with this (these) partner(s) can bring the most benefits to the business environment. Partner selections are conducted based on the UN Comtrade (for data on trade in goods) and

OECD-WTO Balanced Trade in Services (for data on trade in services) databases, using bilateral data for the period 2015-2019.

Application:

This parameter is used in Pillar I under Subcategories 1.1.3–Trade Cooperation (Goods) and 1.3.3–Trade Cooperation (Digital). In these contexts, main trading partners consistently refers to an economy’s top three trading partners in goods and services. This parameter is also used in Pillar I under Subcategory 1.2.3–Trade Cooperation (Services). In this context, main trading partners likewise refer to an economy’s top three trading partners in goods and services, except for the indicator *International Road Freight Operations with Main Land Border Partner Permitted without Trip-Based Permits or Quotas*, where the main trading partner refers to the adjacent economy connected through the main customs land border post, as determined by the value of land-based trade flows (see subsection 5.2.3).

Moreover, this parameter is used in Pillar II under the Subcategories 2.4.3–Coordinated Border Management (with Trading Partner(s)) and 2.4.4–Trusted-Trader Program. In these contexts, main trading partners generally refer to an economy’s top three trading partners in goods and services. An exception applies to indicators assessing bilateral operational coordination, specifically *Main Customs Border Posts Recognize Inspections Conducted by a Main Trading Partner* and *Economy Aligns Border Operations at Shared Land Border*, for which reference is made to a single main trading partner only. Where such indicators assess a seaport or airport, the main trading partner refers to the economy’s largest trading partner in goods only. Where they assess a land border, the main trading partner refers to the adjacent economy connected through the main customs land border post, as determined by the value of land-based trade flows (see subsection 5.2.3).

5.2.3 Main Customs Border Posts

Justification:

This parameter refers to the main customs border posts by mode of transport: commercial seaport, cargo airport, and customs land border post. 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 questions asked by mode of transport, as facilities, services and infrastructure can vary across different types of border posts (for example, between a seaport and a customs land border post). The selection of the main borders by mode of transport is based on total trade value, calculated from data from ancillary government sources (such as statistical agencies) and confirmed by experts.

Application:

This parameter is used in Pillar II under Subcategories 2.3.1–Infrastructure at Main Seaport, 2.3.2–Infrastructure at Main Airport, 2.3.3–Infrastructure at Main Customs Land Border Post, 2.4.2–Coordinated Border Management (Domestic), and 2.4.3–Coordinated Border Management (with Trading Partner(s)).

The applicability of the indicators on main commercial seaport, cargo airport, and customs land border posts is determined based on whether an economy has any operational customs border posts in each of the three modes of transport at the time of the cut-off date. Economies with operational customs border posts in each mode of transport are assessed on questions covering all three customs border posts (seaport, airport, customs land border post). Economies without operational customs border posts in one or two modes are not assessed on questions related to the corresponding customs border posts. For example, landlocked economies are not assessed on questions related to seaports, and island economies are not assessed on questions related to customs land border posts.

5.2.4 WTO Membership

Justification:

An economy's WTO membership status (that is, Member, Observer, or none). In the context of trade cooperation, this parameter provides the necessary context to assess the applicability of any WTO-related obligations.

Application:

This parameter is used in Pillar I under Subcategory 1.1.3–Trade Cooperation (Goods), to determine whether the indicator *No Preferential Trade Agreement Not Formally Notified to the World Trade Organization* is applicable or not.

V. TOPIC SCORING

The International Trade topic has three pillars: Pillar I–Quality of the Regulatory Framework 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. 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 40 shows the scoring for the International Trade topic. For further scoring details please see Annex A, which complements this section.

Table 40. 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 the Regulatory Framework for International Trade	45	34	45	79	100	0.33
II	Quality of Public Services for the Facilitation of International Trade	43	43	43	86	100	0.33
III	Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade	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 the Regulatory Framework for International Trade

Pillar I covers 45 indicators with a total score of 79 points (34 points on firm flexibility and 45 points on social benefits) (table 41). The scoring for each category under this pillar is as follows:

6.1.1 *Trade in Goods* has 18 indicators with a total maximum score of 31 points (13 points on firm flexibility and 18 points on social benefits). Specifically, the *Absence of Restrictions (Goods)* Subcategory has 2 indicators; the *Facilitating Practices (Goods)* Subcategory has 6 indicators; the *Trade Cooperation (Goods)* Subcategory has 5 indicators; and the *Sustainable Trade (Goods)* Subcategory has 5 indicators. Some indicators in this category have an ambiguous impact on firm flexibility and hence do not receive firm flexibility points.

6.1.2 *Trade in Transport and Logistics Services* has 16 indicators with a total maximum score of 28 points (12 points on firm flexibility and 16 points on social benefits). Specifically, the *Absence of Restrictions (Services)* Subcategory has 4 indicators; the *Facilitating Practices (Services)* Subcategory has 4 indicators; the *Trade Cooperation (Services)* has 4 indicators; and the

Sustainable Trade (Services) Subcategory has 4 indicators. Some indicators in this category have an ambiguous impact on firm flexibility and hence do not receive firm flexibility points.

- 6.1.3** *Digital Trade* has 11 indicators with a total maximum score of 20 points (9 points on firm flexibility and 11 points on social benefits). Specifically, the *Absence of Restrictions (Digital)* Subcategory has 4 indicators, the *Facilitating Practices (Digital)* Subcategory has 3 indicators, the *Trade Cooperation (Digital)* Subcategory has 2 indicators, and the *Sustainable Trade (Digital)* Subcategory has 2 indicators. Some indicators in this category have an ambiguous impact on firm flexibility and hence do not receive firm flexibility points.

Table 41. Aggregate Scoring for Pillar I

Pillar I–Quality of the Regulatory Framework for International Trade		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
1.1	Trade in Goods	18	13	18	31	40.00
1.1.1	Absence of Restrictions (Goods)	2	2	2	4	20.00
1.1.2	Facilitating Practices (Goods)	6	6	6	12	8.00
1.1.3	Trade Cooperation (Goods)*	5	5	5	10	8.00
1.1.4	Sustainable Trade (Goods)	5	n/a	5	5	4.00
1.2	Trade in Transport and Logistics Services	16	12	16	28	40.00
1.2.1	Absence of Restrictions (Services)**	4	4	4	8	20.00
1.2.2	Facilitating Practices (Services)***	4	4	4	8	8.00
1.2.3	Trade Cooperation (Services)****	4	4	4	8	8.00
1.2.4	Sustainable Trade (Services)*****	4	n/a	4	4	4.00
1.3	Digital Trade	11	9	11	20	20.00
1.3.1	Absence of Restrictions (Digital)	4	4	4	8	10.00
1.3.2	Facilitating Practices (Digital)	3	3	3	6	4.00
1.3.3	Trade Cooperation (Digital)	2	2	2	4	4.00
1.3.4	Sustainable Trade (Digital)	2	n/a	2	2	2.00
	Total	45	34	45	79	100.00

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).

*Non-WTO members may score a total of 6 points, which will be rescaled to the same total rescaled points obtained by WTO members (8.00).

** Economies that have active trade flows by only one transport mode may score a total of 4 points. Economies that have active trade flows by two transport modes may score a total of 6 points. These points will be rescaled to the same total rescaled points obtained by other economies having active trade flows by three transport modes, maritime, air, and land-based routes (20.00).

*** Economies that have active trade flows by only one transport mode may score a total of 4 points. Economies that have active trade flows by two transport modes may score a total of 6 points. These points will be rescaled to the same total rescaled points obtained by other economies having active trade flows by three transport modes, maritime, air, and land-based routes (8.00).

**** Economies that have active trade flows by air or land-based may score a total of 6 points, which will be rescaled to the same total rescaled points obtained by other economies having active trade flows by both air and land-based routes (8.00).

***** Economies that have active trade flows by air and/or land-based routes may score a total of 2 points. Economies that have active trade flows by maritime routes only or maritime and air routes may score a total of 3 points. These points will be rescaled to the same total rescaled points obtained by other economies having active trade flows by three transport modes, maritime, air, and land-based routes (4.00).

6.2 Pillar II–Quality of Public Services for the Facilitation of International Trade

Pillar II covers 43 indicators with a total score of 86 points (43 points on firm flexibility and 43 points on social benefits) (table 42). The scoring for each category under this pillar is as follows:

- 6.2.1** *Transparency of Trade Regulations* has 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 points on social benefits). Specifically, the *Online Information on Tariff and Non-Tariff Measures* Subcategory has 5 indicators, the *Comprehensive Trade Information Portal* Subcategory has 2 indicators, and the *Online Information on Transport and Logistics Services* Subcategory has 2 indicators. A regulatory framework that ensures transparency of trade regulations benefits both firms (firm flexibility) and society (social benefits). Hence, equal points are assigned to both categories.
- 6.2.2** *Digitalization and Interoperability of Trade Facilitation Services* has 9 indicators with a total maximum score of 18 points (9 points on firm flexibility and 9 points on social benefits). Specifically, the *Electronic Trade Facilitation Services* Subcategory has 4 indicators, the *Comprehensive Electronic Single Window* Subcategory has 2 indicators, and the *Electronic Services for Transport and Logistics Services* Subcategory has 3 indicators. Digital and interoperable trade facilitation services enhance predictability, reduces transaction costs, and improves access to services for firms (firm flexibility), while also supporting transparency, accountability, and broader access to public services (social benefits). Hence, equal points are assigned to both categories.
- 6.2.3** *Infrastructure at Main Customs Border Posts* has 13 indicators with a total maximum score of 26 points (13 points on firm flexibility and 13 points on social benefits). Specifically, the *Infrastructure at Main Seaport* Subcategory has 5 indicators, the *Infrastructure at Main Airport* Subcategory has 4 indicators, and the *Infrastructure at Main Customs Land Border Post* Subcategory has 4 indicators. Adequate and well-functioning border infrastructure facilitates efficient cargo handling and reduces delays and uncertainty for firms (firm flexibility), while also supporting safety, reliability, and effective public oversight at border posts (social benefits). Hence, equal points are assigned to both categories.
- 6.2.4** *Border Management Services* 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 for Customs* Subcategory has 3 indicators, the *Coordinated Border Management (Domestic)* Subcategory has 2 indicators, the *Coordinated Border Management (with Trading Partner(s))* Subcategory has 4 indicators, and the *Trusted-Trader Programs* Subcategory has 3 indicators. Effective border management reduces compliance burdens and enhances predictability for firms (firm flexibility), while also strengthening enforcement and risk control (social benefits). Hence, equal points are assigned to both categories.

Table 42. 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	Transparency of Trade Regulations	9	9	9	18	25.00
2.1.1	Online Information on Tariff and Non-Tariff Measures	5	5	5	10	15.00
2.1.2	Comprehensive Trade Information Portal	2	2	2	4	5.00
2.1.3	Online Information on Transport and Logistics Services	2	2	2	4	5.00
2.2	Digitalization and Interoperability of Trade Facilitation Services	9	9	9	18	25.00
2.2.1	Electronic Trade Facilitation Services	4	4	4	8	15.00
2.2.2	Comprehensive Electronic Single Window	2	2	2	4	5.00
2.2.3	Electronic Services for Transport and Logistics Services*	3	3	3	6	5.00
2.3	Infrastructure at Main Customs Border Posts**	13	13	13	26	25.00
2.3.1	Infrastructure at Main Seaport	5	5	5	10	8.33

2.3.2	Infrastructure at Main Airport	4	4	4	8	8.33
2.3.3	Infrastructure at Main Customs Land Border Post	4	4	4	8	8.33
2.4	Border Management Services	12	12	12	24	25.00
2.4.1	Risk Management for Customs	3	3	3	6	6.25
2.4.2	Coordinated Border Management (Domestic)	2	2	2	4	6.25
2.4.3	Coordinated Border Management (with Trading Partner(s))***	4	4	4	8	6.25
2.4.4	Trusted-Trader Programs	3	3	3	6	6.25
	Total	43	43	43	86	100.00

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

* Economies that do not have active trade flows by maritime routes may score a total of 4 points, which will be rescaled to the same total rescaled points obtained by other economies (6.00).

** Economies with no operational seaports may score a total of 16 points. Economies with no operational customs land border posts may score a total of 18 points. Economies with no operational seaports and no operational airports or no operational seaports and no operational customs land border posts may score a total of 8 points. These points will be rescaled to the same total rescaled points obtained by other economies having operational seaports, airports, and customs land border posts (25.00).

*** Economies with operational seaports and no operational customs land border posts may score a total of 4 points. Economies with operational seaports and operational customs land border posts may score a total of 6 points. These points will be rescaled to the same total rescaled points obtained by economies having an operational customs land border post and no operational seaports (6.25).

6.3 Pillar III—Operational Efficiency of Exporting Goods, Importing Goods, and Engaging in Digital Trade

Pillar III covers 9 indicators with scores ranging from 0 to 100 on firm flexibility (table 43). 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 hampering firm flexibility. The scoring for each category under this pillar is as follows:

6.3.1 *Compliance with Export Requirements* has three indicators with a total maximum score of 30 points. Specifically, the *Total Time to Comply with Export Requirements (Average)* Subcategory has 1 indicator, the *Total Time to Comply with Export Requirements (Dispersion)* Subcategory has 1 indicator and the *Total Cost to Comply with Export Requirements* Subcategory has 1 indicator.

6.3.2 *Compliance with Import Requirements* has three indicators with a total maximum score of 50 points. Specifically, the *Total Time to Comply with Import Requirements (Average)* Subcategory has 1 indicator, the *Total Time to Comply with Import Requirements (Dispersion)* Subcategory has 1 indicator and the *Total Cost to Comply with Import Requirements* Subcategory has 1 indicator.

6.3.3 *Participation in Cross-Border Digital Trade* has only one indicator *Share of Trading Firms Exporting Digitally Ordered Goods* with a total maximum score of 10 points.

6.3.4 *Perceived Major Obstacles: Customs and Trade Regulation, and Transportation* has two indicators with a total maximum score of 10 points. Specifically, the *Perceptions Index of Customs and Trade Regulations Being a Constraint* Subcategory has 1 indicator, the *Perceptions Index of Transportation Being a Constraint* Subcategory has 1 indicator.

Table 43. 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	3	30.00
3.1.1	Total Time to Comply with Export Requirements (Average)	1	10.00
3.1.2	Total Time to Comply with Export Requirements (Dispersion)	1	10.00
3.1.3	Total Cost to Comply with Export Requirements	1	10.00
3.2	Compliance with Import Requirements	3	50.00
3.2.1	Total Time to Comply with Import Requirements (Average)	1	16.67
3.2.2	Total Time to Comply with Import Requirements (Dispersion)	1	16.67
3.2.3	Total Cost to Comply with Import Requirements	1	16.67
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	Perceptions Index of Customs and Trade Regulations Being a Constraint	1	5.00
3.4.2	Perceptions Index of Transportation Being a Constraint	1	5.00
	Total	9	100.00

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- ²⁹ Martínez-Zarzoso and Chelala (2020).
- ³⁰ See World Bank Group (2018).
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- ³² Micco and Serebrisky (2006); Doyle, Fanta, and McLinden (2010).
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- ³⁵ WCO (n.d.).
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- ⁴⁵ López González, and Ferencz (2018); Smeets (2021).
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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 THE REGULATORY FRAMEWORK FOR INTERNATIONAL TRADE					
1.1 TRADE IN GOODS					
1.1.1 Absence of Restrictions (Goods)					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Absence of Tariff Measures	1	1	2	10.00	Chandra and Long (2013); Fajgelbaum et al. (2020); Kilumelume et al. (2021); Furceri et al. (2022)
Absence of Non-Tariff Measures	1	1	2	10.00	Looi Kee, Nicita, and Olarreaga (2009); Handley and Limão (2017); De Melo and Shepherd (2018); UNCTAD (2019); Beverelli et al. (2025)
Total Points for Subcategory 1.1.1	2	2	4	20.00	
1.1.2 Facilitating Practices (Goods)					
Facilitated Temporary Admission of Goods	1	1	2	1.33	WCO (1990; 1999); World Bank (2009)
Duty-Free Treatment for Low-Value Commercial Shipments (De Minimis Threshold)	1	1	2	1.33	Global Express Association (2016); Latipov, McDaniel, and Schropp (2018)
Advance Rulings Framework with Binding Issuance and Appeal Deadlines	1	1	2	1.33	WTO (2013); Pérez Azcárraga et al. (2022)
Science-Based Risk Assessment for Sanitary and Phytosanitary Measures	1	1	2	1.33	WTO (1995a); STDF (2021)
Ex Ante Regulatory Impact Assessment for Tariff Measures	1	1	2	1.33	OECD (2009)
Ex Ante Regulatory Impact Assessment and Public Consultation for Technical Regulations	1	1	2	1.33	WTO (1994b); OECD (2009)
Total Points for Subcategory 1.1.2	6	6	12	8.00	
1.1.3 Trade Cooperation (Goods)					
No Preferential Trade Agreement Not Formally Notified to the World Trade Organization*	1	1	2	1.60	WTO (1995a; 2006)

Establishment of Free Trade Agreement or Customs Union Covering Substantially All Trade with a Main Trading Partner	1	1	2	1.60	Baier and Bergstrand (2007); Mattoo, Rocha, and Ruta (2020)
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Conformity Assessments	1	1	2	1.60	Cadot and Gourdon (2016); Mattoo, Rocha, and Ruta (2020)
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Equivalence of Sanitary and Phytosanitary Measures	1	1	2	1.60	Cadot and Gourdon (2016); Mattoo, Rocha, and Ruta (2020)
Existence of National Mechanism to Address Complaints on Trade-Agreement Compliance	1	1	2	1.60	Sykes (2005)
Total Points for Subcategory 1.1.3	5	5	10	8.00	
1.1.4 Sustainable Trade (Goods)					
Separate Permit Required for Trade in Endangered Species	n/a	1	1	0.80	UNEP (1973)
Documentary Evidence of Environmentally Sound Management Contract Required for Hazardous Waste Exports	n/a	1	1	0.80	UNEP (1989)
Labelling of Chemical Shipments in Accordance with the Globally Harmonized System Required of Exporters	n/a	1	1	0.80	UN (2003)
Justiciable Commitments in an International Agreement with a Main Trading Partner–Pathway for Private Parties to Address Violations of Collective Bargaining and Freedom of Association	n/a	1	1	0.80	ILO (1948); ILO (1949); ILO (2017); Carrère, Olarreaga, and Raess (2022)
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition or Linkage of Emissions Trading Systems	n/a	1	1	0.80	Newell, Pizer, and Raimi (2013); UN (2015); Ranson and Stavins (2016)
Total Points for Subcategory 1.1.4	n/a	5	5	4.00	
Total Points for Category 1.1	13	18	31	40.00	
1.2 TRADE IN TRANSPORT AND LOGISTICS SERVICES					
1.2.1 Absence of Restrictions (Services)					
Absence of Restrictions on Foreign Maritime Transport Services**	1	1	2	5.00	Fink, Mattoo, and Neagu (2002); Grosso et al. (2014); Nordås and Rouzet (2017); Hillberry and Jimenez (2024)
Absence of Restrictions on Foreign Air Cargo Transport Services***	1	1	2	5.00	Shepherd and Arvis (2011); Grosso et al. (2014); Nordås and Rouzet (2017); WTO (2019); World Bank Group (2020)
Absence of Restrictions on Foreign Road Freight Transport Services****	1	1	2	5.00	Carruthers and Kunaka (2014); Grosso et al. (2014); Nordås and Rouzet (2017)
Absence of Restrictions on Foreign Customs Brokerage and Warehousing Services	1	1	2	5.00	Sugie et al. (2015); Nordås and Rouzet (2017)
Total Points for Subcategory 1.2.1	4	4	8	20.00	

1.2.2 Facilitating Practices (Services)					
Pro-Competitive Regulation of Maritime Transport Services**	1	1	2	2.00	UNCITRAL (1978); Francois and Wooton (2001); Fink, Mattoo, and Neagu (2002); Francois and Wooton (2010); OECD (2015); WTO (2019)
Pro-Competitive Regulation of Air Transport Services***	1	1	2	2.00	Francois and Wooton (2001); Francois and Wooton (2010); OECD (2014); IATA (2024)
Pro-Competitive Regulation of Road Freight Transport Services****	1	1	2	2.00	Francois and Wooton (2001); OECD (2001); Francois and Wooton (2010); World Bank Group (2018)
Facilitated Trade Logistics through Competition and Digitalization	1	1	2	2.00	WCO (1999); WTO (2013); Sugie et al. (2015); UNCITRAL (2017); World Bank Group (2020)
Total Points for Subcategory 1.2.2	4	4	8	8.00	
1.2.3 Trade Cooperation (Services)					
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Professional Qualifications and Certifications in the Transport and Logistics Sectors	1	1	2	2.00	Nordås (2016); Mattoo, Rocha, and Ruta (2020)
Justiciable Commitments in an International Agreement with a Main Trading Partner–Temporary Movement of Natural Persons for Business Purposes	1	1	2	2.00	Mattoo, Rocha, and Ruta (2020); Mayer, Rapoport, and Umana-Dajud (2025)
Air Service Agreement with a Main Trading Partner including Open Skies Provisions for Cargo Transport	1	1	2	2.00	Micco and Serebrisky (2006); Grosso and Shepherd (2011); Emlinger and Guillin (2024)
International Road Freight Operations with Main Land Border Partner Permitted without Trip-Based Permits or Quotas****	1	1	2	2.00	Carruthers and Kunaka (2014); World Bank Group (2018)
Total Points for Subcategory 1.2.3	4	4	8	8.00	
1.2.4 Sustainable Trade (Services)					
Beneficial Ownership Transparency in Transport Services**	n/a	1	1	1.00	FATF (2014); North Atlantic Fisheries Intelligence Group (2017)
Environmental and Climate Standards for Transport Services	n/a	1	1	1.00	IMO (1997); IEA (2017); ICAO (2018); World Bank Group (2018)
Safety and Working-Conditions Standards in Transport and Logistics	n/a	1	1	1.00	ILO (1979); NFPA (2003); NFPA (2024); NFPA (2024); NFPA (2024)
Training and Certification Requirements for Handling Hazardous Materials	n/a	1	1	1.00	UN (1956); IMO (1965); ICAO (1984)
Total Points for Subcategory 1.2.4	n/a	4	4	4.00	
Total Points for Category 1.2	12	16	28	40.00	
1.3 DIGITAL TRADE					
1.3.1 Absence of Restrictions (Digital)					

Absence of Digital Market Entry and Technology-Forcing Requirements	1	1	2	2.50	Daza Jaller, Gaillard, and Molinuevo (2020); Mishra (2025)
Absence of Restrictions on Cross-Border Data Flows and Online Content	1	1	2	2.50	Daza Jaller, Gaillard, and Molinuevo (2020); Van Der Marel and Ferracane (2021); Del Giovane, Ferencz, and López-González (2023)
Absence of Charges and Value Limits on Cross-Border Electronic Payments	1	1	2	2.50	Birigozzi, De Silva, and Luitel (2025); Kahveci and Gurgur (2025)
Absence of Discriminatory VAT/GST Treatment for Digital Trade	1	1	2	2.50	OECD, World Bank Group, and ATAF (2023)
Total Points for Subcategory 1.3.1	4	4	8	10.00	
1.3.2 Facilitating Practices (Digital)					
Use of Cross-Border Digital Identity Verification (eKYC) Permitted	1	1	2	1.33	World Bank Group (2021)
Use of Digital Currencies for Cross-Border Payments Recognized	1	1	2	1.33	IMF et al. (2023); Kim (2024)
Remote Fulfillment of VAT/GST Obligations Permitted for Non-Resident Suppliers of Digitally Ordered or Delivered Goods and Services	1	1	2	1.33	OECD, World Bank Group, ATAF (2023)
Total Points for Subcategory 1.3.2	3	3	6	4.00	
1.3.3 Trade Cooperation (Digital)					
Justiciable Commitments in an International Agreement with a Main Trading Partner–Cross-Border Data Transfer for Business	1	1	2	2.00	Daza Jaller, Gaillard, and Molinuevo (2020); Van Der Marel and Ferracane (2021); Del Giovane, Ferencz, and López-González (2023); Ma, Shen, and Fang (2024)
Justiciable Commitments in an International Agreement with a Main Trading Partner–Prohibition of Mandatory Disclosure of Source Code or Algorithms	1	1	2	2.00	Borchert and Winters (2021); Mishra (2025)
Total Points for Subcategory 1.3.3	2	2	4	4.00	
1.3.4 Sustainable Trade (Digital)					
Personal Data Protection for Cross-Border Digital Trade	n/a	1	1	1.00	Mattoo and Meltzer (2019); Daza Jaller, Gaillard, and Molinuevo (2020)
Online Consumer Protection in Cross-Border Digital Trade	n/a	1	1	1.00	UNCTAD (1985); Daza Jaller, Gaillard, and Molinuevo (2020)
Total Points for Subcategory 1.3.4	n/a	2	2	2.00	
Total Points for Category 1.3	9	11	20	20.00	
Total Points for Pillar I	34	45	79	100.00	

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

****Economies which are not members of the World Trade Organization will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.**

**Economies with no active maritime trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

***Economies with no active air trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

****Economies with no active land-based trade flows 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 TRANSPARENCY OF TRADE REGULATIONS					
2.1.1 Online Information on Tariff and Non-Tariff Measures					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Official Website Provides End-to-End Procedural Guidance for Importing and Exporting Goods	1	1	2	3.00	WTO (1994b; 1995a; 1995b; 2013); Portugal-Perez and Wilson (2012); Fontagné, Orefice, and Piermartini (2020)
Official Website Provides Searchable Product-Specific Market Access Information	1	1	2	3.00	WTO (1994b; 1995a; 1995b; 2013); WCO (1999); Helble, Shepherd, and Wilson (2009); Portugal-Perez and Wilson (2012); Fontagné, Orefice, and Piermartini (2020)
Official Website Provides Advance Transparency on Trade Rules and Their Application	1	1	2	3.00	WTO (2013); Fontagné, Orefice, and Piermartini (2020)
Official Website Provides a Single Enquiry Point with a Stated Response Timeframe	1	1	2	3.00	WTO (2013); WCO (2016)
Official Website Publishes Detailed and Searchable Trade Statistics	1	1	2	3.00	WCO (1999; 2016)
Total Points for Subcategory 2.1.1	5	5	10	15.00	
2.1.2 Comprehensive Trade Information Portal					
National Trade Information Portal Is Maintained and Kept Up to Date	1	1	1	2.50	World Bank (2012); WTO (2013); UNECE (2021); UNCTAD (2022)
National Trade Information Portal Is Accessible and User-Friendly	1	1	1	2.50	World Bank (2012); WTO (2013); UNECE (2021); UNCTAD (2022)
Total Points for Subcategory 2.1.2	2	2	4	5.00	
2.1.3 Online Information on Transport and Logistics Services					
Official Website Publishes Licensing and Registration Requirements for Freight Transport Services	1	1	2	2.50	WTO (1995c); World Bank Group (2018); Hoekman (2020); Van Der Marel and Shepherd (2020)
Official Website Publishes Licensing and Registration Requirements for Customs Brokerage and Warehousing Services	1	1	2	2.50	WTO (1995c); World Bank Group (2018); Hoekman (2020); Van Der Marel and Shepherd (2020)
Total Points for Subcategory 2.1.3	2	2	4	5.00	
Total Points for Category 2.1	9	9	18	25.00	
2.2 DIGITALIZATION AND INTEROPERABILITY OF TRADE FACILITATION SERVICES					

2.2.1 Electronic Trade Facilitation Services					
Official Electronic Platforms Enable Fully Electronic Customs Clearance	1	1	2	3.75	WCO (1999); WTO (2013); UNECE (2020a)
Official Electronic Platform Enables Fully Electronic Applications for Regulatory Certificates	1	1	2	3.75	WCO (1999); WTO (2013); UNECE (2020a)
Official Electronic Platforms Enable Fully Electronic Applications for Tariff Rebates	1	1	2	3.75	UNECE (2020a)
Official Electronic Platforms Provide Comprehensive and Up-to-Date User Guidance	1	1	2	3.75	WCO (1999); WTO (2013); UNECE (2020a)
Total Points for Subcategory 2.2.1	4	4	8	15.00	
2.2.2 Comprehensive Electronic Single Window					
Electronic Single Window Enables End-to-End Processing of Trade Formalities	1	1	2	2.50	WTO (2013); UNECE (2017; 2020a); Martínez-Zarzoso and Chelala (2020)
Electronic Single Window Supports Centralized Electronic Payment for All Fees and Charges	1	1	2	2.50	UNECE (2017); UNECE (2020a)
Total Points for Subcategory 2.2.2	2	2	4	5.00	
2.2.3 Electronic Services for Transport and Logistics Services					
Electronic Completion of Licensing and Registration for Freight Transport Services	1	1	2	1.67	WTO (1995c); World Bank Group (2018); Hoekman (2020); Van Der Marel and Shepherd (2020)
Electronic Completion of Licensing and Registration for Customs Brokerage and Warehousing Services	1	1	2	1.67	WTO (1995c); World Bank Group (2018); Hoekman (2020); Van Der Marel and Shepherd (2020)
Official Maritime Platform Enables Electronic Submission of All Vessel Arrival and Departure Information and Documents*	1	1	2	1.67	IMO (1965; 2024)
Total Points for Subcategory 2.2.3	3	3	6	5.00	
Total Points for Category 2.2	9	9	18	25.00	
2.3 INFRASTRUCTURE AT MAIN CUSTOMS BORDER POSTS					
2.3.1 Infrastructure at Main Seaport**					
Main Seaport Has Functional Border Control and Inspection Facilities	1	1	2	1.67	Doyle, Fanta, and McLinden (2010); Guasch (2011); Arvis et al. (2019)
Main Seaport Has Specialized Cargo Storage Facilities	1	1	2	1.67	Doyle, Fanta, and McLinden (2010); Guasch (2011); Donaubauer et al. (2018)
Main Seaport Enables Direct Intermodal Connectivity	1	1	2	1.67	Doyle, Fanta, and McLinden (2010); Shepherd et al. (2011); Guasch (2011); Kunaka and Carruthers (2014); Arvis et al. (2019)
Main Seaport Uses Digital Systems Supporting Cargo and Port Operations	1	1	2	1.67	Doyle, Fanta, and McLinden (2010); Carlan, Sys, and Vanelander (2016); Heilig and Voß (2017);

					Donaubauer et al. (2018); Mor, Speranza, and Viegas (2020); IMO (2023)
Main Seaport Has Green Energy Infrastructure for Vessels	1	1	2	1.67	Acciaro, Ghiara, and Cusano (2014); Styhre et al. (2017); Hoang et al. (2022)
Total Points for Subcategory 2.3.1	5	5	10	8.33	
2.3.2 Infrastructure at Main Airport***					
Main Airport Has Functional Border Control and Inspection Facilities	1	1	2	2.08	UNECE (1982); Micco and Serebrisky (2006); Doyle, Fanta, and McLinden (2010); ACI (2019)
Main Airport Has Specialized Cargo Storage Facilities	1	1	2	2.08	Micco and Serebrisky (2006); Doyle, Fanta, and McLinden (2010); ACI (2019)
Main Airport Uses Digital Systems Supporting Cargo and Airport Operations	1	1	2	2.08	Doyle, Fanta, and McLinden (2010); ACI (2019); Mor, Speranza, and Viegas (2020)
Main Airport Has Green Energy Infrastructure for Aircraft	1	1	2	2.08	Dube (2021); Airport Carbon Accreditation (2025)
Total Points for Subcategory 2.3.2	4	4	8	8.33	
2.3.3 Infrastructure at Main Customs Land Border Post****					
Main Customs Land Border Post Has Functional Border Control and Inspection Facilities	1	1	2	2.08	UNECE (1982); Doyle, Fanta, and McLinden (2010); OSCE/UNECE (2012)
Main Customs Land Border Post Has Specialized Cargo Storage Facilities	1	1	2	2.08	UNECE (1982); Doyle, Fanta, and McLinden (2010); OSCE/UNECE (2012)
Main Customs Land Border Post Uses Digital Systems Supporting Cargo and Border Operations	1	1	2	2.08	Doyle, Fanta, and McLinden (2010); OSCE/UNECE (2012); Mor, Speranza, and Viegas (2020)
Main Customs Land Border Post Has Green Energy Infrastructure for Freight Vehicles	1	1	2	2.08	OSCE/UNECE (2012)
Total Points for Subcategory 2.3.3	4	4	8	8.33	
Total Points for Category 2.3	13	13	26	25.00	
2.4 BORDER MANAGEMENT SERVICES					
2.4.1 Risk Management for Customs					
Electronic Single Window Used for Consolidated Risk Assessment	1	1	2	2.08	Widdowson (2020); ITC (2022); Pérez Azcárraga et al. (2022)
Customs Authority Applies Automated Risk Management Systems and Techniques	1	1	2	2.08	De Wulf and Sokol (2010); Doyle, Fanta, and McLinden (2010); Widdowson (2020); Fernandes, Hillberry, and Alcántara (2021); ITC (2022)
Border Agencies Conduct Integrated Risk Management	1	1	2	2.08	De Wulf and Sokol (2010); OSCE/UNECE (2012); Widdowson (2020); ITC (2022); Pérez Azcárraga et al. (2022)
Total Points for Subcategory 2.4.1	3	3	6	6.25	

2.4.2 Coordinated Border Management (Domestic)					
Border Agencies Coordinate Physical Inspections	1	1	2	3.13	Doyle, Fanta, and McLinden (2010); OSCE/UNECE (2012); WTO (2013); WCO (n.d.)
National Trade Facilitation Committee Is Established and Operational	1	1	2	3.13	WTO (2013); UNECE (2024; 2020a)
Total Points for Subcategory 2.4.2	2	2	4	6.25	
2.4.3 Coordinated Border Management (with Trading Partner(s))					
Official Electronic Platforms Exchange Trade Information with a Main Trading Partner	1	1	2	1.56	UNECE (1982); WCO (1999; n.d.); WTO (2013)
Main Customs Border Posts Recognize Inspections Conducted by a Main Trading Partner	1	1	2	1.56	UNECE (1982); WCO (1999; n.d.); WTO (2013)
Economy Aligns Border Operations at Shared Land Border*****	1	1	2	1.56	Kieck (2010); OSCE/UNECE (2012); WTO (2013); Calabrese et al. (2023); WCO (n.d.)
Economy Cooperates with Trading Partner to Facilitate Maritime Access for Goods*****	1	1	2	1.56	Doyle, Fanta, and McLinden (2010); WTO (2013); Kunaka and Carruthers (2014); WCO (n.d.)
Total Points for Subcategory 2.4.3	4	4	8	6.25	
2.4.4 Trusted-Trader Programs					
Trusted Trader Program Is Accessible Across the Supply Chain	1	1	2	2.08	WCO (1999; 2005); WTO (2013); APEC (2016; 2020)
Trusted Trader Program Grants Meaningful Trade Facilitation Benefits	1	1	2	2.08	WCO (1999; 2005); WTO (2013); APEC (2016; 2020)
Trusted Trader Program Benefits Are Recognized Beyond Domestic Customs	1	1	2	2.08	WCO (1999); WTO (2013); APEC (2016; 2020)
Total Points for Subcategory 2.4.4	3	3	6	6.25	
Total Points for Category 2.4	12	12	24	25.00	
Total Points for Pillar II	43	43	86	100.00	

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

*Economies with no active maritime trade flows will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

**Economies with no operational seaports will not be assessed by this subcategory. Their total category points will be rescaled accordingly.

***Economies with no operational airports will not be assessed by this subcategory. Their total category points will be rescaled accordingly.

****Economies with no operational customs land border posts will not be assessed by this subcategory. Their total category points will be rescaled accordingly.

*****Economies with no operational customs land border posts will not be assessed by this indicator. Their total subcategory points will be rescaled accordingly.

*****Economies with no operational customs land border posts or with operational seaports 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 (Average)					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Total Time to Comply with Export Requirements (Average)	100	n/a	100	10.00	Engman (2005); Freund and Rocha (2011); Hoekman and Nicita (2011); Hummels and Schaur (2013); Volpe Martincus, Carballo, and Graziano (2015)
Total Points for Subcategory 3.1.1	100	n/a	100	10.00	
3.1.2 Total Time to Comply with Export Requirements (Dispersion)					
Total Time to Comply with Export Requirements (Dispersion)	100	n/a	100	10.00	Evans and Harrigan (2005); Freund and Rocha (2011); Hummels and Schaur (2013); Volpe Martincus, Carballo, and Graziano (2015)
Total Points for Subcategory 3.1.2	100	n/a	100	10.00	
3.1.3 Total Cost to Comply with Export Requirements					
Total Cost to Comply with Export Requirements	100	n/a	100	10.00	Engman (2005); Freund and Rocha (2011); Hoekman and Nicita (2011); Volpe Martincus, Carballo, and Graziano (2015)
Total Points for Subcategory 3.1.3	100	n/a	100	10.00	
Total Points for Category 3.1	100	n/a	100	30.00	
3.2 COMPLIANCE WITH IMPORT REQUIREMENTS					
3.2.1 Total Time to Comply with Import Requirements (Average)					
Total Time to Comply with Import Requirements (Average)	100	n/a	100	16.67	Evans and Harrigan (2005); Engman (2005); Hoekman and Nicita (2011); Hummels and Schaur (2013)
Total Points for Subcategory 3.2.1	100	n/a	100	16.67	
3.2.2 Total Time to Comply with Import Requirements (Dispersion)					
Total Time to Comply with Import Requirements (Dispersion)	100	n/a	100	16.67	Evans and Harrigan (2005); Hummels and Schaur (2013)
Total Points for Subcategory 3.2.2	100	n/a	100	16.67	
3.2.3 Total Cost to Comply with Import Requirements					

Total Cost to Comply with Import Requirements	100	n/a	100	16.67	Evans and Harrigan (2005); Engman (2005); Hoekman and Nicita (2011); Hummels and Schaur (2013)
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	
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	López González and Ferencz (2018); Smeets (2021)
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 Perceptions Index of Customs and Trade Regulations Being a Constraint					
Perceptions Index of Customs and Trade Regulations Being a Constraint	100	n/a	100	5.00	Engman (2005); Hoekman and Nicita (2011); Hummels and Schaur (2013)
Total Points for Subcategory 3.4.1	100	n/a	100	5.00	
3.4.2 Perceptions Index of Transportation Being a Constraint					
Perceptions Index of Transportation Being a Constraint	100	n/a	100	5.00	Limão and Venables (2001); Hoekman and Nicita (2011); Hummels and Schaur (2013)
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

8th and 9th freedoms of the air: The eighth freedom of the air allows a foreign airline to operate flights within another economy between two domestic points as part of a service connecting to its home economy (so-called “consecutive cabotage”), while the ninth freedom allows a foreign airline to operate domestic flights within another economy entirely independent of its home economy (so-called “stand-alone cabotage”).

Advance import deposits: Requirements that the importer should deposit a percentage of the value of the import transaction on a government account before receiving the goods, as defined in Section G11 of the International Classification of Non-tariff Measures (UNCTAD, 2019). No interest is paid on the deposits.

Advance ruling: A binding decision issued upon request by customs or another competent authority before importation or exportation, stating how specific goods will be treated under customs law—typically their tariff classification, origin, and/or customs valuation. The ruling is binding on customs authorities for a stated period (unless revoked or modified under prescribed conditions).

Air Service Agreement (ASA): An international agreement between two or more economies that sets out the rights, routes, and conditions for airlines to operate commercial air transport services across their territories.

Air service license: An authorization granted by a national aviation authority that permits an airline to operate commercial air transport services for passengers, cargo or mail, subject to compliance with national and international laws and regulations.

Airport slot: An authorization granted by a competent airport or air traffic authority for an airline to take off or land at a specific airport and time.

Antidumping duties: Duties levied on the imports of a particular good originating from a specific trading partner to offset injurious dumping found to exist as a result of an investigation, as defined in Section D12 of the International Classification of Non-tariff Measures (UNCTAD, 2019). Duty rates are generally enterprise-specific.

Binding deadline: A deadline established in the legal framework that gives rise to a substantive or procedural consequence if the authority fails to meet it (such as, automatic approval of an application, a right of appeal, or another corrective mechanism).

Cabotage: The transport of passengers, goods or mail within an economy by a foreign carrier. Cabotage is generally restricted by national cabotage laws or cabotage rights, which are legal rules limiting the ability of foreign firms to operate in domestic transport markets.

Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA): A global market-based mechanism developed by the International Civil Aviation Organization (ICAO) that requires airlines

to offset the growth of CO₂ emissions from international flights above 2020 levels by purchasing eligible carbon credits.

Cargo handlers: Companies or individuals responsible for the physical handling of cargo (including loading, unloading, and storage) at ports, airports, land border posts, inland container depots (ICDs), and other storage and warehousing facilities.

Cash margin requirements: Requirements that the importer should deposit part of or the total amount of the transaction value in a commercial bank before the opening of a letter of credit or foreign exchange purchase, as defined in Section G12 of the International Classification of Non-tariff Measures (UNCTAD, 2019). The funds must often be in foreign currency and remuneration, if any, is usually below market rates.

Commercial cryptographic method or provider: A cryptographic algorithm, standard, or solution developed and used for commercial purposes, as well as the service provider offering its implementation. This excludes cryptography designed exclusively for military or state-security applications.

Cross-border data flows / Cross-border data transfer: The movement or transfer of data or personal information between servers across country borders.

Cross-border digital identity verification (eKYC): The electronic process of verifying the identity of individuals or entities across national boundaries using digital technologies. It enables institutions—such as banks, fintech companies, and digital service providers—to authenticate users from other jurisdictions without requiring physical presence.

Customs-approved storage and warehousing facilities: Facilities authorized by customs for the storage of goods under its supervision, including customs-bonded warehouses, state warehouses, temporary storage facilities, and inland container depots (ICDs).

Customs bonded warehouse: A building or other secured area in which dutiable goods may be stored, manipulated, or undergo manufacturing operations without payment of duty 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 brokers/agents: Individuals or corporations that assist importers and exporters in meeting the requirements governing customs formalities. Customs brokers/agents manage the submission of necessary documentation and payments of duties and taxes to customs authorities on behalf of their clients.

Customs union: An arrangement between two or more countries where they agree to eliminate tariffs and quotas on products within the customs union, and to apply a common external tariff (CET) with respect to imports from the rest of the world.

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, digital currency wallet providers, amongst others. Digital currencies can substantially reduce transaction costs associated with cross-border transactions.

Duty de minimis threshold: A valuation ceiling for imported goods, including documents and trade samples, below which no duty or tax is charged.

Economic Needs Tests (ENTs): Regulatory mechanisms used by governments to assess market demand and economic conditions before granting licenses or permits to foreign firms or individual service providers.

They are usually based on criteria such as market capacity, domestic supply, competition, and potential economic impact.

Electronic bill of lading: A bill of lading issued and maintained in electronic form that serves the same functions as a paper bill of lading, including as a receipt for goods, evidence of the contract of carriage, and a document of title enabling the transfer of rights and obligations under the contract of carriage.

Electronic financial instruments: Financial instruments relevant for customs clearance that are issued, transmitted, and stored in electronic form, with equivalent legal effect to their paper-based counterparts. Examples include electronic letters of credit (e-LCs), electronic bank guarantees, electronic customs bonds, electronic transit guarantees, and electronic insurance certificates.

Electronic Single Window (ESW): An official electronic platform that provides a single entry point for traders to submit, process, and obtain all documents and decisions required for customs clearance and related post-clearance procedures. An Electronic Single Window integrates multiple government agencies through one portal, enabling traders to complete all steps related to customs clearance and post-clearance benefits—including applications for certificates, clearance decisions, and tariff rebate claims—without using separate systems or paper channels.

Enquiry point: An official or office designated to deal with reasonable enquiries, including the provision of forms and documents to traders, and other interested parties on matters of importation, exportation, transit of goods, trade in services and digital trade.

Environmentally Sound Management (ESM): Waste management procedures taking all practicable steps to ensure that waste are managed in a manner which will protect human health and the environment against potential adverse effects.

Ex ante Regulatory Impact Assessment (RIA): Is a systematic, evidence-based process conducted before a decision is taken to adopt or amend regulation, used to assess the likely benefits, costs, and other impacts of the preferred option and feasible alternatives (including non-regulatory options).

Export taxes and duties: Taxes collected on exported goods by the Government of the exporting country. Such taxes can be set either on a specific or an ad valorem basis, as defined in Section P42 of the International Classification of Non-tariff Measures (UNCTAD, 2019).

Express shipments: Goods carried by an operator that provides expedited transport, customs clearance, and delivery services under a fast-track regime, usually supported by advance electronic information, simplified procedures, and guaranteed time-definite delivery.

Foreign firms: Companies or individuals that are owned, controlled, or established outside the economy where they operate.

Foreign ships: Vessels that neither fly the national flag nor are registered in the national ship registry.

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: A 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.

Globally Harmonized System for Classification and Labelling of Chemicals (GHS): An internationally agreed-upon system to standardize chemical hazard classification and communication. It has been developed over several decades and is endorsed by the United Nations.

Hazardous waste: Wastes with the potential to cause harm to human health or the environment if managed improperly. This notably includes waste with specific properties such as explosive, flammable, corrosive, poisonous, infectious, toxic, or ecotoxic. It also includes waste which, after disposal, can yield another material possessing any of the characteristics listed.

IMO 2020 rule: The IMO 2020 rule limits the sulfur content in the fuel oil used on board ships operating outside designated emission control areas to 0.50% m/m (mass by mass). Alternatively, ships can use a system achieving the same level of sulfur oxide (SOx) emissions, such as exhaust gas cleaning systems ("scrubbers"). This new limit was made compulsory following an amendment to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL).

Import quotas and tariff-rate quotas: Quantitative import restrictions that limit the amount of specific goods allowed to enter a country within a set period, as defined, respectively, in Sections E2 and E6 of the International Classification of Non-tariff Measures (UNCTAD, 2019). A quota fixes a maximum volume or value of a product, while a tariff-rate quota permits limited imports at a lower tariff and applies a higher tariff beyond that limit. Safeguards (D3) and prohibitions (E3) are excluded from this definition.

Institutionalized mechanism: a designated authority or a formal, published procedure (such as, portal or complaint-handling process), established by law/regulation or official policy, with public intake channels and defined steps/timelines.

Justiciable commitments: Obligations set out in a free trade agreement or stand-alone international agreement (including annexes or side letters) that are currently in force and that (i) use mandatory language (such as, "shall" or "must"); (ii) are sufficiently specific to constrain implementation discretion; and (iii) are enforceable through a designated dispute-settlement mechanism that issues binding decisions/awards (state-to-state panels or arbitration) or through domestic courts where the agreement has direct effect. Commitments arising solely from multilateral WTO membership (such as, GATT/GATS/TBT/SPS) are excluded.

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: Rules, regulations and laws that make up the totality of the legislation applicable to international trade in a specific jurisdiction. This refers to national or federal legislation, rather than subnational rules (e.g. state-level laws). In the case of the European Union, this includes EU directives along with the national regulations and annexes that implement and supplement them.

Legal safeguards for personal information: Legal protections that the agreement mandates or expressly recognizes for transfers of personal information. Examples are: adequacy/equivalence determinations; interoperable or mandated standard contractual clauses; recognition of approved corporate rules; certified

cross-border privacy frameworks; limits on onward transfers; transparency, redress, and independent oversight requirements.

Local tax representative: An individual or entity appointed to act on behalf of a taxpayer in a specific jurisdiction, responsible for fulfilling the taxpayer's VAT/GST obligations. Some economies require a local tax representative when suppliers have tax obligations but no physical presence in the jurisdiction.

Mandatory disclosure of source code (or algorithms): A requirement in a law, regulation, or other binding measure that compels a person or firm to provide a government authority with access to, or transfer of (i) the human-readable source code of software, or (ii) the software's algorithmic logic (such as, decision rules, model architecture/parameters where applicable), as a condition of importation, distribution, sale, use, certification/approval, licensing, or continued operation.

Maritime single window: An official electronic platform that allows shipping agents, carriers, and other authorized parties to submit, through a single entry point, all information and documents required by the competent authorities for the arrival, stay, and departure of ships. A Maritime Single Window enables coordinated electronic reporting to multiple agencies — such as port, customs, immigration, health, and security authorities — so that all data are submitted once and shared automatically among the relevant authorities, without the need for separate submissions or paper documents.

Multiple-entry visa: A visa that allows a foreign national to enter and exit a country economy multiple times within a specified validity period, facilitating repeated travel for work or business without the need to obtain a new visa for each entry.

National ship registry: A national ship registry is the official record an economy keeps of ships authorized to fly its flag, giving them its nationality and placing them under its legal responsibility, notably for safety, environmental, and labor standards.

National Trade Facilitation Committee (NTFC): A multi-stakeholder body established to coordinate and oversee the implementation of trade facilitation measures, as set out in Article 23.2 of the WTO Trade Facilitation Agreement (TFA).

Nationality or local residence requirements: Legal conditions that impose eligibility restrictions on foreign persons or enterprises, by limiting access to nationals of the economy or to those maintaining a local presence (that is, residency, establishment, local ownership, or local management), beyond the requirements applicable to the economy's own nationals.

Official electronic platform: A secure, user-authenticated website that is established, mandated, or formally authorized by one or more competent authorities for the submission, processing, and/or issuance of documents. All required steps in the relevant procedure should be able to be completed through this system without the need for paper-based submissions, including issuance of documents or certificates by the competent authorities. The system may take the form of an Electronic Single Window (ESW) or any other officially recognized digital platform.

Official website: A website that is maintained by, or on behalf of, a domestic public agency (examples could be the central government, ministries, or other public bodies). The website should be publicly available, free of charge, and not require a login to visualize information.

Permit to trade in endangered species: A written authorization issued by of the exporting, importing, or re-exporting country — based on a legal acquisition finding and a non-detriment finding (or equivalent) —

that authorizes the import, export, or re-export of a specimen (including parts and derivatives) of a species listed in the CITES Appendices I–III.

Persistent Organic Pollutants (POPs): Carbon-based chemical substances which, once released into the environment remain intact for long periods of time, spread throughout the environment, accumulate in living organisms including humans, and are toxic to both humans and wildlife.

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 charges: Fees and dues levied by a port authority on ships, cargo, or passengers for the use of port facilities and services. These typically include costs related to a vessel's entry, stay, and departure as well as services provided for handling cargo or passengers.

Post-clearance audit: A 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.

Preferential Trade Agreement (PTA): A treaty 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. In the context of the WTO, these agreements are referred to as Regional Trade Agreements (RTAs).

Pre-shipment inspection: Compulsory quality, quantity and price control of goods prior to shipment from the exporting country, conducted by an independent inspecting agency mandated by the authorities of the importing country.

Price control measure: Measures implemented to control or affect the prices of imported goods to, inter alia, support the domestic price of certain products when the import prices of these goods are lower; establish the domestic price of certain products because of price fluctuation in domestic markets or price instability in a foreign market; or to increase or preserve tax revenue, as defined in Chapter F of the International Classification of Non-tariff Measures (UNCTAD, 2019).

Pricing agreements: Arrangements between two or more market participants to coordinate the prices, charges, or related terms applied to the goods or services they provide.

Pricing guideline: Recommendations, schedules, or reference rates issued by government bodies or other relevant entities that indicate how service providers should determine or apply fees. These may be binding or non-binding and can take the form of suggested tariffs, minimum charges, or pricing formulas intended to standardize or influence pricing practices.

Responsible administrative authority: The government agency or body with the legal power to regulate and enforce laws within a specific area of public administration.

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: A systematic and analytical process used by Customs authorities to identify, assess, and manage risks in cross-border trade by applying controls selectively—targeting high-risk consignments while expediting the clearance of low-risk goods.

Rules on anticompetitive practices: Rules that subject agreements between undertakings to competition-type review of their effects on prices, output, or market conditions, whether under general competition/antitrust law or a sector-specific regime providing equivalent oversight.

Sanitary and Phytosanitary (SPS) measures: Measures such as product quality standards, safety criteria, and testing and certification procedures that governments require for products to be placed on the market in order 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.

Science-based risk assessment: A systematic, science-based evaluation of risks to human, animal, or plant life or health, proportionate to the appropriate level of protection, that (i) identifies hazards, (ii) evaluates likelihood and consequences (exposure/entry/establishment/spread, as relevant), (iii) records data sources, methods, and uncertainties, and (iv) produces a written record.

Standardized international customs documents: Also referred to as carnets, these documents 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.

Substantially all trade: A free trade agreement or customs union is considered to liberalize substantially all trade if it sets customs duties to 0% on $\geq 85\%$ of tariff lines (HS six-digit or national tariff-line level) and does not fully exclude any HS chapter (2-digit) from duty elimination by the end of its scheduled implementation period.

Technical regulation: A measure that lays down mandatory product characteristics — such as design features, performance requirements, safety or quality specifications, labelling, packaging, or production methods — with which compliance is legally required in order to place a good on the market or import it into the economy.

Technology neutrality principle: The principle that laws, regulations, and policies should remain neutral with respect to the choice of technology or medium. A technology-neutral legal framework sets requirements in functional terms, without prescribing or excluding specific technological solutions.

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.

Trade information portal: An information resource provided by Governments to traders in order to obtain, from one single source, all the information that importers or exporters in a given country may require in order to comply with their regulatory obligations in relation to all the government authorities that control export, import or transit business. A TIP can be hosted on an independent website, or on the websites of any official public agency (e.g. the Ministry of Commerce or the Customs Administration), as long as all the information is presented on a single platform.

Truck booking system: A 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, and granting benefits such as fewer inspections, faster clearance, and simplified procedures. Examples are the Authorized Economic Operator (AEO) or the Customs-Trade Partnership Against Terrorism (C-TPAT).

Trip-based permits or quotas: Trip-based permits are authorizations that allow a foreign road transport operator to carry goods on a specific journey into another economy, while quotas set the maximum number of such permits that can be issued over a given period. Both are common under bilateral or multilateral road transport agreements.

Ultimate beneficial owners: The natural person(s) who ultimately owns or controls an asset, entity or arrangement and who benefits from it, even if the ownership or control is exercised through another person or structure.

Unified border management system: A legal and institutional framework that requires Customs and other border agencies to coordinate controls at the border, including through shared risk assessment, joint inspections, and exchange of information, with the aim of streamlining clearance procedures and avoiding duplicative checks

Unsolicited commercial electronic messages (spam): Unrequested digital communications, typically sent in bulk for advertising or promotional purposes, that are directed to multiple recipients without their prior consent.

Vessel flag: Ships that are registered in a particular economy are authorized to fly the flag of that economy. The flag state is also considered the vessel’s nationality and has legal responsibility over it.

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.

PILLAR I–QUALITY OF THE REGULATORY FRAMEWORK FOR INTERNATIONAL TRADE	
Parameters	
Main Trading Partners	The three main trading partners with which the economy has the largest combined value of trade in goods and services, based on the UN COMTRADE (for goods data) and OECD-WTO (for services data) databases, using bilateral data for the period 2015-2019.
WTO Membership	The economy’s membership status at the World Trade Organization (WTO). The economy may be a WTO Member, a WTO Observer, or neither.

1.1 TRADE IN GOODS

1.1.1 Absence of Restrictions (Goods)

- 1. In practice, has [ECONOMY] introduced or increased its customs duties applicable to any tariff line from any partner in the three years preceding [CUT-OFF DATE]? (Y/N; N – good practice)**
- 2. Is mandatory pre-shipment inspection — either for customs valuation or for quality control purposes — required under the legal framework for any imported goods? (Y/N; N – good practice)**
- 3. Are any import quotas or tariff-rate quotas, established on imported goods under the legal framework? (Y/N; N – good practice)**
- 4. Are any price control measures, such as minimum import prices, reference prices, or variable levies, applied under the legal framework to imports of any goods? (Y/N; N – good practice)**
- 5. Is the deposit of a portion or all of the import value in advance — using measures such as advance import deposits or cash margin requirements — required of importers under the legal framework? (Y/N; N – good practice)**
- 6. In the last three years leading up to [CUT-OFF DATE], have any antidumping investigations — including sunset, interim or administrative reviews — been concluded with a final determination imposing or maintaining antidumping duties? (Y/N; N – good practice)**
- 7. Are any export taxes and duties on goods established under the legal framework? (Y/N; N – good practice)**

1.1.2 Facilitating Practices (Goods)

8. Is the use of standardized international customs documents, such as ATA carnets, for the temporary admission of goods explicitly authorized under the legal framework? (Y/N)

Note: Please answer No if carnets are only recognized as a basis for the temporary admission of specific categories of goods (such as CPD carnets for vehicles).

9. As of [CUT-OFF DATE], what is the value threshold in US Dollars (USD) below which low-value commercial consignments may be imported without incurring customs duties, as provided for in the legal framework (the duty de minimis threshold)? [NUMERIC ENTRY]

Note: The threshold should: (i) apply generally to low-value imports and not be limited to special cases (such as gifts, non-commercial imports, or duty-free allowances for travelers); (ii) be based on the customs value of the goods; (iii) apply specifically to customs duties (such as, thresholds that apply only to indirect taxes such as a Value-Added Tax (VAT) or a Goods and Services Tax (GST), or that provide for simplified or expedited procedures for certain transactions without actually exempting them from customs duties, are excluded).

If a value threshold as described is not set under the legal framework, please input 0. If multiple thresholds exist, please report the lowest one. Convert any local-currency amount to USD using the official exchange rate on [CUT-OFF DATE].

10. Are there formal procedures through which traders may apply for and receive advance rulings on the tariff classification of the goods covered by the application, as provided for in the legal framework? (Y/N)

11. Are there formal procedures through which traders may apply for and receive advance rulings on the origin of the goods covered by the application, as provided for in the legal framework? (Y/N)

12. Are there formal procedures through which traders may apply for and receive advance rulings on the customs value of the goods covered by the application, as provided for in the legal framework? (Y/N)

13. Is there a binding deadline within which customs (or the equivalent competent authority) must issue advance rulings — including those on tariff classification, determination of origin, and customs valuation — following the receipt of a complete application, as provided for in the legal framework? (Y/N)

Note: Please answer No if procedures for advance rulings are not provided for in the legal framework for all of the following: tariff classification, determination of origin, and customs valuation. Likewise, answer No if binding deadlines for all of these types of advance rulings are not set out in the legal framework.

14. Is there a binding deadline within which the authority responsible for appeals or reviews of customs decisions must issue its ruling, as set out in the legal framework? (Y/N)

15. Are the steps or methods that must be followed to conduct a science-based risk assessment for the adoption of import-related Sanitary and Phytosanitary (SPS) measures set out in the legal framework? (Y/N)

16. In practice, has [ECONOMY]'s responsible administrative authority published a science-based risk assessment on an official website for at least one Sanitary and Phytosanitary (SPS) measure adopted in the three years preceding [CUT-OFF DATE]? (Y/N)

Note: If no SPS measures were adopted in the reference period, please answer No.

17. Are the steps or methods that must be followed to conduct an ex ante regulatory impact assessment (RIA) before introducing or increasing tariffs set out in the legal framework? (Y/N)

18. In practice, has [ECONOMY]'s responsible administrative authority published an ex ante regulatory impact assessment on an official website before introducing or amending customs duties in the three years preceding [CUT-OFF DATE]? (Y/N)

19. Are the steps or methods that must be followed to conduct an ex ante regulatory impact assessment (RIA) before adopting or amending a technical regulation set out in the legal framework? (Y/N)

20. In practice, has [ECONOMY]'s responsible administrative authority published an ex ante regulatory impact assessment on an official website before the introduction or amendment of at least one technical regulation in the three years preceding [CUT-OFF DATE]? (Y/N)

Note: If no technical regulations were adopted in the reference period, please answer No.

21. Are the steps or methods to conduct formal public consultations open to all interested parties before introducing or amending a technical regulation set out in the legal framework? (Y/N)

Note: If formal public consultations are only foreseen in the context of an ex ante regulatory impact assessment (RIA), please answer No.

22. In practice, were formal public consultations conducted on an official website and open to all interested parties before introducing or amending at least one technical regulation in the three years preceding [CUT-OFF DATE]? (Y/N)

Note: The online portal must clearly present all necessary information for stakeholders to participate, and it must allow any user with internet access to easily submit their comments.

If no technical regulations were adopted in the reference period, please answer No.

23. In practice, are all interested parties participating in online formal public consultations on technical regulations given at least 30 calendar days to provide comments? (Y/N)

Note: If no technical regulations were adopted in the reference period, or if they were but no formal public consultations took place, please answer No.

24. In practice, does the responsible administrative authority address the comments received during the formal public consultation process by publishing a consolidated consultations report published on the above-mentioned portal(s) or website(s)? (Y/N)

Note: If no technical regulations were adopted in the reference period, or if they were but no formal public consultations took place, or if all interested parties were not given at least 30 calendar days to provide comments, please answer No.

1.1.3 Trade Cooperation (Goods)

25. Is [ECONOMY] party to any ratified and in force Preferential trade agreements that have not been formally notified to the World Trade Organization (WTO)? (Y/N; N – good practice)

26. Does [ECONOMY] have at least one free trade agreement or customs union in force with [PARTNER1], [PARTNER2], or [PARTNER3] that eliminates tariffs on substantially all trade by the end of the scheduled implementation period? (Y/N)

27. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] that provide for mutual recognition of conformity assessments for imports of any manufactured products? (Y/N)
28. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] that provide for mutual recognition of equivalence of Sanitary and Phytosanitary (SPS) measures for imports of any agricultural products? (Y/N)
29. In practice, does [ECONOMY] have a national institutionalized mechanism to receive and address complaints from private parties regarding compliance with trade-agreement obligations? (Y/N)
- Note: Please refer only to national mechanisms and not to regional ones (such as EU or ASEAN). Possible names for such mechanisms include: Trade Barrier Reporting Portal, Market Access/Trade Agreements Compliance Unit, Non-Tariff Barriers (NTB) Reporting System, Trade Complaints Office/Helpdesk, Business/Trade Ombudsman.*

1.1.4 Sustainable Trade (Goods)

30. Is a separate permit to trade in endangered species required under the legal framework for any import, export, or re-export of a specimen (including parts and derivatives) of endangered wild fauna and flora, including non-native species? (Y/N)
31. Is documentary evidence of a contract with the receiving facility — ensuring environmentally sound management (ESM) of the waste — required from exporters of hazardous waste as a condition for authorizing the transboundary movement, under the legal framework? (Y/N)
32. Is labelling of shipments containing chemicals — including persistent organic pollutants (POPs) —in alignment with the Globally Harmonized System for Classification and Labelling (GHS) required of exporters under the legal framework? (Y/N)
33. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] that provides private parties with a formal pathway (either direct standing or a petition process) to address alleged violations of the right to collective bargaining and freedom of association? (Y/N)
34. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] on the mutual recognition or linkage of emissions trading systems (ETS)? (Y/N)

1.1 TRADE IN GOODS			
1.1.1 Absence of Restrictions (Goods)			
Indicators	FFP	SBP	Total Points
Absence of Tariff Measures (1 AND 7)	1	1	2
Absence of Non-Tariff Measures (2 AND 3 AND 4 AND 5 AND 6)	1	1	2
Total Points	2	2	4
1.1.2 Facilitating Practices (Goods)			

Indicators	FFP	SBP	Total Points
Facilitated Temporary Admission of Goods (8)	1	1	2
Duty-Free Treatment for Low-Value Commercial Shipments (De Minimis Threshold) (9)	1	1	2
Advance Rulings Framework with Binding Issuance and Appeal Deadlines (10 AND 11 AND 12 AND 13 AND 14)	1	1	2
Science-Based Risk Assessment for Sanitary and Phytosanitary Measures (15 AND 16)	1	1	2
Ex Ante Regulatory Impact Assessment for Tariff Measures (17 AND 18)	1	1	2
Ex Ante Regulatory Impact Assessment and Public Consultation for Technical Regulations (19 AND 20 AND 21 AND 22 AND 23 AND 24)	1	1	2
Total Points	6	6	12
1.1.3 Trade Cooperation (Goods)			
Indicators	FFP	SBP	Total Points
No Preferential Trade Agreement Not Formally Notified to the World Trade Organization* (25)	1	1	2
Establishment of Free Trade Agreement or Customs Union Covering Substantially All Trade with a Main Trading Partner (26)	1	1	2
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Conformity Assessments (27)	1	1	2
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Equivalence of Sanitary and Phytosanitary Measures (28)	1	1	2
Existence of National Mechanism to Address Complaints on Trade-Agreement Compliance (29)	1	1	2
Total Points	5	5	10
<i>World Trade Organization member economies may score a total of 10 points across these indicators (5 points on firm flexibility and 5 points on social benefits). Non-World Trade Organization member economies may score a total of 8 points across these indicators (4 points on firm flexibility and 4 points on social benefits). The scores of non-World Trade Organization member economies will be rescaled at the subcategory level.</i>			
1.1.4 Sustainable Trade (Goods)			
Indicators	FFP	SBP	Total Points
Separate Permit Required for Trade in Endangered Species (30)	n/a	1	1
Documentary Evidence of Environmentally Sound Management Contract Required for Hazardous Waste Exports (31)	n/a	1	1
Labelling of Chemical Shipments in Accordance with the Globally Harmonized System Required of Exporters (32)	n/a	1	1
Justiciable Commitments in an International Agreement with a Main Trading Partner–Pathway for Private Parties to Address Violations of Collective Bargaining and Freedom of Association (33)	n/a	1	1
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition or Linkage of Emissions Trading Systems (34)	n/a	1	1
Total Points	n/a	5	5

Note: n/a = not applicable (refers to cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Point; SBP = Social Benefits Point.

*See Section 5.2.4.

1.2 TRADE IN TRANSPORT AND LOGISTICS SERVICES

1.2.3 Trade Cooperation (Services)

35. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] on the mutual recognition of professional qualifications and certifications? (Y/N)
36. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER 1], [PARTNER 2], or [PARTNER 3] that provide for the temporary movement of natural persons for business purposes? (Y/N)

1.2 TRADE IN TRANSPORT AND LOGISTICS SERVICES			
1.2.3 Trade Cooperation (Services)			
Indicators	FFP	SBP	Total Points
Justiciable Commitments in an International Agreement with a Main Trading Partner–Mutual Recognition of Professional Qualifications and Certifications in the Transport and Logistics Sectors (35)	1	1	2
Justiciable Commitments in an International Agreement with a Main Trading Partner–Temporary Movement of Natural Persons for Business Purposes (36)	1	1	2
Total Points	2	2	4

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

*Subcategory 1.2.3 shared with Trade Regulations–Services questionnaire.

1.3 DIGITAL TRADE

1.3.3 Trade Cooperation (Digital)

37. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] to ensure cross-border data transfer for the conduct of the business? (Y/N)
38. Has [ECONOMY] undertaken any justiciable commitments in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] prohibiting the mandatory disclosure of source code (or algorithms) as a condition for market access? (Y/N)

1.3.4 Sustainable Trade (Digital)

39. Do the justiciable commitments on cross-border data transfer in an international agreement with [PARTNER1], [PARTNER2], or [PARTNER3] include legal safeguards for personal information? (Y/N)

Note: Please answer No if no justiciable commitments on cross-border electronic data transfer have been undertaken in an international agreement with any of the three specified economies.

1.3 DIGITAL TRADE
1.3.3 Trade Cooperation (Digital)

Indicators	FFP	SBP	Total Points
Justiciable Commitments in an International Agreement with a Main Trading Partner–Cross-Border Data Transfer for Business (37)	1	1	2
Justiciable Commitments in an International Agreement with a Main Trading Partner–Prohibition of Mandatory Disclosure of Source Code or Algorithms (38)	1	1	2
Total Points	2	2	4
1.3.4 Sustainable Trade (Digital)*			
Indicators	FFP	SBP	Total Points
Personal Data Protection for Cross-Border Digital Trade (39) <i>Points for this indicator are awarded only if the responses to Questions 11 and 12 in the Digital Trade questionnaire are both “Yes”</i>	n/a	1	1
Total Points	n/a	1	1

Note: n/a = not applicable (refers to cases when the impact on firms or society is either ambiguous or nonexistent).
FFP = Firm Flexibility Point; SBP = Social Benefits Point.

*Subcategory 1.3.4 shared with Digital Trade questionnaire.

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 THE REGULATORY FRAMEWORK FOR INTERNATIONAL TRADE	
Parameters	
Active Trade Flows by Transport Mode	The active international trade flows available to an economy across maritime, air, or land routes. These may depend on its physical and/or political geography.
Service Sectors and Subsectors	Market access is assessed across three freight transportation sectors in this questionnaire: maritime freight, air freight, and road freight.
Main Trading Partner(s)	The three main trading partners with which the economy has the largest combined value of trade in goods and services, based on the UN COMTRADE (for goods data) and OECD-WTO (for services data) databases, using bilateral data for the period 2015-2019.

1.2 TRADE IN TRANSPORT AND LOGISTICS SERVICES

1.2.1 Absence of Restrictions (Services)

- Can foreign vessels be registered in the national ship registry without being subject to nationality or local residence requirements according to the applicable legal framework? (Y/N)**
- Are foreign vessels permitted under the applicable legal framework to carry domestic cargo between two domestic ports (cabotage) under any general circumstances (such as specified routes/seasons, emergency, or types of vessels)? (Y/N)**
Note: Answer Yes if cabotage is permitted under defined conditions, such as specific geographic routes (such as island supply lines), seasonal demand, vessel categories (such as specialized tankers, feeder vessels, or passenger ferries), or emergency situations (such as natural disaster relief). Please answer No if the legal framework does not permit cabotage, or if it allows it only through discretionary, ad hoc, or case-by-case exceptions.
- Are port charges required to be applied uniformly and without discrimination based on a vessel's flag of registry or voyage origin/destination according to the applicable legal framework? (Y/N)**

4. **Is the carriage of specific cargo types reserved to vessels registered under certain flags according to the applicable legal framework? (Y/N; N – good practice)**
Note: Answer Yes if, for example, a law may reserve a share (50% or 100%) of crude oil or other strategic commodities for transport by vessels under the national flag. Such requirements may also arise from cargo-sharing agreements between two or more economies. Answer No if restrictions on vessel flags apply only to military or security-related cargo.
5. **Are foreign firms permitted to provide port and ancillary services (such as port agent, tug and tow services, etc.) according to the applicable legal framework? (Y/N)**
Note: For ports which only allow one or a limited number of service providers, answer Yes if the legal framework requires contracts to be allocated through an open and competitive procurement process that permits participation by foreign firms.
6. **Can foreign firms obtain an air service license covering cargo without being subject to nationality or local residence requirements according to the applicable legal framework? (Y/N)**
7. **Are foreign firms permitted to carry cargo between two domestic airports (also known as cabotage rights, or 8th and 9th freedoms of the air) under the applicable legal framework, including any Air Service Agreements (ASAs) in force? (Y/N)**
Note: Please answer No if the legal framework does not permit cabotage, or if it allows it only through discretionary, ad hoc, or case-by-case exceptions.
8. **Are foreign firms permitted to provide airport ground handling services (including cargo management) under the applicable legal framework? (Y/N)**
Note: For airports that only allow one or a limited number of service providers, answer Yes if the legal framework requires contracts to be allocated through an open and competitive procurement process that permits participation by foreign firms.
9. **Are foreign firms performing road freight operations permitted under the applicable legal framework to perform domestic road freight operations between two points in the economy (cabotage) under any general circumstances (such as specified routes/seasons, or after an international cargo delivery)? (Y/N)**
Note: Please answer No if the legal framework does not permit cabotage, or if it allows it only through discretionary, ad hoc, or case-by-case exceptions.
10. **Are foreign firms performing road freight operations subject under the applicable legal framework to establishment or operating conditions that are not equally applied to domestic firms (such as additional license category, higher fees, specific approval regime)? (Y/N; N – good practice)**
Note: Please answer Yes if foreign firms are not permitted to carry out road freight operations.
11. **Are foreign firms performing road freight operations subject to quantitative restrictions under the applicable legal framework (such as economic needs tests, cap on number or share of firms/vehicles) that do not apply to domestic firms? (Y/N; N – good practice)**
Note: Please answer Yes if foreign firms are not permitted to carry out road freight operations.
12. **Are foreign professional truck drivers engaged in international road freight permitted under the applicable legal framework to use a multiple-entry visa to deliver cargo domestically or transit through the economy? (Y/N)**

- 13. Is a license, registration, or certification required to operate as a customs broker/agent under the applicable legal framework? (Y/N) (not scored)**
- 14. Can a foreign person obtain a customs broker/agent license, registration, or certification without being subject to nationality or local residence requirements according to the applicable legal framework? (Y/N)**
Note: Please answer Yes if no license, registration, or certification for customs brokers/agents is required under the applicable legal framework. Please answer No if only nationals from specific economies can become licensed customs brokers.
- 15. Are there any quantitative restrictions (such as economic needs tests, or cap on the number or share of firms or individuals) on the issuance or renewal of licenses, registration, or certification for foreign customs brokers/agents that do not apply to domestic ones under the applicable legal framework? (Y/N; N – good practice)**
Note: Please answer No if no license, registration, or certification for customs brokers/agents is required under the applicable legal framework. Please answer Yes if foreign persons are not permitted to become licensed customs brokers/agents.
- 16. Must customs declarations be lodged through a customs broker/agent under the applicable legal framework? (Y/N; N – good practice)**
Note: Please answer No if there is no licensing regime for customs brokers/agents established by the legal framework.
- 17. Can foreign firms obtain a license to operate customs-approved storage and warehousing facilities without being subject to nationality or local residence requirements according to the applicable legal framework? (Y/N)**

1.2.2 Facilitating Practices (Services)

- 18. Are pricing agreements between liner carriers (such as consortia/alliances) prohibited under rules on anticompetitive practices? (Y/N)**
Note: Please answer No if pricing agreements between liner carriers are subject to a block exemption without competition-type review, if they are regulated only under sector-specific administrative rules without equivalent competition oversight, or if no applicable competition/antitrust law exists.
- 19. Are foreign maritime crew members permitted to enter [ECONOMY] without having to obtain a visa and remain for at least 48 hours in its territory according to the applicable legal framework? (Y/N)**
Note: Please answer No if the visa-exemption regime requires payment, is subject to approval, or only applies to nationals of specific economies.
- 20. Is there a presumption of liability for carriers in case of cargo loss or damage during maritime transport unless they can successfully invoke a listed statutory defense (such as perils of the sea/force majeure) according to the applicable legal framework? (Y/N)**
- 21. Are pricing agreements between airlines (such as alliances/joint ventures) prohibited under rules on anticompetitive practices? (Y/N)**
Note: Please answer No if pricing agreements between airlines are subject to a block exemption without competition-type review, if they are regulated only under sector-specific administrative rules without equivalent competition oversight, or if no applicable competition/antitrust law exists.

22. Are all airlines (including domestic airlines) required under the applicable legal framework to forfeit an airport slot if they do not use it at least a specified percentage of the time? (Y/N)
23. Are pricing agreements between road freight operators (such as alliances/partnerships/joint ventures) prohibited under rules on anticompetitive practices? (Y/N)
Note: Please answer No if pricing agreements between road freight operators are subject to a block exemption without competition-type review, if they are regulated only under sector-specific administrative rules without equivalent competition oversight, or if no applicable competition/antitrust law exists.
24. Are pricing guidelines (whether issued by trade associations or by government bodies) for customs brokerage services prohibited under rules on anticompetitive practices? (Y/N)
Note: Please answer No if pricing agreements between customs brokerage service providers are subject to a block exemption without competition-type review, if they are regulated only under sector-specific administrative rules without equivalent competition oversight, or if no applicable competition/antitrust law exists.
25. Is a simplified declaration with a defined minimal data set prescribed for express shipments under the applicable legal framework? (Y/N)
26. Are electronic bills of lading recognized under the applicable legal framework as having the same legal validity as paper bills of lading, including the transfer of rights and obligations under the contract of carriage? (Y/N)
27. In practice, are electronic bills of lading accepted in [ECONOMY] for the transfer of rights and obligations under the contract of carriage as of [CUT-OFF DATE]? (Y/N)

1.2.3 Trade Cooperation (Services)

28. Does [ECONOMY] have at least one Air Service Agreement (ASA) in force with [PARTNER1], [PARTNER2], or [PARTNER3] that allow airlines to freely determine their routes, pricing, service frequency and capacity (also known as 'Open Skies' agreements) for cargo transport? (Y/N)
29. Are international road freight operations with [NEIGHBOR_PARTNER] permitted under the applicable legal framework without trip-based permits or quotas? (Y/N)
Note: Please answer No if exceptions are made on a nationality or ad hoc basis.

1.2.4 Sustainable Trade (Services)

30. Is disclosure of ultimate beneficial owners for vessels registered in the national ship registry required according to the applicable legal framework? (Y/N)
31. Are vessels in the national ship registry and those sailing into the waters of [ECONOMY] required under the applicable legal framework to use fuel with a low sulfur content or an approved equivalent method, according to the IMO 2020 rule? (Y/N)
32. Are International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) standards and recommended practices (SARPs) incorporated in the legal framework of [ECONOMY]? (Y/N)

33. Is a statutory driving time of no more than 9 hours per day established for truck drivers under the applicable legal framework? (Y/N)
34. Are mandatory fuel-economy or CO₂ emission standards for heavy-duty vehicles established under the applicable legal framework? (Y/N)
35. Are customs brokers/agents required to complete training and certification aligned with international standards in order to be permitted to process transactions involving hazardous materials under the applicable legal framework? (Y/N)
36. Are cargo handlers required to complete training and certification aligned with international standards in order to be permitted to handle hazardous materials under the applicable legal framework? (Y/N)
37. Are storage and warehousing facilities required to comply with fire safety guidelines aligned with international standards (such as NFPA standards) under the applicable legal framework? (Y/N)

1.2 TRADE IN TRANSPORT AND LOGISTICS SERVICES			
1.2.1 Absence of Restrictions (Services)*			
Indicators	FFP	SBP	Total Points
Absence of Restrictions on Foreign Maritime Transport Services (1 AND 2 AND 3 AND 4 AND 5)** <i>This indicator assesses only economies with active maritime trade flows</i>	1	1	2
Absence of Restrictions on Foreign Air Cargo Transport Services (6 AND 7 AND 8)** <i>This indicator assesses only economies with active air trade flows</i>	1	1	2
Absence of Restrictions on Foreign Road Freight Transport Services (9 AND 10 AND 11 AND 12)** <i>This indicator assesses only economies with active land trade flows</i>	1	1	2
Absence of Restrictions on Foreign Customs Brokerage and Warehousing Services (14 AND 15 AND 16 AND 17) <i>Points for this indicator are awarded only if the response to Question 1 in the Trade–Public Services questionnaire is “No”</i>	1	1	2
Total Points	4	4	8
<i>Economies with active trade flows across maritime, air, and land routes may score a total of 8 points (4 points on firm flexibility and 4 points on social benefits). The score of economies for which any of the trade routes may not apply will be rescaled accordingly.</i>			
1.2.2 Facilitating Practices (Services)			
Indicators	FFP	SBP	Total Points
Pro-Competitive Regulation of Maritime Transport Services (18 AND 19 AND 20)** <i>This indicator assesses only economies with active maritime trade flows</i>	1	1	2
Pro-Competitive Regulation of Air Transport Services (21 AND 22)** <i>This indicator assesses only economies with active air trade flows</i>	1	1	2
Pro-Competitive Regulation of Road Freight Transport Services (23)** <i>This indicator assesses only economies with active land trade flows</i>	1	1	2

Facilitated Trade Logistics through Competition and Digitalization (24 AND 25 AND 26 AND 27)	1	1	2
Total Points	4	4	8
<i>Economies with active trade flows across maritime, air, and land routes may score a total of 8 points (4 points on firm flexibility and 4 points on social benefits). The score of economies for which any of the trade routes may not apply will be rescaled accordingly.</i>			
1.2.3 Trade Cooperation (Services)***			
Indicators	FFP	SBP	Total Points
Air Service Agreement with a Main Trading Partner including Open Skies Provisions for Cargo Transport (28)** <i>This indicator assesses only economies with active air trade flows</i>	1	1	2
International Road Freight Operations with Main Land Border Partner Permitted without Trip-Based Permits or Quotas (29)** <i>This indicator assesses only economies with active land trade flows</i>	1	1	2
Total Points	2	2	4
<i>Economies with active trade flows across air and land routes may score a total of 8 points (4 points on firm flexibility and 4 points on social benefits), including indicators whose data is captured by the Trade Regulations-Goods questionnaire. The score of economies for which any of the trade routes may not apply will be rescaled accordingly.</i>			
1.2.4 Sustainable Trade (Services)			
Indicators	FFP	SBP	Total Points
Beneficial Ownership Transparency in Transport Services (30)** <i>This indicator assesses only economies with active maritime trade flows</i>	n/a	1	1
Environmental and Climate Standards for Transport Services (31 AND 32 AND 34)** <i>Question 31 assesses only economies with active maritime trade flows</i> <i>Question 32 assesses only economies with active air trade flows</i> <i>Question 34 assesses only economies with active land trade flows</i>	n/a	1	1
Safety and Working-Conditions Standards in Transport and Logistics (33 AND 37)** <i>Question 37 assesses only economies with active land trade flows</i>	n/a	1	1
Training and Certification Requirements for Handling Hazardous Materials (35 AND 36)	n/a	1	1
Total Points	n/a	4	4
<i>Economies with active trade flows across maritime, air, and land routes may score a total of 4 points (2 points on firm flexibility and 2 points on social benefits). The score of economies for which any of the trade routes may not apply will be rescaled accordingly.</i>			

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

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

*Subcategory 1.2.1 shared with Trade–Public Services questionnaire.

**See Section 5.1.1.

***Subcategory 1.2.3 shared with Trade Regulations–Goods questionnaire.

PILLAR II–QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE	
Parameters	
Active Trade Flows by Transport Mode	The active international trade flows available to an economy across maritime, air, or land routes. These may depend on its physical and/or political geography.

Service Sectors and Subsectors	Market access is assessed across three freight transportation sectors in this questionnaire: maritime freight, air freight, and road freight.

2.1 TRANSPARENCY OF TRADE REGULATIONS

2.1.3 Online Information on Transport and Logistics Services

38. In practice, are all the procedures, fees, and forms needed to register a vessel in the national ship registry of [ECONOMY] published on any official website as of [CUT-OFF DATE]? (Y/N)

Note: As of [CUT-OFF DATE], the information on procedures, fees, and forms should be up to date and continuously accessible, rather than available only during specific periods.

39. In practice, are all the procedures, fees, and forms needed to obtain or renew an air service license covering cargo published on any official website of [ECONOMY]? (Y/N)

Note: The information on procedures, fees and forms should be up to date as of [CUT-OFF DATE] and accessible continuously rather than for specific periods of time.

40. In practice, are all the procedures, fees, and forms needed to obtain the license or registration necessary to become a road freight operator published on any official website of [ECONOMY]? (Y/N)

Note: Please answer Yes if there is no licensing or registration regime for road transport operators established by law, other than basic safety requirements to obtain a driving license. As of [CUT-OFF DATE], the information on procedures, fees and forms should be up to date and accessible continuously rather than for specific periods of time.

41. In practice, are all the procedures, fees, and forms necessary to obtain a customs broker/agent license, registration, or certification published on any official website of [ECONOMY]? (Y/N)

Note: Please answer Yes if no license, registration, or certification for customs brokers/agents is required under the applicable legal framework as of [CUT-OFF DATE]. Please answer No if the procedures, fees, and documents are only published periodically or on an ad hoc basis.

42. In practice, are all the procedures, fees, and forms needed to obtain the license or registration necessary to operate customs-approved storage and warehousing facilities published on any official website of [ECONOMY]? (Y/N)

Note: As of [CUT-OFF DATE], the information on procedures, fees and forms should be up to date and accessible continuously rather than for specific periods of time. Please exclude licenses and permits linked to Special Economic Zones (SEZs), including free zones.

2.1 TRANSPARENCY OF TRADE REGULATIONS			
2.1.3 Online Information on Transport and Logistics Services			
Indicators	FFP	SBP	Total Points
Official Website Publishes Licensing and Registration Requirements for Freight Transport Services (38 AND 39 AND 40)* <i>Question 38 assesses only economies with active maritime trade flows</i> <i>Question 39 assesses only economies with active air trade flows</i> <i>Question 40 assesses only economies with active land trade flows</i>	1	1	2
Official Website Publishes Licensing and Registration Requirements for Customs Brokerage and Warehousing Services (41 AND 42)	1	1	2
Total Points	2	2	4

Economies with active trade flows across maritime, air, and land routes may score a total of 4 points (2 points on firm flexibility and 2 points on social benefits). The score of economies for which any of the trade routes may not apply will be rescaled accordingly.

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

*See Section 5.1.1.

2.2 DIGITALIZATION AND INTEROPERABILITY OF TRADE FACILITATION SERVICES

2.2.3 Electronic Services for Transport and Logistics Services

43. In practice, is it possible to complete the application for registering a vessel in the national ship registry entirely through electronic means (that is, without the need to submit paper documents)?

44. In practice, can the application to obtain or renew an air service license covering cargo be completed entirely electronically (that is, without the need to submit paper documents)?

45. In practice, can the application to obtain a road freight operator license or registration be completed entirely electronically (that is, without the need to submit paper documents)?

Note: Please answer Yes if there is no licensing or registration regime for road freight operators established by law, other than basic safety requirements to obtain a heavy-duty vehicle driving license.

46. In practice, can the application to obtain a customs broker/agent license, registration, or certification be completed entirely electronically (that is, without the need to submit paper documents)?

Note: Please answer Yes if no license, registration, or certification for customs brokers/agents is required under the applicable legal framework.

47. In practice, can the application to obtain a license to operate customs-approved storage and warehousing facilities be completed entirely electronically (that is, without the need to submit paper documents)?

2.2 DIGITALIZATION AND INTEROPERABILITY OF TRADE FACILITATION SERVICES			
2.2.3 Electronic Services for Transport and Logistics Services*			
Indicators	FFP	SBP	Total Points
Electronic Completion of Licensing and Registration for Freight Transport Services (43 AND 44 AND 45)**	1	1	2
Electronic Completion of Licensing and Registration for Customs Brokerage and Warehousing Services (46 AND 47)	1	1	2
Total Points	2	2	4
<i>Economies with active trade flows across maritime, air, and land routes may score a total of 6 points (2 points on firm flexibility and 2 points on social benefits), including indicators whose data is captured by the Trade – Public Services questionnaire. The score of economies for which any of the trade routes may not apply will be rescaled accordingly.</i>			

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

*Subcategory 2.2.3 shared with Trade – Public Services questionnaire.

**See Section 5.1.1.

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.

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 THE REGULATORY FRAMEWORK FOR INTERNATIONAL TRADE

1.3 DIGITAL TRADE

1.3.1 Absence of Restrictions (Digital)

- 1. Does the legal framework require suppliers of cross-border digitally delivered services to use a specific commercial cryptographic method or provider, contrary to the technology-neutrality principle? (Y/N; N – good practice)**

Note: Please answer No if the legal framework only establishes general security or encryption requirements, or if restrictions apply solely for national security or law-enforcement purposes.

- 2. Does the legal framework require a specialized license to provide goods or services digitally, beyond a general business license or sector-specific requirements? (Y/N; N – good practice)**

Note: Please include only licensing requirements that apply because a service is delivered digitally. For example, an ISP license required solely for providing online streaming should be captured, but a general telecom license applying to all providers should be excluded.

- 3. Does the legal framework establish any restrictions on cross-border supply of online services based on the content they host, transmit, or display (e.g., news/media or audiovisual/cultural works)? (Y/N; N – good practice)**

Note: Please answer No if restrictions apply only to illegal material (e.g., child abuse, incitement, IP violations) or if rules are content-neutral (e.g., cybersecurity, data protection).

- 4. Does the legal framework establish any data localization requirements as conditions for cross-border trade? (Y/N; N – good practice)**

- 5. Does the legal framework establish any regulatory charges on cross-border electronic payments (e.g., taxes, foreign exchange fees, or border levies)? (Y/N; N – good practice)**

- 6. Does the legal framework set any limits on the value of cross-border electronic payments (whether per transaction or cumulatively over a period) for residents of [ECONOMY] or payment service providers established in [ECONOMY]? (Y/N; N – good practice)**

Note: Please exclude thresholds used solely for AML/CFT reporting/monitoring, sanctions compliance, or prudential limits specific to regulated entities.

- 7. Does the VAT/GST treatment set out in the legal framework discriminate between resident and non-resident suppliers of digitally ordered or digitally delivered goods and services to customers in [ECONOMY]? (Y/N; N – good practice)**

Note: Discriminatory treatment entails a higher VAT/GST rate or compliance burden. Perfectly identical treatment is not required, but neither residents nor non-residents should be given a competitive advantage over the other by virtue of their VAT/GST treatment.

1.3.2 Facilitating Practices (Digital)

- 8. Is the use of cross-border digital identity verification (eKYC) permitted under the legal framework? (Y/N)**
- 9. Does the legal framework explicitly recognize the use of digital currencies for cross-border payments? (Y/N)**
- 10. Does the legal framework allow non-resident suppliers of digitally ordered or digitally delivered goods and services to customers in [ECONOMY] to fulfill VAT/GST obligations remotely, without requiring a local tax representative or physical presence? (Y/N)**

1.3.4 Sustainable Trade (Digital)

- 11. Does the legal framework establish principles of personal data protection that are applicable to cross-border data flows? (Y/N)**
- 12. Does the legal framework require the establishment of specific data transfer agreements or the obtaining of formal consent from data subjects prior to the cross-border transfers of personal data? (Y/N)**
- 13. Does the legal framework require foreign providers of digitally ordered goods and services to publicly disclose their merchant information to local consumers (business address, registration number, and contact details)? (Y/N)**
- 14. Does the legal framework require foreign providers of digitally ordered goods and services to publicly disclose their product information relevant to safety and usability (e.g., key functionality, safety warnings, age restrictions, ingredient lists, or images of physical labels consistent with offline requirements) to local consumers? (Y/N)**
- 15. Does the legal framework set any limits on unsolicited commercial electronic messages (Spam)? (Y/N)**
- 16. Does the legal framework require foreign providers of digitally ordered goods and services to provide the right to cancel online purchases within a designated period without providing any justification or incurring any penalty to local consumers? (Y/N)**
- 17. Does the legal framework establish that local consumers have the right to receive refunds, replacements, or returns from foreign providers when goods arrive damaged? (Y/N)**

18. Does the legal framework require foreign providers of digitally ordered goods and services to publicly disclose their refund and cancellation policy (e.g., right to cancel, timelines for refunds to local consumers)? (Y/N)
19. According to the legal framework, is a competent authority or court empowered to impose enforceable sanctions (such as administrative fines or binding cease-and-desist/refund orders) against suppliers with no local establishment that sell to consumers in [ECONOMY] for non-compliance with online consumer protection rules? (Y/N)
20. Does the legal framework require foreign providers of digitally ordered goods and services to publicly disclose the availability of consumer redress mechanisms, including out-of-court complaint options (e.g., mediation, consumer protection bodies) to local consumers? (Y/N)

1.3 DIGITAL TRADE*			
1.3.1 Absence of Restrictions (Digital)			
Indicators	FFP	SBP	Total Points
Absence of Digital Market Entry and Technology-Forcing Requirements (1 AND 2)	1	1	2
Absence of Restrictions on Cross-Border Data Flows and Online Content (3 AND 4)	1	1	2
Absence of Charges and Value Limits on Cross-Border Electronic Payments (5 AND 6)	1	1	2
Absence of Discriminatory VAT/GST Treatment for Digital Trade (7)	1	1	2
Total Points	4	4	8
1.3.2 Facilitating Practices (Digital)			
Indicators	FFP	SBP	Total Points
Use of Cross-Border Digital Identity Verification (eKYC) Permitted (8)	1	1	2
Use of Digital Currencies for Cross-Border Payments Recognized (9)	1	1	2
Remote Fulfillment of VAT/GST Obligations Permitted for Non-Resident Suppliers of Digitally Ordered or Delivered Goods and Services (10)	1	1	2
Total Points	3	3	6
1.3.4 Sustainable Trade (Digital)**			
Indicators	FFP	SBP	Total Points
Personal Data Protection for Cross-Border Digital Trade (11 AND 12) <i>Points for this indicator are awarded only if the response to Question 39 in the Trade Regulations–Goods questionnaire is “Yes”</i>	n/a	1	1
Online Consumer Protection in Cross-Border Digital Trade (13 AND 14 AND 15 AND 16 AND 17 AND 18 AND 19 AND 20)	n/a	1	1
Total Points	n/a	2	2

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

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

*The data on these indicators are collected through the Utility Services (Internet), Financial Services (Electronic Payments), and Taxation questionnaires.

**Subcategory 1.3.4 shared with Trade Regulations–Goods questionnaire.

TRADE–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 THE REGULATORY FRAMEWORK FOR INTERNATIONAL TRADE

1.2 TRADE IN TRANSPORT AND LOGISTICS SERVICES

1.2.1 Absence of Restrictions (Services)

1. In practice, does any official electronic platform(s), including the Electronic Single Window, make access to its services conditional on possessing a national identification number or equivalent domestic-only identifier that is not available to foreign traders? (Y/N; N – good practice)

1.2 TRADE IN TRANSPORT AND LOGISTICS SERVICES			
1.2.1 Absence of Restrictions (Services)*			
Indicators	FFP	SBP	Total Points
Absence of Restrictions on Foreign Customs Brokerage and Warehousing Services (1) <i>Points for this indicator are awarded only if the responses to Questions 14 and 17 in the Trade Regulations–Services questionnaire are both “Yes” and Questions 15 and 16 in that questionnaire are both “No”</i>	1	1	2
Total Points	1	1	2

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

*Subcategory 1.2.1 shared with Trade Regulations–Services questionnaire.

PILLAR II–QUALITY OF PUBLIC SERVICES FOR THE FACILITATION OF INTERNATIONAL TRADE

Parameters	
Main Customs Border Posts	The quality of physical trade infrastructure is assessed across three types of trade nodes: seaports, airports, and land border posts. The main border in terms of the value of trade flows is considered for each of these trade nodes.

Active Trade Flows by Transport Mode	The active international trade flows available to an economy across maritime, air, or land routes. These may depend on its physical and/or political geography.
Main Trading Partner(s)	The three main trading partners with which the economy has the largest combined value of trade in goods and services, based on the UN COMTRADE (for goods data) and OECD-WTO (for services data) databases, using bilateral data for the period 2015-2019.

2.1 TRANSPARENCY OF TRADE REGULATIONS

2.1.1 Online Information on Tariff and Non-Tariff Measures

2. In practice, does any official website of [ECONOMY] provide an explanation of the steps required to import and export goods (for example with a page summary, guidelines, manuals, flowcharts, or videos)? (Y/N)
3. In practice, does any official website of [ECONOMY] provide an explanation of the steps required to engage in cross-border e-commerce (for example with a page summary, guidelines, manuals, flowcharts, or videos)? (Y/N)
4. In practice, does any official website of [ECONOMY] offer the option to search for applied rates of all applicable duties, taxes, and fees of any kind imposed on or in connection with import and export (including any relevant preferential tariffs) by HS code and by applicable date? (Y/N)
5. In practice, does any official website of [ECONOMY] provide an explanation of the steps required to import and export products subject to technical regulations or sanitary and phytosanitary measures (for example with a page summary, guidelines, manuals, flowcharts, or videos)? (Y/N)
6. In practice, does any official website of [ECONOMY] offer the option to search for all applicable non-tariff measures (e.g. certifications, sanitary regulations, bans, quotas, including any relevant preferential regimes) by HS code and by applicable date? (Y/N)
7. In practice, does any official website of [ECONOMY] provide a tool that allows users to search for all applicable rules of origin, by HS code and by product description? (Y/N)
8. In practice, does any official website of [ECONOMY] provide an explanation of the preferential trade agreements in force (for example with a page summary, guidelines, manuals, flowcharts, or videos)? (Y/N)
9. In practice, does any official website of [ECONOMY] provide the list, along with the full text, or summary, of the advanced rulings adopted by the customs authorities in the last three years leading to [CUT-OFF DATE]? (Y/N)
10. In practice, does any official website of [ECONOMY] provide advance notices about upcoming regulatory changes relevant to international trade describing how the changes will affect existing import and export procedures? (Y/N)
11. In practice, does any official website of [ECONOMY] include an email address for a single enquiry point providing an estimated timeframe for response? (Y/N)

12. In practice, does any official website of [ECONOMY] publish data on international trade in goods on at least a yearly basis, with statistics searchable by HS code, partner, and point of entry/exit? (Y/N)

2.1.2 Comprehensive Trade Information Portal

13. In practice, is all the above information published on a single national Trade Information Portal? (Y/N)

Note: A TIP can be hosted on an independent website, or on the websites of any official public agency (e.g. the Ministry of Commerce or the Customs Administration), as long as all the information above is presented on a single platform.

14. In practice, does the Trade Information Portal display a visible “last updated” date indicating that the information has been updated within the past six months? (Y/N)

Note: Please answer No if there is no single Trade Information Portal.

15. In practice, does the Trade Information Portal provide a language selection option that makes all pages accessible in the official national language(s) and in English? (Y/N)

Note: Please answer No if there is no single Trade Information Portal.

16. In practice, does the Trade Information Portal include a toll-free number or an AI-powered chatbot that can answer frequently asked questions (FAQs)? (Y/N)

Note: Please answer No if there is no single Trade Information Portal.

2.1 TRANSPARENCY OF TRADE REGULATIONS			
2.1.1 Online Information on Tariff and Non-Tariff Measures			
Indicators	FFP	SBP	Total Points
Official Website Provides End-to-End Procedural Guidance for Importing and Exporting Goods (2 AND 3 AND 5 AND 8)	1	1	2
Official Website Provides Searchable Product-Specific Market Access Information (4 AND 6 AND 7)	1	1	2
Official Website Provides Advance Transparency on Trade Rules and Their Application (9 AND 10)	1	1	2
Official Website Provides a Single Enquiry Point with a Stated Response Timeframe (11)	1	1	2
Official Website Publishes Detailed and Searchable Trade Statistics (12)	1	1	2
Total Points	5	5	10
2.1.2 Comprehensive Trade Information Portal			
National Trade Information Portal Is Maintained and Kept Up to Date (13 AND 14)	1	1	2
National Trade Information Portal Is Accessible and User-Friendly (15 AND 16)	1	1	2
Total Points	2	2	4

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

2.2 DIGITALIZATION AND INTEROPERABILITY OF TRADE FACILITATION SERVICES

2.2.1 Electronic Trade Facilitation Services

- 17. In practice, is it possible to submit all required documentation for customs clearance (including customs declarations) through an official electronic platform, without any paper submission, and to receive the final clearance decision through the same platform? (Y/N)**

Note: Consider all documents necessary for customs clearance, including transport documents and financial instruments, as well as any government-issued certificates or authorizations (including Sanitary and Phytosanitary (SPS) certificates, technical regulation certificates, certificates of origin (COs), environmental certificates, and border security certificates).

- 18. In practice, is it possible to submit all required documentation for customs clearance of express shipments (including customs declarations) through an official electronic platform, without any paper submission, and to receive the final clearance decision through the same platform? (Y/N)**

Note: Please answer Yes only if express consignments are subject to dedicated expedited procedures (e.g., simplified declarations, pre-arrival submission, accelerated clearance).

Please answer No if express consignments follow the same clearance workflow as standard cargo.

- 19. In practice, is it possible to submit electronic financial instruments necessary for customs clearance (such as electronic letters of credit (e-LCs), electronic bank guarantees, electronic customs bonds, electronic transit guarantees, and electronic insurance certificates) through the same official electronic platform(s) referred to in questions 16 and 17 above? (Y/N)**

Note: Please answer No if only scanned or uploaded copies of paper-based instruments (e.g., PDFs of signed originals) are accepted, rather than true electronic instruments.

- 20. In practice, is it possible to submit all applications for Sanitary and Phytosanitary (SPS) certificates required for imported or exported goods (e.g., food safety, veterinary health, ePhytos) through any official electronic platform, without any paper submissions, and to receive the certificates through the same platform? (Y/N)**

- 21. In practice, is it possible to submit all applications for certificates required under standards or technical regulations for imported or exported goods (e.g., product safety certificates, conformity assessment) through any official electronic platform, without any paper submissions, and to receive the certificates through the same platform? (Y/N)**

- 22. In practice, is it possible to submit all applications for certificates of origin (COs) required for imported or exported goods through any official electronic platform, without any paper submissions, and to receive the certificates through the same platform? (Y/N)**

- 23. In practice, is it possible to submit all applications for environmental certificates required for imported or exported goods (e.g., waste shipments, hazardous chemicals, ozone-depleting substances, endangered species) through any official electronic platform, without any paper submissions, and to receive the certificates through the same platform? (Y/N)**

- 24. In practice, is it possible to submit all applications for border security certificates or authorizations required for imported or exported controlled goods (e.g., export/import licenses for dual-use items) through any official electronic platform, without any paper submissions, and to receive the certificates or authorizations through the same platform? (Y/N)**

- 25. In practice, is it possible to submit all applications for tariff rebates through any official electronic platform, without any paper submissions, and to receive the final decision through the same platform? (Y/N)**

- 26. In practice, does the official electronic platform(s), used for the processes referred to in questions 17-25 above, provide comprehensive and up-to-date user guidance — such as manuals, tutorials, step-by-step instructions, or FAQs — covering all available functions? (Y/N)**

Note: Please answer Yes if user guidance is publicly available, regularly updated, and covers all available functions for all existing systems, even if they do not constitute an Electronic Single Window. Please answer No if no official electronic platform exists, or if guidance is partial, outdated, or missing for any system or processes in use.

2.2.2 Comprehensive Electronic Single Window

- 27. In practice, can customs declarations and all the documents and benefits referred to in questions 17-25 above be applied for, submitted, processed, and issued entirely through an Electronic Single Window? (Y/N)**

Note: Please answer No if you answered No to any of questions 17-25 or if any of those processes cannot be fully completed within an Electronic Single Window. Traders should be able to carry out all steps in one portal, without being redirected to external systems or websites. The platform may be called something other than “Electronic Single Window”.

- 28. In practice, does the Electronic Single Window support centralized electronic payment for all fees and charges required for customs clearance and related post-clearance benefits, including those levied by customs and other relevant government agencies? (Y/N)**

Note: If you answered No to question 27 please also answer No here as no Electronic Single Window exists. Please also answer No if there is an Electronic Single Window, but payments must still be made separately to different agencies, or if the portal redirects traders to external websites for processing payments.

2.2 DIGITALIZATION AND INTEROPERABILITY OF TRADE FACILITATION SERVICES			
2.2.1 Electronic Trade Facilitation Services			
Indicators	FFP	SBP	Total Points
Official Electronic Platforms Enable Fully Electronic Customs Clearance (17 AND 18 AND 19)	1	1	2
Official Electronic Platform Enables Fully Electronic Applications for Regulatory Certificates (20 AND 21 AND 22 AND 23 AND 24)	1	1	2
Official Electronic Platforms Enable Fully Electronic Applications for Tariff Rebates (25)	1	1	2
Official Electronic Platforms Provide Comprehensive and Up-to-Date User Guidance (26)	1	1	2
Total Points	4	4	8
2.2.2 Comprehensive Electronic Single Window			
Electronic Single Window Enables End-to-End Processing of Trade Formalities (27)	1	1	2
Electronic Single Window Supports Centralized Electronic Payment for All Fees and Charges (28)	1	1	2
Total Points	2	2	4

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

2.2.3 Electronic Services for Transport and Logistics Services

29. In practice, can shipping agents, carriers, or other authorized parties submit electronically — through an official electronic platform, such as a Maritime Single Window — all information and documents required by the competent authorities for vessel arrival and departure, including ship and cargo reporting formalities (e.g., arrival and departure details, crew and passenger lists, cargo and stores declarations, and port health and security information)? (Y/N)

Note: Please answer No if any information must be provided on paper or separately to different agencies.

2.2.3 Electronic Services for Transport and Logistics Services*			
Indicators	FFP	SBP	Total Points
Official Maritime Platform Enables Electronic Submission of All Vessel Arrival and Departure Information and Documents (29)**	1	1	2
Total Points	1	1	2
<i>Economies with active trade flows across land routes may score a total of 6 points (3 points on firm flexibility and 3 points on social benefits), including indicators whose data is captured by the Trade Regulations-Services questionnaire. The score of economies for which any of the trade routes may not apply will be rescaled accordingly.</i>			

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

*Subcategory 2.2.3 shared with Trade Regulations-Services questionnaire.

**See Section 5.1.1.

2.3 INFRASTRUCTURE AT MAIN CUSTOMS BORDER POST

2.3.1 Infrastructure at Main Seaport

30. Do you agree that the main seaport through which [ECONOMY] conducts most of its trade (in trade value terms) is [SEAPORT]? (Y/N) *(not scored)*
31. Does [SEAPORT] have functional fixed scanners to screen containers without physical unpacking? (Y/N)
32. Does [SEAPORT] have functional Weight-in-Motion (WIM) scales that automatically capture and record the axle gross vehicle weights of trucks in motion? (Y/N)
33. Does [SEAPORT] have a designated, covered, access-controlled intrusive examination area equipped with surveillance systems for physical inspection of cargo? (Y/N)
34. At [SEAPORT] are there designated storage facilities for storage of hazardous materials that apply safety protocols such as segregation, climate controls, and containment? (Y/N)
35. Does [SEAPORT] have functional facilities for the storage of refrigerated containers? (Y/N)
36. Is there a multi-temperature cold storage facility for perishable goods located inside or in the proximity of [SEAPORT]? (Y/N)

Note: These facilities may be located within the port area or up to 50 km away, in any inland container depots (ICDs).

37. Is there a testing laboratory for testing shipment samples for regulatory compliance inside or in the proximity of [SEAPORT]? (Y/N)

Note: Testing laboratories may be located within the port area or up to 50 km away, including in any inland container depots (ICDs).

38. Is there a customs-bonded warehouse inside or in the proximity of [SEAPORT]? (Y/N)

Note: The warehouses may be located within the port area or up to 50 km away, in any inland container depots (ICDs).

39. At [SEAPORT], is there on-dock rail that enables containers to be loaded directly from the terminal onto railway carriages without truck drayage for immediate intermodal transfer? (Y/N)

40. Does [SEAPORT] use automated systems to identify and track cargo and vehicles accessing or operating within cargo and logistics areas without manual data entry or checks? (Y/N)

Note: Please answer Yes if vehicles are automatically identified or tracked through any electronic, sensor-based, or AI-enabled system (e.g., RFID, Bluetooth, Ultra-Wideband, computer-vision, IoT/telematics, or 5G-based solutions).

Please answer No if tracking relies solely on license-plate recognition or manual verification.

41. Does [SEAPORT] use a digital truck booking system that schedules and manages freight transport by coordinating shippers, trucking companies, and drivers to control truck arrivals and departures at the port? (Y/N)

42. At [SEAPORT], is there a sustainable fuel bunkering facility specifically designed for storing and supplying alternative fuels (such as Liquefied Natural Gas (LNG) or other renewable, low-carbon fuels)? (Y/N)

43. At [SEAPORT], is there an onshore power supply (also known as shore power or cold ironing) that provides electricity from a land-based source to vessels at berth, with sufficient voltage and current to serve all vessel types using the port? (Y/N)

44. Does [SEAPORT] use a terminal operating system (TOS) that enables real-time tracking and management of cargo movements within the terminal? (Y/N)

45. Does [SEAPORT] use a port community system (PCS) that enables real-time data exchange among public and private users to streamline cargo movement processes? (Y/N)

2.3.2 Infrastructure at Main Airport

46. Do you agree that the main airport through which [ECONOMY] conducts most of its trade (in trade value terms) is [AIRPORT]? (Y/N) (not scored)

47. Does [AIRPORT] have functional fixed scanners to screen cargo without physical unpacking? (Y/N)

48. Does [AIRPORT] have a designated, covered, access-controlled intrusive examination area equipped with surveillance systems for physical inspection of cargo? (Y/N)
49. Does [AIRPORT] have functional Weight-in-Motion (WIM) scales that automatically capture and record the axle gross vehicle weights of trucks in motion? (Y/N)
50. At [AIRPORT] are there designated storage facilities for storage of hazardous materials that apply safety protocols such as segregation, climate controls, and containment? (Y/N)
51. Does [AIRPORT] have functional facilities for the storage of refrigerated cargo? (Y/N)
52. Is there a multi-temperature cold storage facility for perishable goods located inside or in the proximity of [AIRPORT]? (Y/N)
Note: These facilities may be located within the port area or up to 50 km away in any inland container depots (ICDs).
53. Is there a testing laboratory for testing shipment samples for regulatory compliance inside or in the proximity of [AIRPORT]? (Y/N)
Note: Testing laboratories may be located within the airport area or up to 50 km away, including in any inland container depots (ICDs).
54. Is there a customs-bonded warehouse inside or in the proximity of [AIRPORT]? (Y/N)
Note: The warehouses may be located within the port area or up to 50 km away, including inland clearance depots or inland container depots (ICDs).
55. Does [AIRPORT] use automated systems to identify and track cargo and vehicles accessing or operating within the cargo and logistics areas without manual data entry or checks? (Y/N)
*Note: Please answer Yes if vehicles are automatically identified or tracked through any electronic, sensor-based, or AI-enabled system (e.g., RFID, Bluetooth, Ultra-Wideband, computer-vision, IoT/telematics, or 5G-based solutions).
 Please answer No if tracking relies solely on license-plate recognition or manual verification.*
56. Does [AIRPORT] use a digital truck booking system that schedules and manages freight transport by coordinating shippers, trucking companies, and drivers to control truck arrivals and departures at the cargo terminal? (Y/N)
57. At [AIRPORT], are there designated refueling facilities supplying sustainable aviation fuels (SAF) or other low-carbon alternatives to conventional jet fuel? (Y/N)
58. Does [AIRPORT] use an airport operations and management system that provides real-time monitoring and coordination of cargo handling and ground operations? (Y/N)
59. Does [AIRPORT] use an Air Cargo Community System (ACCS) that enables real-time electronic data exchange among airport community stakeholders involved in cargo handling and logistics operations? (Y/N)

2.3.3 Infrastructure at Main Customs Land Border Post

60. Do you agree that the main land border post through which [ECONOMY] conducts most of its trade (in trade value terms) is [LANDBORDER]? (Y/N) *(not scored)*
61. Does [LANDBORDER] have functional mobile scanners to screen cargo without unloading goods? (Y/N)
62. Does [LANDBORDER] have a designated, covered, access-controlled intrusive examination area equipped with surveillance systems for physical inspection of cargo? (Y/N)
63. Does [LANDBORDER] have functional Weight-in-Motion (WIM) scales that automatically capture and record the axle gross vehicle weights of trucks in motion? (Y/N)
64. At [LANDBORDER] are there designated areas for the temporary storage or isolation of hazardous materials? (Y/N)
65. Does [LANDBORDER] have a reliable electrical power supply and supporting infrastructure to maintain temperature and humidity control for temporary storage of perishable goods (such as food, medicines, flowers, and biological products)? (Y/N)
66. Is there a testing laboratory for testing shipment samples for regulatory compliance inside or in the proximity of [LANDBORDER]? (Y/N)
Note: Testing laboratories may be located within the airport area or up to 50 km away, including inland clearance depots or inland container depots (ICDs).
67. Is there a customs-bonded warehouse inside or in the proximity of [LANDBORDER]? (Y/N)
Note: The warehouses may be located within the port area or up to 50 km away, including inland clearance depots or inland container depots (ICDs).
68. Does [LANDBORDER] use automated systems to identify and track cargo and vehicles accessing or operating within cargo and logistics areas without manual data entry or checks? (Y/N)
*Note: Please answer Yes if vehicles are automatically identified or tracked through any electronic, sensor-based, or AI-enabled system (e.g., RFID, Bluetooth, Ultra-Wideband, computer-vision, IoT/telematics, or 5G-based solutions).
Please answer No if tracking relies solely on license-plate recognition or manual verification.*
69. Does [LANDBORDER] use a digital truck booking system that schedules and manages freight transport by coordinating shippers, trucking companies, and drivers to manage truck arrivals, queuing, and clearance at the border? (Y/N)
70. At [LANDBORDER], are there charging stations for electric freight vehicles? (Y/N)

2.3 INFRASTRUCTURE AT MAIN CUSTOMS BORDER POSTS*			
2.3.1 Infrastructure at Main Seaport			
Indicators	FFP	SBP	Total Points
Main Seaport Has Functional Border Control and Inspection Facilities (31 AND 32 AND 33 AND 37)	1	1	2

Main Seaport Has Specialized Cargo Storage Facilities (34 AND 35 AND 36 AND 38)	1	1	2
Main Seaport Enables Direct Intermodal Connectivity (39)	1	1	2
Main Seaport Uses Digital Systems Supporting Cargo and Port Operations (40 AND 41 AND 44 AND 45)	1	1	2
Main Seaport Has Green Energy Infrastructure for Vessels (42 AND 43)	1	1	2
Total Points	5	5	10
<i>Economies with operational seaports will be assessed in this subcategory. The score of economies for which there is no operational seaport will be based on the applicable subcategories and rescaled at the category level.</i>			
2.3.2 Infrastructure at Main Airport			
Main Airport Has Functional Border Control and Inspection Facilities (47 AND 48 AND 49 AND 53)	1	1	2
Main Airport Has Specialized Cargo Storage Facilities (50 AND 51 AND 52 AND 54)	1	1	2
Main Airport Uses Digital Systems Supporting Cargo and Airport Operations (55 AND 56 AND 58 AND 59)	1	1	2
Main Airport Has Green Energy Infrastructure for Aircraft (57)	1	1	2
Total Points	4	4	8
<i>Economies with operational airports will be assessed in this subcategory. The score of economies for which there is no operational airport will be based on the applicable subcategories and rescaled at the category level.</i>			
2.3.3 Infrastructure at Main Customs Land Border Post			
Main Customs Land Border Post Has Functional Border Control and Inspection Facilities (61 AND 62 AND 63 AND 66)	1	1	2
Main Customs Land Border Post Has Specialized Cargo Storage Facilities (64 AND 65 AND 67)	1	1	2
Main Customs Land Border Post Uses Digital Systems Supporting Cargo and Border Operations (68 AND 69)	1	1	2
Main Customs Land Border Post Has Green Energy Infrastructure for Freight Vehicles (70)	1	1	2
Total Points	4	4	8
<i>Economies with operational customs land border posts will be assessed in this subcategory. The score of economies for which there is no operational customs land border post will be based on the applicable subcategories and rescaled at the category level.</i>			

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

*The applicability of each subcategory is determined based on whether an economy has any operational customs border posts in each of the three modes of transport at the time of the cut-off date. See Section 5.2.3 for more detail.

2.4 BORDER MANAGEMENT SERVICES

2.4.1 Risk Management for Customs

71. In practice, is risk assessment for customs clearance conducted through the Electronic Single Window, with a consolidated outcome that reflects decisions from customs and all other relevant border agencies (e.g., immediate clearance, documentary checks, or physical inspections) communicated electronically to traders? (Y/N)

Note: If you answered No to question 27 please also answer No here as no Electronic Single Window exists. Please also answer No if there is an Electronic Single Window but if the results of risk assessment are fragmented (e.g., separate notifications from different agencies), or if risk assessment is conducted manually outside the Electronic Single Window.

72. Do Customs authorities of [ECONOMY] use a risk management system that automatically applies algorithms or data-analysis techniques to determine whether goods should be physically inspected? (Y/N)
73. Is a unified border management system established under the legal framework of [ECONOMY] to enable Customs authorities and other border agencies to conduct joint risk assessment? (Y/N)
74. In practice, must traders submit supporting documents separately to the Customs authorities and Sanitary and Phytosanitary (SPS) authorities of [ECONOMY] for the purposes of risk assessment? (Y/N; N – good practice)
75. Do the Customs authorities of [ECONOMY] conduct risk-based post-clearance audits on imports using algorithms or data-analysis techniques? (Y/N)

2.4.2 Coordinated Border Management (Domestic)

76. Is there a requirement established in the legal framework of [ECONOMY] that Customs authorities and other border agencies conduct joint inspections or delegate inspections wherever possible? (Y/N)
77. (If [ECONOMY] has an operational seaport) In practice, at [SEAPORT], if a shipment is selected for physical inspection, do Customs authorities and Sanitary and Phytosanitary Agencies perform two or more separate inspections of the same consignment at different times, rather than one joint or delegated inspection? (Y/N; N – good practice)
78. (If [ECONOMY] has no operational seaport and no operational customs land border post but does have an operational airport) In practice, at [AIRPORT], if a shipment is selected for physical inspection, do Customs authorities and Sanitary and Phytosanitary Agencies perform two or more separate inspections of the same consignment at different times, rather than one joint or delegated inspection? (Y/N; N – good practice)
79. (If [ECONOMY] has no operational seaport but does have an operational customs land border post) In practice, at [LANDBORDER], if a shipment is selected for physical inspection, do Customs and Sanitary and Phytosanitary agencies perform two or more separate inspections of the same consignment at different times, rather than one joint or delegated inspection? (Y/N; N – good practice)
80. Has a National Trade Facilitation Committee (NTFC) been formally established under the legal framework of [ECONOMY]? (Y/N)
81. In practice, did the National Trade Facilitation Committee (NTFC) of [ECONOMY] hold at least two official meetings in the 12 months preceding [CUT-OFF DATE]? (Y/N)
Note: Please answer No if no National Trade Facilitation Committee (NTFC) exists.
82. Does the National Trade Facilitation Committee (NTFC) of [ECONOMY] have a dedicated budget and staff resources allocated to its secretariat? (Y/N)
Note: Please answer No if no National Trade Facilitation Committee (NTFC) exists.
83. Has the National Trade Facilitation Committee (NTFC) of [ECONOMY] adopted formal policies or measures to ensure the representation of small and medium-sized enterprises (SMEs) in its

membership or consultation processes (e.g., reserved seats, targeted capacity-building, or dedicated consultation channels)? (Y/N)

Note: Please answer No if no National Trade Facilitation Committee (NTFC) exists.

2.4.3 Coordinated Border Management (with Trading Partner(s))

84. In practice, do any official electronic platform(s), including the Electronic Single Window (where applicable), electronically exchange customs declarations and supporting transport documents with equivalent systems operated by [PARTNER1], [PARTNER2], or [PARTNER3]? (Y/N)

Note: Please answer Yes if the economy implements a supranational Electronic Single Window that conducts such exchanges with any of the main trading partners.

85. In practice, do any official electronic platform(s), including the Electronic Single Window where applicable, electronically exchange and accept Sanitary and Phytosanitary (SPS) certificates (e.g., e-Phyto) issued through equivalent systems operated by [PARTNER1], [PARTNER2], or [PARTNER3] for import clearance, without requiring routine re-inspection or paper originals? (Y/N)

Note: Please answer Yes only if such certificates are exchanged through secure electronic channels that enable in-system authenticity and status verification, and traders are not required to resubmit paper copies. Please also answer Yes if the economy implements a supranational Electronic Single Window that conducts such exchanges.

86. In practice, do any official electronic platform(s), including the Electronic Single Window (where applicable), electronically exchange and accept certificates of origin (e.g., e-CoO) issued through equivalent systems operated by [PARTNER1], [PARTNER2], or [PARTNER3] for import clearance, without requiring routine re-inspection or paper originals? (Y/N)

Note: Please answer Yes only if such certificates are exchanged through secure electronic channels that enable in-system authenticity and status verification, and traders are not required to resubmit paper copies. Please answer Yes if the economy implements a supranational Electronic Single Window that conducts such exchanges.

87. At [SEAPORT], does [ECONOMY] recognize the inspections carried out by the authorities of [MAIN TRADING PARTNER]? (Y/N)

Note: Please answer Yes if the two economies carry out joint or delegated inspections, including under a customs union arrangement.

88. At [AIRPORT], does [ECONOMY] recognize the inspections carried out by the authorities of [MAIN TRADING PARTNER]? (Y/N)

Note: Please answer Yes if the two economies carry out joint or delegated inspections, including under a customs union arrangement.

89. At [LANDBORDER], does [ECONOMY] recognize the inspections carried out by the authorities of [PARTNER SHARING LANDBORDER]? (Y/N)

Note: Please answer Yes if the two economies carry out joint or delegated inspections, including under a customs union arrangement.

90. At [LANDBORDER], do [ECONOMY] and [PARTNER SHARING LANDBORDER] operate from a single shared facility where border agencies from both countries conduct primary and secondary inspections jointly (also called one-stop border post)? (Y/N)

Note: Please answer Yes if a joint border post operates under a customs union.

91. At [LANDBORDER], are the border agencies of [ECONOMY] open during all the operating hours of the agencies of [PARTNER SHARING LAND BORDER]? (Y/N)
92. (If [ECONOMY] does not have an operational seaport) Does [ECONOMY] have operational intermodal facilities (e.g., inland dry ports or logistics hubs) directly connected by rail or high-capacity road to a foreign seaport under a recognized transit regime? (Y/N)
93. (If [ECONOMY] does not have an operational seaport) In practice, does [ECONOMY] maintain any customs offices, liaison posts, or warehouses within or in the proximity of a foreign seaport to facilitate the clearance or movement of goods traded by sea? (Y/N)

2.4.4 Trusted-Trader Programs

94. Have the Customs authorities of [ECONOMY] implemented a Trusted Trader program for exporters? (Y/N)
Note: Please answer Yes if the customs authorities participate in a relevant supranational program (e.g., the EU AEO) and the features measured in this question apply. Please answer No if no Trusted Trader program exists.
95. Are importers eligible to apply for this Trusted Trader program? (Y/N)
Note: Please answer Yes if the customs authorities participate in a relevant supranational program available for importers, such as the EU AEO. Please answer No if no Trusted Trader program exists.
96. Are all types of supply-chain operators permitted to apply for this Trusted Trader program? (Y/N)
Note: Please answer Yes only if every category of supply-chain operator is eligible to apply, provided they meet the standard compliance, security, and solvency criteria. Please answer No if eligibility is restricted to specific operator types (e.g., carriers, freight forwarders, customs brokers, warehouse operators, manufacturers) or if no Trusted Trader program exists.
97. Have the Customs authorities implemented measures to facilitate participation of small and medium enterprises (SMEs) in the Trusted Trader program? (Y/N)
Note: Please answer Yes if there are simplified or tiered criteria for participation, targeted training, or capacity-building support for SMEs. Please answer No if no Trusted Trader program exists.
98. Can the Trusted Trader program application be completed entirely online (that is, without the need to submit paper documents)? (Y/N)
*Note: Please answer Yes only if every step is digital end-to-end: submission, document upload, identity/authentication, fee payment, and receipt of the decision. For supranational programs (such as the EU AEO program) answer Yes if the application can be made, or is at least linked, on an official national website.
Please answer No if no Trusted Trader program exists.*
99. In practice, does the Trusted Trader program allow participants to submit periodic declarations (e.g. monthly or quarterly, instead of per shipment)? (Y/N)
Note: Please answer No if no Trusted Trader program exists.

- 100. In practice, does the Trusted Trader program allow participants to obtain a partial reduction or full waiver of the financial guarantee required to cover customs debts, transit operations, warehouse storage, or other obligations? (Y/N)**

Note: Please answer No if no Trusted Trader program exists.

- 101. In practice, does the Trusted Trader program allow participants to use a financial guarantee to cover multiple import or export shipments, allowing deferred or suspended payment of customs duties or other obligations (also called permission to move goods under a general bond)? (Y/N)**

Note: Please answer No if no Trusted Trader program exists.

- 102. In practice, does the Trusted Trader program allow participants to use dedicated fast lanes for clearance? (Y/N)**

Note: Please answer No if no Trusted Trader program exists.

- 103. In practice, does the Trusted Trader program allow beneficiaries to choose, request, or benefit from flexibility in the location of physical inspections (e.g., at their own premises or an authorized facility rather than at the border)? (Y/N)**

Note: Please answer No if no Trusted Trader program exists.

- 104. In practice, does the Trusted Trader program provide customs-bonded warehouse operators with extended validity periods or an expedited renewal process for warehouse-operator licenses/approvals, compared with the standard regime? (Y/N)**

Note: Please answer No if no Trusted Trader program exists.

- 105. Are the benefits granted by Customs authorities under the Trusted Trader program also recognized by Sanitary and Phytosanitary (SPS) authorities (without requiring a separate SPS-specific accreditation)? (Y/N)**

Note: Please answer No if no Trusted Trader program exists.

- 106. Are the benefits granted to participants in the Trusted Trader program also recognized by the Customs authorities of [PARTNER 1], [PARTNER 2], or [PARTNER 3] (without requiring a separate application)? (Y/N)**

Note: Please answer No if no Trusted Trader program exists.

2.4 BORDER MANAGEMENT SERVICES			
2.4.1 Risk Management for Customs			
Indicators	FFP	SBP	Total Points
Electronic Single Window Used for Consolidated Risk Assessment (71)	1	1	2
Customs Authority Applies Automated Risk Management Systems and Techniques (72 AND 75)	1	1	2
Border Agencies Conduct Integrated Risk Management (73 AND 74)	1	1	2
Total Points	3	3	6
2.4.2 Coordinated Border Management (Domestic)			
Border Agencies Coordinate Physical Inspections ((76 AND 77) OR (76 AND 78) OR (76 AND 79))*	1	1	2
<i>Question 77 assesses only economies with operational seaports</i>			

<i>Question 78 assesses only economies with operational airports and no operational seaports nor customs land border posts</i> <i>Question 79 assesses only economies with operational customs land border posts and no operational seaports</i>			
National Trade Facilitation Committee Is Established and Operational (80 AND 81 AND 82 AND 83)	1	1	2
Total Points	2	2	4
2.4.3 Coordinated Border Management (with Trading Partner(s))			
Official Electronic Platforms Exchange Trade Information with a Main Trading Partner (84 AND 85 AND 86)	1	1	2
Main Customs Border Posts Recognize Inspections Conducted by a Main Trading Partner (87 OR 88 OR 89)* <i>Question 87 assesses only economies with operational seaports</i> <i>Question 88 assesses only economies with operational airports and no operational seaports nor customs land border posts</i> <i>Question 89 assesses only economies with operational customs land border posts and no operational seaports</i>	1	1	2
Economy Aligns Border Operations at Shared Land Border (90 AND 91)* <i>This indicator assesses only economies with operational customs land border posts</i>	1	1	2
Economy Cooperates with Trading Partner to Facilitate Maritime Access for Goods (92 AND 93)* <i>This indicator assesses only economies with operational customs land border posts and no operational seaports</i>	1	1	2
Total Points	4	4	8
<i>Economies with only operational customs land border posts and no operational seaports may score a total of 8 points (4 points on firm flexibility and 4 points on social benefits). The score of economies for which any of the other operational nodes of transport may apply will be rescaled accordingly.</i>			
2.4.4 Trusted-Trader Programs			
Trusted Trader Program Is Accessible Across the Supply Chain (94 AND 95 AND 96 AND 97 AND 98)	1	1	2
Trusted Trader Program Grants Meaningful Trade Facilitation Benefits (99 AND 100 AND 101 AND 102 AND 103 AND 104)	1	1	2
Trusted Trader Program Benefits Are Recognized Beyond Domestic Customs (105 AND 106)	1	1	2
Total Points	3	3	6

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

*The applicability of each subcategory is determined based on whether an economy has any operational customs border posts in each of the three modes of transport at the time of the cut-off date. See Section 5.2.3. for more detail.

PILLAR III—OPERATIONAL EFFICIENCY OF EXPORTING GOODS, IMPORTING GOODS, AND ENGAGING IN DIGITAL TRADE	
Parameters	
Active Trade Flows by Transport Mode	The active international trade flows available to an economy across maritime, air, or land routes. These may depend on its physical and/or political geography.

The scores for indicators under Category 3.1—Compliance with Export Requirements and Category 3.2—Compliance With Import Requirements are calculated using the linear approach to transform economy-level answers into indicator scores ranging from 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 Exporting Goods, Importing Goods, and Engaging in Digital Trade are collected through firm-level surveys.

3.1 COMPLIANCE WITH EXPORT REQUIREMENTS

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.1.1 Total Time to Comply with Export Requirements (Average)

107. In fiscal year [LAST COMPLETE FISCAL YEAR], what percentage of this establishment's sales were: (not scored)

107a. National Sales

107b. Indirect exports (sold domestically to third party that exports products)

107c. Direct exports

108. In fiscal year [LAST COMPLETE FISCAL YEAR], what was the main country (or economy) of destination for this establishment's direct exports? [Country or economy] (not scored)

Note: ES questionnaire version – 2023

In fiscal year [LAST COMPLETE FISCAL YEAR], what was the main country (or territory) of destination for this establishment's direct exports? [Country (or territory)] (not scored)

Note: ES questionnaire version – 2024

What country (or territory) was the main destination for this establishment's direct exports? (not scored)

Note: ES questionnaire version – 2025

109. In fiscal year [LAST COMPLETE FISCAL YEAR], when this establishment exported goods directly, how many days did it take on average from the time this establishment's goods arrived at their main point of exit (e.g., port, airport) until the time these goods cleared customs? [Average duration to clear customs] [Days & Hours] (not scored)

Note: ES questionnaire version – 2023 and 2024

After those direct exports arrived at their main point of exit, how long did it take on average until those goods were cleared to leave [ECONOMY]? [Days & Hours] (not scored)

Note: ES questionnaire version – 2025

110. In fiscal year [LAST COMPLETE FISCAL YEAR], how many days did it take on average for these directly exported goods to be released by all border control agencies, including clearance procedures prior to arrival at the point of exit until the release of all goods? [Average duration to clear border control agencies] [Days & Hours] *

Note: Please include all clearance procedure times until the final release, including those times prior to arrival at the point of exit, not including transport time.

**This question also provides data for the subcategory 3.1.2 below.*

3.1.2 Total Time to Comply with Export Requirements (Dispersion)

Please see question 110.

3.1.3 Total Cost to Comply with Export Requirements

111. In fiscal year [LAST COMPLETE FISCAL YEAR], as a percentage of the value of the products exported directly, what was the average cost of complying with all export requirements, including customs fees, other required payments, and payments made to customs brokers or freight forwarders, transportation freight, trade finance and insurance services? [FCA Costs to comply with export requirements] [Percent]

Note: Please use the incoterm FCA.

Note: ES questionnaire version – 2023

When this establishment exported goods directly, 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? [Costs to comply with export requirements] [Percent]

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.

Note: ES questionnaire version – 2024

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? [Costs to comply with export requirements] [Percent]

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.

Note: ES questionnaire version – 2025

3.2 COMPLIANCE WITH IMPORT REQUIREMENTS

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.2.1 Total Time to Comply with Import Requirements

112. In fiscal year [LAST COMPLETE FISCAL YEAR], what percentage of this establishment's purchases of material inputs or supplies were: (not scored)

112a. Of domestic origin

112b. Of foreign origin

Note: ES questionnaire version –2023

In fiscal year [LAST COMPLETE FISCAL YEAR], what percentage of this establishment's purchases of material inputs or supplies, [or finished goods and materials purchased to resell] were: (not scored)

112a. Of domestic origin

112b. Of foreign origin

Note: ES questionnaire version –2024

In fiscal year [LAST COMPLETE FISCAL YEAR], what percentage of this establishment's purchases of material inputs or supplies, [or goods purchased for resale] were: (not scored)

112a. Of domestic origin

112b. Of foreign origin

Note: ES questionnaire version –2025

- 113. In fiscal year [LAST COMPLETE FISCAL YEAR], what was the main country (or economy) of origin for this establishment's direct imports of material inputs or supplies [or finished goods and materials purchased to resell]? [Country or economy] (not scored)**

Note: ES questionnaire version – 2023

In fiscal year [LAST COMPLETE FISCAL YEAR], what was the main country (or territory) of origin for this establishment's direct imports of material inputs or supplies [or finished goods and materials purchased to resell]? [Country (or territory)] (not scored)

Note: ES questionnaire version –2024

What country (or territory) was the main origin for these direct imports? [Country (or territory)] (not scored)

Note: ES questionnaire version –2025

- 114. When this establishment imported these material inputs or supplies [or finished goods and materials purchased to resell], 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 could be claimed from customs? [Average duration to clear customs] [Days & Hours] (not scored)**

Note: ES questionnaire version –2023 and 2024

How long 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 enter [economy]? [Average duration to clear customs] [Days & Hours] (not scored)

Note: ES questionnaire version –2025

- 115. In fiscal year [LAST COMPLETE FISCAL YEAR], how long did it take on average for these directly imported material inputs and supplies [or finished goods and materials purchased to resell] to be released by all border control agencies, including clearance procedures prior to arrival at the point of entry until all material inputs and supplies were released? [Average duration to clear border control agencies] [Days & Hours] ***

Note: Please include all clearance procedure times until the final release, including those times prior to arrival at the point of entry.

**This question also provides data for the subcategory 3.2.2 below.*

3.2.2 Total Time to Comply with Import Requirements (Dispersion)

Please see question 115.

3.2.3 Total Cost to Comply with Import Requirements

- 116. In fiscal year [LAST COMPLETE FISCAL YEAR], as a percentage of the value of the products directly imported, what was the average cost to comply with all import requirements, including customs fees, other required payments, and payments made to**

customs brokers or freight forwarders? [DAP Costs to comply with import requirements] [Percent]

Note: Please use the incoterm DAP.

Note: ES questionnaire version – 2023

When this establishment imported goods, 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? [Cost to import] [Percent]

Note: Please include all import 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].

Note: ES questionnaire version – 2024

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? [Cost to import] [Percent]

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].

Note: ES questionnaire version – 2025

3.3 PARTICIPATION IN CROSS-BORDER DIGITAL TRADE

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.3.1 Share of Trading Firms Exporting Digitally Ordered Goods

117. Were any of the goods directly exported ordered through electronic means and shipped by mail parcel or courier service? (Y/N)

Please consider only consignments valued below the de minimis threshold of the destination country.

Note: ES questionnaire version – 2023

Were any of the goods directly exported ordered through electronic means and shipped by mail parcel or courier service? (Y/N)

Please consider only consignments valued below the de minimis threshold of the destination country (or territory).

Note: ES questionnaire version – 2024 and 2025

3.4 PERCEIVED MAJOR OBSTACLES: CUSTOMS AND TRADE REGULATIONS, AND TRANSPORTATION

3.4.1 Perceptions Index of Customs and Trade Regulations Being a Constraint

118. Using the response options on the card; To what degree are customs and trade regulations 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

3.4.2 Perceptions Index of Transportation Being a Constraint

119. Using the response options on the card; To what degree is transport 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 COMPLIANCE WITH EXPORT REQUIREMENTS			
3.1.1 Total Time to Comply with Export Requirements (Average)			
Indicators	FFP	SBP	Total Points
Total Time to Comply with Export Requirements (Average) (110)*	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Total Time to Comply with Export Requirements (Dispersion)			
Indicators	FFP	SBP	Total Points
Total Time to Comply with Export Requirements (Dispersion) (110)*	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.2	100	n/a	100
3.1.3 Total Cost to Comply with Export Requirements			
Total Cost to Comply with Export Requirements (111)*	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.3	100	n/a	100
Total Points Category 3.1	100	n/a	100
<i>Indicators in this subcategory are calculated based on the active trade flows by transport mode. The score of economies with active trade flows across maritime, air, and land routes is assessed against economies with similar characteristics. Likewise, the score of economies where one or more of these trade flows are not active is also assessed against economies of similar characteristics. This calculation is applied for each set of characteristics on all economies.</i>			
3.2 COMPLIANCE WITH IMPORT REQUIREMENTS			
3.2.1 Total Time to Comply with Import Requirements (Average)			
Total Time to Comply with Import Requirements (Average) (115)*	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Total Time to Comply with Import Requirements (Dispersion)			
Total Time to Comply with Import Requirements (Dispersion) (115)*	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.3 Total Cost to Comply with Import Requirements			
Total Cost to Comply with Import Requirements (116)*	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.3	100	n/a	100

<i>Indicators in this subcategory are calculated based on the active trade flows by transport mode. The score of economies with active trade flows across maritime, air, and land routes is assessed against economies with similar characteristics. Likewise, the score of economies where one or more of these trade flows are not active is also assessed against economies of similar characteristics. This calculation is applied for each set of characteristics on all economies.</i>			
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 (117)	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 Perceptions Index of Customs and Trade Regulations Being a Constraint			
Perceptions Index of Customs and Trade Regulations Being a Constraint (118)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.4.1	100	n/a	100
3.4.2 Perceptions Index of Transportation Being a Constraint			
Perceptions Index of Transportation Being a Constraint (119)	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

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 minimum and maximum thresholds are determined based on the active trade flows by transport mode at the economy level. See Section 5.1.1 for more details.

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 the 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 topic indicators include measures that capture these potential issues, as well as measures that focus on environmental sustainability.

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 Impartial, accessible, and efficient tax dispute resolution mechanisms are essential for allowing taxpayers to challenge tax assessments and receive 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 emissions technologies.¹⁰

II. INDICATORS

The Taxation topic measures the quality of tax regulations, 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 regulations, covering de jure and de facto information on the legal framework. The second pillar measures the quality of tax administration by assessing the tax-related public services. The third pillar measures the efficiency of tax regulation and related public services from a firm’s perspective. 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 one or several indicators, each of which may, 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 Taxation Topic

Pillar I—Quality of Tax Regulations (12 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	Consumption-Based Tax Registration (1 indicator)
1.2.4	VAT Refund (1 indicator)
1.3	Environmental Fiscal Instruments (4 indicators)
1.3.1	Carbon Pricing Instruments (2 indicators)
1.3.2	Supplementary Environmental Fiscal Measures (2 indicators)
Pillar II—Public Services Provided to Corporate Taxpayers (17 indicators)	
2.1	Digital Services for Taxpayers (7 indicators)
2.1.1	Online Taxpayer Portal (1 indicator)
2.1.2	E-Filing (2 indicators)
2.1.3	Pre-Filled Tax Returns (1 indicator)
2.1.4	E-Payment (1 indicator)
2.1.5	Tax Accounting Integration (2 indicators)
2.2	Data Management and System Integration (4 indicators)
2.2.1	Taxpayer Registration (1 indicator)
2.2.2	Taxpayer Deregistration (1 indicator)
2.2.3	Taxpayer Database (2 indicators)
2.3	Transparency (2 indicators)
2.3.1	Annual Performance (1 indicator)
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—Efficiency of Tax System in Practice (7 indicators)	
3.1	Time and Functionality of Processes (5 indicators)
3.1.1	Time to Prepare, 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	Obtaining a VAT Refund in Practice (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	Consumption-Based Tax Registration
1.2.4	VAT Refund
1.3	Environmental Fiscal Instruments
1.3.1	Carbon Pricing Instruments
1.3.2	Supplementary Environmental Fiscal Measures

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 transparent and consistent manner is important. It promotes predictability and fairness in tax administration, provides certainty for taxpayers, and improves the business tax environment.¹¹ 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	i) General tax guidance is available to the public ii) General tax guidance is published online iii) Internal tax guidance is available to the public iv) Internal tax guidance is published online
2	Binding Rulings and Post-Compliance Procedures	i) Private binding rulings are available and published online ii) Public binding rulings are available iii) Dispute resolution process is codified in a single legislative act iv) Tax audit procedure is 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.¹² 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.¹³ 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	i) Consultations are held for the enactment and changes to tax laws and regulation ii) Consultations are open to all interested private sector stakeholders iii) Consultations take place before the formulation of tax law proposals iv) Consultations take place during the drafting of tax laws v) Consultations take place after the enactment of tax laws vi) Feedback received is published online
2	Future Tax Plans	i) Future tax plans are published online ii) Future tax plans are published prior to implementation

1.2 Administrative Procedures

Category 1.2 is divided into four subcategories consisting of one indicator each.

1.2.1 Simplified Tax Record Keeping and Reporting

Research shows that manual tax record-keeping can lead to errors and fraud.¹⁴ 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.¹⁵ Therefore, Subcategory 1.2.1–Simplified Tax Record Keeping and Reporting comprises one indicator (table 5).

Table 5. Subcategory 1.2.1–Simplified Tax Record Keeping and Reporting

	Indicator	Components
1	Simplified Tax Record Keeping and Reporting	i) Digital record-keeping is allowed by law ii) Simplified record keeping is available for small businesses iii) Simplified tax reporting is available 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.¹⁶ Additionally, providing information online boosts transparency and trust in the tax administration.¹⁷ 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.¹⁸ Therefore, Subcategory 1.2.2–General Tax Registration comprises one indicator (table 6).

Table 6. Subcategory 1.2.2–General Tax Registration

	Indicator	Components
1	General Tax Registration	i) Information on tax registration is available online ii) Information on registration fees is available on official sources iii) Information on registration timeframe is clearly defined iv) Mandatory notification of changes to registration details and penalty for failure to comply

1.2.3 Consumption-Based Tax 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.¹⁹ The VAT registration threshold allows the tax authority to concentrate its resources on bigger taxpayers, thus saving budget expenditures. Subcategory 1.2.3–Consumption-Based Tax Registration comprises one indicator (table 7).

Table 7. Subcategory 1.2.3–Consumption-Based Tax Registration

	Indicator	Components
1	Consumption-Based Tax Registration*	i) Registration threshold exists for VAT or other consumption-based taxes ii) Voluntary registration is available for VAT or other consumption-based taxes

Note: VAT = Value Added Tax.

*Economies that do not impose VAT or other consumption-based 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.²⁰ Limiting the ability to request a VAT refund incurs significant cost, including compromised VAT design and lower revenue productivity.²¹ Therefore, Subcategory 1.2.4–VAT Refund comprises one indicator (table 8).

Table 8. Subcategory 1.2.4–VAT Refund

	Indicator	Components
1	VAT Refund*	i) Excess VAT refund is available ii) Excess VAT refund is not restricted

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 two subcategories consisting of several indicators, each of which may, in turn, have several components.

1.3.1 Carbon Pricing Instruments

Environmental fiscal instruments aim to reduce carbon emission, curb fuel consumption, facilitate innovation and adoption of environment-friendly technologies, and raise revenues.²² Carbon pricing instruments are widely recognized as a core element of effective environmental policy.²³ Further, 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.²⁴ Therefore, Subcategory 1.3.1–Carbon Pricing Instruments comprises two indicators (table 9).

Table 9. Subcategory 1.3.1–Carbon Pricing Instruments

	Indicator	Components
1	Existence of Carbon Pricing Instruments	Carbon taxes or emission trading systems exist
2	Transparency in Changes to Carbon Pricing Instruments	Transparent and predictable process for changes in rates, prices, or caps

1.3.2 Supplementary Environmental Fiscal Measures

Environmental tax credits or tax incentives encourage sustainable corporate consumption and investment, help governments achieve environmental policy goals and generate additional social benefit.²⁵ An exception to that effect are fossil fuel subsidies, which are environmentally-harmful as they reduce the price of emission intensive activities and act as a deterrent for investment in modern and efficient technologies.²⁶ Therefore, Subcategory 1.3.2–Supplementary Environmental Fiscal Measures comprises two indicators (table 10).

Table 10. Subcategory 1.3.2–Supplementary Environmental Fiscal Measures

	Indicators	Components
1	Absence of Fossil Fuel Subsidy	Fossil fuel subsidies do not exist
2	Availability of Tax Incentives	Environmental tax incentives or tax credits are available

2. PILLAR II. PUBLIC SERVICES PROVIDED TO CORPORATE TAXPAYERS

Table 11 shows the structure for Pillar II, Public Services Provided to Corporate Taxpayers. Each of this pillar's categories and subcategories will be discussed in more detail in the order shown in the table.

Table 11. Pillar II–Public Services Provided to Corporate Taxpayers

2.1	Digital Services for Taxpayers
2.1.1	Online Taxpayer Portal
2.1.2	E-Filing
2.1.3	Pre-Filled Tax Returns
2.1.4	E-Payment

2.1.5	Tax Accounting Integration
2.2	Data Management and System Integration
2.2.1	Taxpayer Registration
2.2.2	Taxpayer Deregistration
2.2.3	Taxpayer Database
2.3	Transparency
2.3.1	Annual Performance
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

2.1 Digital Services for Taxpayers

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

2.1.1 Online 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 Taxpayer Portal comprises one indicator (table 12).

Table 12. Subcategory 2.1.1–Online Taxpayer Portal

	Indicator	Components
1	Online Taxpayer Portal	i) Online taxpayer portal available ii) Absence of obstacles to using the portal in practice iii) Taxpayers can update their bank account and contact details on the portal iv) Taxpayers can request refund through the portal v) Taxpayers can communicate with the tax administration via secure channels vi) Taxpayers can access historical files and communication on the portal

2.1.2 E-Filing

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–E-Filing comprises two indicators (table 13).

Table 13. Subcategory 2.1.2–E-Filing

	Indicators	Components
1	E-Filing of Tax Returns*	i) Companies can file corporate income-based taxes online ii) Companies can file VAT or other consumption-based taxes online iii) Companies can file employment-based taxes and social contributions online
2	E-Filing of Corrected Tax Returns*	i) Companies can file corrected corporate income-based tax returns online ii) Companies can file corrected VAT or other consumption-based tax returns online iii) Companies can file corrected employment-based taxes and social contributions returns online

Note: VAT = Value Added Tax.

*Economies that do not impose one of the following taxes—corporate income-based taxes, VAT or other consumption-based 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 Returns

Offering pre-filled tax returns 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 Returns comprises one indicator (table 14).

Table 14. Subcategory 2.1.3–Pre-Filled Tax Returns

	Indicator	Components
1	Pre-Filled Tax Returns*	i) Pre-filled corporate income-based tax returns are available ii) Corporate income-based tax returns are fully pre-filled iii) Pre-filled corporate income-based tax returns are editable iv) Pre-filled VAT or other consumption-based tax returns are available v) VAT or other consumption-based tax returns are fully pre-filled vi) Pre-filled VAT or other consumption-based tax returns are editable vii) Pre-filled employment-based taxes and social contributions returns are available viii) Employment-based taxes and social contributions declarations are fully pre-filled ix) Pre-filled employment-based taxes and social contributions declarations are editable

Note: VAT = Value Added Tax.

*Economies that do not impose one of the following taxes—corporate income-based taxes, VAT or other consumption-based 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 E-Payment

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–E-Payment comprises one indicator (table 15).

Table 15. Subcategory 2.1.4–E-Payment

	Indicator	Components
1	E-Payment*	i) Companies can pay corporate income-based taxes through the portal ii) Companies can pay VAT or other consumption taxes through the portal iii) Companies can pay employment-based taxes and social contributions through the portal

Note: 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.

2.1.5 Tax Accounting Integration

Providing tax administrations with real-time, open access to corporate taxpayers' full tax accounting data enables shift from periodic reporting to continuous, data driven compliance. For society, this practice promotes fairness and efficiency by reducing tax evasion, strengthening revenue collection, and ensuring that public resources are mobilized transparently to fund essential services. For businesses, it lowers compliance costs by reducing audit frequency, automating reporting, and fostering a more predictable tax environment.³³ Moreover, a well-designed e-invoicing system complements this approach by ensuring real-time, verified transaction data, enhancing VAT control, improving cash-flow management for firms, and reducing fraud.³⁴ Therefore, Subcategory 2.1.5–Tax Accounting Integration comprises two indicators (table 16).

Table 16. Subcategory 2.1.5–Tax Accounting Integration

	Indicators	Components
1	Data Sharing	i) A system for sharing accounting data exists ii) The extent of shared accounting data is explicit

2	E-Invoicing System	E-invoicing system is implemented

2.2 Data Management and System Integration

Category 2.2 is divided into three subcategories consisting of several indicators, each of which may, in turn, have several components.

2.2.1 Taxpayer Registration

An automated or fully online tax registration process reduces the bureaucratic burden on businesses and frees up the resources for tax administration.³⁵ Furthermore, a simple tax registration removes obstacles for businesses that want to operate formally. The use of a multichannel system, allowing businesses to register for multiple taxes, is also gaining significant prominence for tax administrations.³⁶ Therefore, Subcategory 2.2.1–Taxpayer Registration comprises one indicator (table 17).

Table 17. Subcategory 2.2.1–Taxpayer Registration

	Indicator	Component
1	Taxpayer Registration	i) Automatic tax registration by corporate taxpayers ii) Online tax registration by corporate taxpayers

2.2.2 Taxpayer Deregistration

Same as the tax registration process, cumbersome tax deregistration process may deter businesses from formalizing in the first place. While businesses cease to exist for various reasons, the deregistration process, including tax deregistration, should account for all stakeholders' interests. Automated solutions can facilitate this process.³⁷ Therefore, Subcategory 2.2.2–Taxpayer Deregistration comprises one indicator (table 18).

Table 18. Subcategory 2.2.2–Taxpayer Deregistration

	Indicator	Component
1	Taxpayer Deregistration	i) Automatic tax deregistration by corporate taxpayer ii) Online tax deregistration by corporate taxpayers

2.2.3 Taxpayer Database

Integrating unified identification systems with tax administration can improve taxpayer identification, potentially broadening the tax base and enhance compliance.³⁸ 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.³⁹ Furthermore, establishing a publicly searchable online database for corporate taxpayers enhances transparency, allows taxpayers to independently verify the registration status of entities they transact with, reducing the risk of fraud and improving trust in the system. For tax administration, these databases help detect unregistered or high-risk entities thus support more effective tax compliance and risk management.⁴⁰ Therefore, Subcategory 2.2.3–Taxpayer Database comprises two indicators (table 19).

Table 19. Subcategory 2.2.3– Taxpayer Database

	Indicators	Components
1	Unified Tax Identification Number (TIN)	Single tax identification number
2	Searchable Online Database	i) Searchable online database exists ii) The online database is unified iii) The online database covers all taxes and social contributions iv) The online database has full national coverage

2.3 Transparency

Category 2.3 is divided into two subcategories consisting of one indicator, each of which may, in turn, have several components.

2.3.1 Annual Performance

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. Therefore, Subcategory 2.3.1–Annual Performance comprises one indicator (table 20).

Table 20. Subcategory 2.3.1–Annual Performance

	Indicator	Components
1	Annual Performance	i) Financial and operational performance are published online ii) Independent audits on the financial and operational performance are conducted iii) Findings on independent audits are published online

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 comprises one indicator (table 21).

Table 21. Subcategory 2.3.2–Public Accountability

	Indicator	Components
1	Public Accountability	i) Taxpayer perception surveys are conducted ii) Results of taxpayer perception surveys are available online iii) Tax administration code of ethics and professional conduct is available online iv) Consequences for violations of the code of ethics and professional conduct are provided v) Tax ombudsman or an equivalent authority investigates unresolved complaints vi) Anti-corruption agency on tax officials exists

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 22).

Table 22. Subcategory 2.4.1–Tax Audits

	Indicators	Components

1	Annual National Tax Audit Plan	i) An annual national tax audit plan is published online ii) The annual national tax audit plan covers all core taxes
2	Tax Audit Manuals and Guidelines	i) Tax audit manuals and guidelines are available online

2.4.2 Dispute of Tax Audit Results

Having an independent mechanism that reviews all types of tax disputes promotes efficiency and saves taxpayers the 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 23).

Table 23. 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. EFFICIENCY OF TAX SYSTEM IN PRACTICE

Table 24 shows the structure for Pillar III, 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 24. Pillar III–Efficiency of Tax System in Practice

3.1	Time and Functionality of Processes
3.1.1	Time to Prepare, 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	Obtaining a VAT Refund in Practice
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 one indicator each.

3.1.1 Time to Prepare, 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 Prepare, File, and Pay Taxes comprises one indicator (table 25).

Table 25. Subcategory 3.1.1–Time to Prepare, File, and Pay Taxes

	Indicator	Component
1	Time to Prepare, File, and Pay Taxes	The time (recorded in hours) to prepare, file, and pay three major types of taxes and contributions: corporate income tax, VAT/sales taxes, and employment-based 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 26).

Table 26. 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 27).

Table 27. Subcategory 3.1.3–Duration of a Generic Tax Audit

	Indicators	Components
1	Duration of a Generic Tax 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 28).

Table 28. Subcategory 3.1.4–Duration of a Tax Dispute

	Indicator	Component
1	Duration of a Tax Dispute	The period in calendar days between the moment a taxpayer files a claim until the moment the written decision is issued

3.1.5 Obtaining a VAT Refund in Practice

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–Obtaining a VAT Refund in Practice comprises one indicator (table 29).

Table 29. Subcategory 3.1.5–Obtaining a VAT Refund in Practice

	Indicator	Component
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 30).

Table 30. Subcategory 3.2.1–Effective Tax Rate (ETR) for Profit Taxes

	Indicator	Component
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 efficiency. Therefore, Subcategory 3.2.2–Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions comprises one indicator (table 31).

Table 31. Subcategory 3.2.2–Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions

	Indicator	Component
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. The data on the time it takes to go through a tax dispute are collected through consultations with private sector experts. 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). Most data for Pillar III are collected through Enterprise Surveys.

Enterprise Surveys provide representative data on the time required for filing and paying taxes, the percentage of firms filing and paying taxes electronically, the duration of a generic tax audit, obtaining a VAT refund in practice, and effective tax rates for corporate profit-based taxes, and 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 Enterprise Surveys, please refer to the Overview chapter of this Methodology Handbook.

4.2 Screening and Selection of Experts

The Taxation topic has one questionnaire. A screener questionnaire is used to assist in the selection of experts receiving the Taxation topic questionnaire based on a set of criteria (table 32).

Table 32. 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

Tax regulations and their applicability may vary depending on the location, residency status, sector and nature of business activity. To strike a balance between cross-economy comparability and economy-specific representativeness, the Taxation topic employs the following general parameters to provide contextual information for experts to identify the appropriate regulations, services and practices to be assessed in different pillars.

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.

5.2 Specific Parameters

The Taxation topic does not employ specific parameters that are applicable to one or two pillars.

V. TOPIC SCORING

The Taxation topic has three pillars: Pillar I—Quality of Tax Regulations; Pillar II—Public Services Provided to Corporate Taxpayers; and Pillar III—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. 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 Taxation 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 Tax Regulations	12	10	12	22	100	0.33
II	Public Services Provided to Corporate Taxpayers	17	16	17	33	100	0.33
III	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 12 indicators with a total score of 22 points (10 points on firm flexibility and 12 points on social benefits) (table 34). 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*, *Consumption-Based Tax 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 4 indicators with a total maximum score of 6 points (2 point on firm flexibility and 4 points on social benefits). Specifically, each of the two Subcategories—*Carbon Pricing Instruments* Subcategory and *Supplementary Environmental Fiscal Measures* Subcategory—has 2 indicators. A regulatory framework that provides supplementary environmental fiscal measures in the form of tax incentives as well as transparent changes to carbon pricing instruments 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, as well as supplementary environmental fiscal measures in the form of absence of fossil fuel subsidies has an ambiguous effect on firms and is therefore only assigned points on the social benefits aspect.

Table 34. 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	Consumption-Based Tax Registration*	1	1	1	2	10.00
1.2.4	VAT Refund*	1	1	1	2	10.00
1.3	Environmental Fiscal Instruments	4	2	4	6	20.00
1.3.1	Carbon Pricing Instruments	2	1	2	3	10.00
1.3.2	Supplementary Environmental Fiscal Measures	2	1	2	3	10.00
	Total	12	10	12	22	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 or other consumption-based taxes, are not assessed on subcategories “Consumption-Based Tax 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 to Corporate Taxpayers

Pillar II covers 17 indicators with a total score of 33 points (16 points on firm flexibility and 17 points on social benefits) (table 35). The scoring for each category under the pillar is as follows:

6.2.1 *Digital Services for Taxpayers* has 7 indicators with a total maximum score of 14 points (7 points on firm flexibility and 7 points on social benefits). Specifically, 3 subcategories have 1 indicator: *Online Taxpayer Portal*; *Pre-Filled Tax Returns* and *E-Payment*; Subcategories *E-Filing* and *Tax Accounting Integration* have two indicators each. The digital 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* has 4 indicators with a total maximum score of 8 points (4 points on firm flexibility and 4 points on social benefits). Specifically, the *Taxpayer Registration* Subcategory has 1 indicator, the *Taxpayer Deregistration* has 1 indicator and *Taxpayer Database* has 2 indicator. Under the *Data Management and System Integration* category, the points are allocated equally between firm flexibility and social benefits.

6.2.3 *Transparency* has 2 indicators with a total maximum score of 3 points (1 point on firm flexibility and 2 on social benefits). Specifically, the *Annual Performance* Subcategory has 1 indicator; 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 35. Aggregate Scoring Pillar II

Pillar II—Public Services Provided to Corporate Taxpayers		No. of Indicators	FFP	SBP	Total Points	Rescaled Points
2.1	Digital Services for Taxpayers	7	7	7	14	40.00
2.1.1	Online Taxpayer Portal	1	1	1	2	8.00
2.1.2	E-Filing	2	2	2	4	8.00
2.1.3	Pre-Filled Tax Returns	1	1	1	2	8.00
2.1.4	E-Payment	1	1	1	2	8.00

2.1.5	Tax Accounting Integration	2	2	2	4	8.00
2.2	Data Management and System Integration	4	4	4	8	20.00
2.2.1	Taxpayer Registration	1	1	1	2	5.00
2.2.2	Taxpayer Deregistration	1	1	1	2	5.00
2.2.3	Taxpayer Database	2	2	2	4	10.00
2.3	Transparency	2	1	2	3	20.00
2.3.1	Annual Performance	1	n/a	1	1	10.00
2.3.2	Public Accountability	1	1	1	2	10.00
2.4	Tax Audits and Related Disputes	4	4	4	8	20.00
2.4.1	Tax Audits	2	2	2	4	10.00
2.4.2	Dispute of Tax Audit Results	2	2	2	4	10.00
	Total	17	16	17	33	100.00

Note: FFP = Firm Flexibility Point; SBP = Social Benefits Point; TIN = Taxpayer's Identification Number.

6.3 Pillar III–Efficiency of Tax System in Practice

Pillar III covers 7 indicators with scores ranging from 0 to 100 on firm flexibility (table 37). The scores on indicators are assigned to firm flexibility only, because 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 Prepare, 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-Based Taxes and Social Contributions* Subcategory has 1 indicator.

Table 37. Aggregate Scoring Pillar III

Pillar III–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 Prepare, 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	40.00
3.2.2	Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions*	1	10.00
	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	Waezeggers 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 Tax 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					
General Tax Registration	1	1	2	10.00	USAID (2013)
Total Points for Subcategory 1.2.2	1	1	2	10.00	
1.2.3 Consumption-Based Tax Registration*					

Consumption-Based Tax Registration	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 Carbon Pricing Instruments					
Existence of Carbon Pricing Instruments	n/a	1	1	9.00	EC (2021); OECD (2010); UN (2024)
Transparency in Changes to Carbon Pricing Instruments	1	1	2	1.00	EC (2021)
Total Points for Subcategory 1.3.1	1	2	3	10.00	
1.3.2 Supplementary Environmental Fiscal Measures					
Absence of Fossil Fuel Subsidy	n/a	1	1	5.00	EC (2021); UN (2024)
Availability of Tax Incentives	1	1	2	5.00	UN (2024)
Total Points for Subcategory 1.3.2	1	2	3	10.00	
Total Points for Category 1.3	2	4	6	20.00	
Total Points for Pillar I	10	12	22	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 or other consumption-based taxes 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 TO CORPORATE TAXPAYERS					
2.1 DIGITAL SERVICES FOR TAXPAYERS					
2.1.1 Online Taxpayer Portal					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Online Taxpayer Portal	1	1	2	8.0	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.1	1	1	2	8.0	
2.1.2 E-Filing					
E-Filing of Tax Returns	1	1	2	4.0	TADAT Secretariat (2019)
E-Filing of Corrected Tax Returns	1	1	2	4.0	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.2	2	2	4	8.0	
2.1.3 Pre-Filled Tax Returns					
Pre-filled Tax Returns	1	1	2	8.0	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.3	1	1	2	8.0	
2.1.4 E-Payment					
E-Payment	1	1	2	8.0	TADAT Secretariat (2019)
Total Points for Subcategory 2.1.4	1	1	2	8.0	
2.1.5 Tax Accounting Integration					
Data Sharing	1	1	2	4.0	OECD, Tax Administration 3.0, (2020)
E-Invoicing System	1	1	2	4.0	OECD, (2022)
Total Points for Subcategory 2.1.5	2	2	4	8.0	
Total Points for Category 2.1	7	7	14	40.00	
2.2 DATA MANAGEMENT AND SYSTEM INTEGRATION					
2.2.1 Taxpayer Registration					
Taxpayer Registration	1	1	2	5.0	UNCITRAL (2019)
Total Points for Subcategory 2.2.1	1	1	2	5.0	
2.2.2 Taxpayer Deregistration					

Taxpayer Deregistration	1	1	2	5.0	Moore (2022)
Total Points for Subcategory 2.2.2	1	1	2	5.0	
2.2.3 Taxpayer Database					
Unified Tax Identification Number (TIN)	1	1	2	5.0	TADAT Secretariat (2019); UNCITRAL (2019)
Searchable Online Database	1	1	2	5.0	Tanner & Manwaring (2023)
Total Points for Subcategory 2.2.3	2	2	4	10.0	
Total Points for Category 2.2	4	4	8	20.00	
2.3 TRANSPARENCY					
2.3.1 Annual Performance					
Annual Performance	n/a	1	1	10.0	TADAT Secretariat (2019); OECD (2022)
Total Points for Subcategory 2.3.1	n/a	1	1	10.0	
2.3.2 Public Accountability					
Public Accountability	1	1	2	10.0	TADAT Secretariat (2019)
Total Points for Subcategory 2.3.2	1	1	2	10.0	
Total Points for Category 2.3	1	2	3	20.00	
2.4 TAX AUDITS AND RELATED DISPUTES					
2.4.1 Tax Audits					
Annual National Tax Audit Plan	1	1	2	5.0	TADAT Secretariat (2019)
Tax Audit Manuals and Guidelines	1	1	2	5.0	TADAT Secretariat (2019)
Total Points for Subcategory 2.4.1	2	2	4	10.0	
2.4.2 Dispute of Tax Audit Results					
First-Level Review Mechanism	1	1	2	5.0	IMF (2013); TADAT Secretariat (2019)
Second-Level Review Mechanism	1	1	2	5.0	TADAT Secretariat (2019)
Total Points for Subcategory 2.4.2	2	2	4	10.00	
Total Points for Category 2.4	4	4	8	20.00	
Total Points for Pillar II	16	17	33	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—EFFICIENCY OF TAX SYSTEM IN PRACTICE					
3.1 TIME AND FUNCTIONALITY OF PROCESSES					
3.1.1 Time to Prepare, File, and Pay Taxes					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Time to Prepare, File, and Pay Taxes	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					
Use of Electronic Systems to File and Pay Taxes	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					
Duration of a Generic Tax 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					
Duration of 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 Obtaining a VAT Refund in Practice*					
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	40.00	
Total Points for Subcategory 3.2.1	100	n/a	100	40.00	
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	10.00	
Total Points for Subcategory 3.2.2	100	n/a	100	10.00	
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 where a higher authority reviews a decision made in a dispute, typically used when one party is dissatisfied with the outcome of the initial decision. The higher authority, which can be a higher court, an administrative agency, or an independent body, examines the case and makes a new decision.

Carbon pricing instruments (CPIs): Policy instruments that impose a cost on emitting carbon dioxide and other greenhouse gases to incentivize emission reductions. While there are many types of CPIs, the two main types of CPIs in climate mitigation are carbon taxes and Emissions Trading Systems (ETS), also known as cap-and-trade.

Carbon taxes: Tax imposed on carbon dioxide (CO₂) emissions or non-renewable fossil fuels based on their carbon content.

Complaint on a tax audit assessment: An objection filed by a taxpayer or their representative against the outcome of a tax audit conducted by a tax authority.

Consumption-based taxes: Taxes typically levied on the purchase of goods or services, paid directly or indirectly by the final consumer. The most common consumption taxes include value added tax (VAT), goods and services tax (GST), and sales tax. For the purposes of this questionnaire, these do not include excise taxes, import duties, or taxes specific to import.

Core taxes: For the purpose of this questionnaire, core taxes encompass three categories: (1) corporate income-based taxes, (2) consumption-based taxes (VAT, GST, or similar consumption taxes), and (3) employment-based taxes and social contributions.

Corporate income-based taxes: Taxes levied on a company's profit or turnover (when a turnover is used as a proxy of profit). Taxes that are levied on turnover as a measure of sales are not included here and are instead classified as consumption-based taxes. The most common type is corporate income tax (CIT). Taxation of mineral, extractive, and financial sectors is excluded from the assessment.

Digital trade: All forms of economic activity conducted via digital networks, including digitally enabled transactions of goods and services. This includes services like cloud computing, data storage, and processing, as well as the online sale and delivery of goods and services. Digital trade involves both the production of digital goods (e.g., software, digital media, and online services) and the use of digital processes to facilitate traditional trade (e.g., e-commerce, online ordering, and electronic payments). It may also involve consumers, firms, and governments.

Direct emission approach: An approach to carbon taxation where the tax is levied directly on the amount of carbon emissions produced.

E-invoicing: A system for generating, transmitting, and processing invoices electronically using a standardized digital format (e.g., XML, JSON, EDIFACT, PEPPOL BIS). This excludes invoices in PDF, Word/Excel, or scanned formats. E-invoicing facilitates real-time, or near real-time, data sharing with tax administrations, supporting automatic pre-filling of tax returns.

Electronic filing (e-filing): The process of submitting tax returns via the internet using computers or mobile devices, without requiring any physical interactions (with tax authority, banks, or any other parties). If hard copies of tax returns are required to be stored (e.g., for audit purposes) or submitted, it is not considered as an electronic filing.

Electronic payment (e-payment): A payment request submitted online via computers or mobile devices, without requiring physical interactions (with a bank, tax authority, or any other parties). Examples include online banking, direct payments on tax authority websites, etc. If hard copies of payment transactions records are required to be stored or submitted in person, it is not considered an electronic payment.

Emission trading system (ETS): A carbon pricing instrument where emitters receive emission allowances or permits that can be traded with other emitters. It sets a cap on total emissions within a specific area and allocates permits to emission sources through auctions, free allowances, or both. Emitters can use their permits or sell them to others.

Employment-based taxes and social contributions: Employer-reported levies on employee headcount or compensation, including salaries, wages, and benefits. This includes all employment related taxes and social contributions reported by the employer, either remitted directly or withheld from employees' salaries. Personal income taxes are included only if they are withheld and reported by employer. Social contributions may include payments to unemployment insurance, pension funds, disability insurance, medical insurance and similar contributions.

Feedback from taxpayer: Feedback from corporate taxpayers that is proactively requested and obtained by independent third parties or tax administration. This can take form of focus groups, surveys, online feedback platforms, panels, and forums.

Financial performance: A measurement of tax administration's overall financial efficiency, typically presented in financial performance reports on an annual basis. These reports offer a detailed overview of the financial activities, achievements, and efficiency of a tax administration over a specific period. They evaluate key metrics such as revenue collection and expenditure details and often include the financial statements of the tax administration, along with compliance and enforcement statistics.

Fossil fuel subsidies: Policy instruments that directly or indirectly reduce the price paid by end users for fossil fuels or the energy generated from them. These subsidies may apply to primary fuels (such as coal, crude oil, and natural gas) and secondary energy (such as electricity and heating). Direct subsidies lower consumer prices through monetary transfers. Indirect subsidies include tax expenditures, price controls, discounts, or other measures that prevent full cost recovery, thereby artificially reducing end-user prices and creating distortions in energy access, pricing, and competitiveness. For the purposes of B-READY, the measurement of fossil fuel subsidies is limited to consumer-side support mechanisms that reduce end-user prices. While producer-side measures (e.g., tax breaks for exploration and extraction) also constitute subsidies, they fall outside the scope of this assessment, which does not cover the oil and gas industry.

General tax guidance: Information and instructions provided by tax authorities to assist taxpayers understand and comply with tax laws and regulations. This can be in the form of tax guides, tax briefs, practice notes, and factsheets, which clarify tax obligations, explain filing requirements, and provide practical advice for managing tax-related matters effectively. It is typically informational and not legally binding.

Independent complaint review mechanism: Structurally and functionally independent body or unit within a tax administration that adjudicates taxpayer complaints on tax audit assessments. Such a body or unit is considered independent only if staff/officers who conduct the review have not participated in the

taxpayer's audit. Furthermore, independence requires that the review is not conducted by the head of the tax administration or any unit reporting directly to the audit unit. However, the review may be conducted by a separate unit that reports to the head of the tax administration, as long as it is organizationally distinct from the audit unit.

Internal tax guidance: Guidelines produced specifically for tax administration staff, detailing policies and procedures they should follow in their duties. These provide technical advice issued internally to help staff understand and apply tax laws and regulations consistently across different tax offices or units. Examples include revenue procedure, internal revenue manuals, and technical advice memorandums.

Legislative or administrative act: Legal instruments enacted by a legislative or administrative bodies with general binding force at any government level (e.g., federal, state, or municipal) or administrative level (ministry of finance, tax authority). These include codes, laws, statutes, regulations, ordinances, and decrees.

Local tax representative: An individual or entity appointed to act on behalf of a taxpayer in a specific jurisdiction, responsible for fulfilling the taxpayer's VAT/GST obligations. Some economies require a local tax representative when suppliers have tax obligations but no physical presence in the jurisdiction.

Measurement, reporting, and verification (MRV): A system used in carbon pricing that allows to record carbon emissions. MRV systems can operate at the facility level or at the sector level. At the facility level each facility is responsible for tracking its fuel usage, estimating emissions based on carbon content and reporting this information to the relevant government agency. At the sector level emissions are aggregated and assessed across an entire industry or sector. While individual facilities may not report emissions directly, they may be required to maintain internal records or report production volumes, fuel use or energy consumption to support sector-level estimates.

Operational performance: A measurement of tax administration's operational efficiency, typically presented in operational performance reports on an annual basis. These reports evaluate the tax authority's core functions and processes, including metrics on management and accountability, taxpayer services (e.g., assistance programs, filing services, educational outreach), and enforcement activities. It may also cover the organizational structure, leadership roles, and strategic initiatives aimed to enhance operational efficiency and effectiveness.

Pre-filled electronic declaration: Preparation or pre-filing of a tax declaration by the tax administration, using information from third parties (such as banks and financial institutions, suppliers, etc.), as well as from previously submitted tax declarations, or directly from the taxpayers' tax accounting if such data sharing is established. Also referred to as 'pre-populated declarations,' these declarations substantially simplify the effort required by corporate taxpayers for annual tax filing. The basic pre-filled information can include corporate taxpayer's registration details, estimated income and expenses, and taxes withheld or paid in advance. Advanced pre-filled information includes the calculation of final tax liability or other near-final calculations.

Private binding rulings: Binding statements written by the government (tax authority or other dedicated institution) in response to specific requests from corporate taxpayers seeking clarification about tax treatment of a planned or completed transaction or other specific circumstances. Corporate taxpayers who followed the ruling cannot be later penalized by the tax authority, even if the ruling is retroactively deemed incorrect. In some jurisdictions, these are known as "advance rulings." For the purposes of this questionnaire, advance rulings are included only if any corporate taxpayer can request such a ruling.

Private sector stakeholders: Firms, business organizations, trade and consumer organizations, tax advisors, private sector technical and environmental experts, and others as applicable.

Public binding rulings: Published statements describing how particular situations should be treated for tax purposes. Corporate taxpayers who followed the ruling cannot be later penalized by the tax authority, even if the ruling is retroactively deemed incorrect. General tax guidance or instructions are not considered public binding rulings. Public binding rulings address very specific transactions rather than provide broad explanations of how the tax authority interprets or applies the law.

Single-entry bookkeeping: A bookkeeping method where each transaction is recorded as a single-entry in the tax journal. It is generally used for cash-based accounting.

Tax audit manuals and guidelines: Comprehensive documents intended to guide auditors in conducting audits of corporate taxpayers. They provide a framework for planning, preparation, and executing tax audits, as well as preparing reports and results. These also describe methods and techniques for assessing the correctness of a taxpayer's liability, as well as the principles, standards, and code of ethics for auditors.

Tax audit plan: A strategic framework outlining the tax administration's annual plan for conducting audits. It typically includes information on audit coverage for various taxes and key taxpayer segments, selection of audit cases (e.g., by prioritizing high-risk areas and centrally selecting cases based on risk assessments), types of audits to be conducted, allocation of resources and timeline. The plan must contain at least the selection criteria, but it is not required that an explicit list of taxpayers that will be audited is published.

Tax ombudsman: An independent, non-judicial entity focused on recommending solutions for taxpayer complaints, distinct from judicial bodies that provide formal judicial processes. The ombudsman has the authority to investigate service-related complaints, including mistakes, omissions, oversights, or other administrative issues, and can make suggestions to the tax administration. It must be independent from the tax administration and must possess expertise in tax-related matters to review tax cases. It can be a separate body or a division within a general ombudsman's office.

Tax records: Documents created exclusively or partially for tax purposes. Tax records often include VAT invoices, tax books and records, tax declarations/returns, payment slips, and any other documentation required to verify reported income, expenses, credits, and deductions. These may include financial records that businesses normally maintain (e.g., balance sheets, profit and loss accounts, cash flow statements, invoices receipts, asset records, etc.) if such records are required to be submitted to the tax authority regularly or upon request.

Taxpayer portal: An electronic gateway that uses secure authentication to provide corporate taxpayers and their authorized agents with online access to tax information, services, and functions. Such portal is different from the general website as it enables users to update bank account and/or contact details (e.g., address and telephone number); view, prepare, file, and adjust tax reporting documents; make financial transactions (e.g., pay taxes and request refunds); communicate with the tax administration via secure channels; and access historical files and communication.

Unified Identification Number (UIN): A unique identifier assigned to a corporate taxpayer by a public agency or regulatory body to streamline tracking and management of their affairs. It may be part of a Unified Business Identifier (UBI), which goes beyond taxation to include business registration, licensing, and other regulatory requirements, aiming to eliminate multiple identification numbers across different regulatory regimes.

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.

Certain 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → provide response to question ...” or “N → provide response to question ...” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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

- Do corporate income-based taxes exist in [ECONOMY]? (Y/N) (not scored)**
Y → provide response to questions 2, 52, 55, 58 and 67.
- Please list the corporate income-based taxes that exist in [ECONOMY]. (not scored)**

3. **Do consumption-based taxes (e.g., value-added taxes or sales taxes) exist in [ECONOMY]? (Y/N)**
(not scored)
Y → provide responses to questions 4, 5, 34, 53, 56, 61 and 68.
4. **Please list the consumption-based taxes (e.g., value-added taxes or sales taxes) that exist in [ECONOMY].** (not scored)
5. **At which stage(s) of the supply chain are consumption-based taxes levied?**
5a. At each stage of the supply chain and the final point of sale (both B2B and B2C transactions)
5b. Only at the final point of sale (B2C transactions)
5c. Only at the point of purchase of raw materials or resources (B2B transactions)
5a or 5c → provide response to question 6.
6. **Is there a mechanism in place to prevent the cascading effect (tax-on-tax) in the application of consumption-based taxes?**
Note: Please answer "Yes" only if a functioning input tax credit or refund mechanism applies to all or almost all taxable supplies among registered businesses. Please answer "Partially" if input credits or refunds exist but are restricted (e.g., only certain sectors or types of inputs qualify, or refunds are rarely processed).
6a. Yes
6b. Partially
6c. No
6a → provide response to question 36.
7. **Do employment-based taxes and social contributions exist in [ECONOMY]?** (not scored)
Y → provide response to questions 8, 54, 57, 64 and 69.
8. **Please list the employment-based taxes and social contributions 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

9. **In the past three years, did the government (e.g., tax administration, social security administration) publish general tax guidance?** (Y/N)

Note: Any clarification or guidance published by private sector entities or NGO does not qualify for the purposes of this question.

Y → provide response to question 10.

10. Is general tax guidance available online? (Y/N)

11. In the past three years, did the government (e.g., tax administration, social security administration) publish internal tax guidance? (Y/N)

Note: Please answer “Yes” only if such documents are available publicly.

Y → provide response to question 12.

12. Is internal tax guidance available online? (Y/N)

13. Does the government (tax administration or other dedicated institution) in [ECONOMY] issue private binding rulings for tax residents? (Y/N)

Note: Please answer “Yes” only if such rulings, once issued, are mandatory for the issuing tax/fiscal authority.

Y → provide response to question 14.

14. Are private binding rulings published online? This includes publication of the redacted rulings, without any personal or identifying private information to protect the privacy of the applicant. Such rulings can be disclosed in full or partially? (Y/N)

15. Does the government (tax administration or other dedicated institution) in [ECONOMY] issue public binding rulings? (Y/N)

Note: Please answer “Yes” only if such rulings, once issued, are mandatory for the issuing tax/fiscal authorities.

16. Is the tax dispute resolution process codified in a single legislative or administrative act that has uniform application across all core taxes? (Y/N)

Note: This refers to the tax dispute resolution process prior to any appeal mechanism with a court of general jurisdiction/not specialized in tax matters. If the dispute resolution procedures for core taxes (corporate profit-based taxes, VAT and other consumption taxes, and employment-based taxes and social contributions) are governed by different acts, the answer should be “No”. To qualify as a single legislative or administrative act, the act must clearly outline (1) how and where to submit an appeal or a complaint against the tax authority, (2) specify time limits for submissions and resolutions, (3) define the rights and responsibilities of both corporate taxpayers and the tax authority, and (4) detail the handling of evidence and further appeals if the initial decision is disputed. Such legislative or administrative act should be taxation specific.

17. Is the tax audit procedure codified in the single legislative or administrative act that has uniform application across all core taxes. (Y/N)

Note: If tax audit procedures for core taxes (corporate profit-based taxes, VAT and other consumption taxes, and employment-based taxes and social contributions) are governed by different acts, the answer should be “No”. To qualify as a single legislative or administrative act, it must capture the whole process of tax audit, starting from initiation of the audit to the issuance of the final audit findings, and should cover all core taxes. This question doesn’t assess any internal documents of the tax authority that typically provide detailed guides and instructions.

1.1.2 Transparency of Changes in Tax Regulations

- 18. Do ministries/legislative/regulatory agencies in <CITY> conduct targeted/specific consultations with private sector stakeholders on proposed new tax law or changes to existing ones? These consultations can take the form of in-person meetings, online meetings, surveys, and other methods.**

Note: The question aims to understand the general practice within the city. If there is a variation among different ministries or agencies, please provide the answer that best represents the majority practice. This question does not cover the “passive” process of collecting comments and feedback without a link to a specific initiative.

18a. Yes, always/regularly

18b. Yes, sometimes/ad hoc

18c. No

18a or 18b → provide response to questions 19-23.

- 19. Are the consultations open to all interested private sector stakeholders or only include selected participants?**

19a. All interested private sector stakeholders

19b. Only selected participants (e.g., only certain associations, only invited parties)

- 20. Do such consultations take place before the formulation/prioritization of proposals on new or changes to existing tax law? (Y/N)**

20a. Yes, always/regularly

20b. Yes, sometimes/ad hoc

20c. No

- 21. Do such consultations take place during the drafting of new or changes to existing tax law?**

21a. Yes, always/regularly

21b. Yes, sometimes/ad hoc

21c. No

- 22. Do such consultations take place after the enactment of new or changes to existing tax law (i.e., private sector provides feedback on practical challenges in the implementation)?**

22a. Yes, always/regularly

22b. Yes, sometimes/ad hoc

22c. No

- 23. Is the feedback received through consultations published online? (Y/N)**

- 24. Does the government in [ECONOMY] systematically publish online future plans for major changes in the tax law including, for example, a multi-year strategic (or reform) plan? (Y/N)**

Note: Major changes include new tax codes, a change in rates or frequency of payments, unification of fiscal agencies into one administration, and introduction or improvement of online filing systems, etc.

Y → provide response to question 25.

- 25. 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
- General tax guidance is available to the public (9)	0.3	0.3	0.6
- General tax guidance is published online (10)	0.2	0.2	0.4
- Internal tax guidance is available to the public (11)	0.3	0.3	0.6
- Internal tax guidance is published online (12)	0.2	0.2	0.4
Binding Rulings and Post-Compliance Procedures	1	1	2
- Private binding rulings are available and published online (13 AND 14)	0.4	0.4	0.8
- Public binding rulings available (15)	0.2	0.2	0.4
- Dispute resolution process is codified in a single legislative act (16)	0.2	0.2	0.4
- Tax audit procedures codified in a single legislative act (17)	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 are held for the enactment and changes to tax laws and regulation - always/regularly (18a) OR	0.3 OR	0.3 OR	0.6 OR
- Consultations are held for the enactment and changes to tax laws and regulation - sometimes/ad hoc (18b)	0.15	0.15	0.3
- Consultations are open to all interested private sector stakeholders (19a)	0.2	0.2	0.4
- Consultations take place before the formulation of tax law proposals - always/regularly (20a) OR	0.1 OR	0.1 OR	0.2 OR
- Consultations take place before the formulation of tax law proposals - sometimes/ad hoc (20b)	0.05 OR	0.05 OR	0.1 OR
- Consultations take place during the drafting of tax laws - always/regularly (21a) OR	0.1 OR	0.1 OR	0.2 OR
- Consultations take place during the drafting of tax laws - sometimes/ad hoc (21b)	0.05	0.05	0.1
- Consultations take place after the enactment of tax laws - always/regularly (22a) OR	0.1 OR	0.1 OR	0.2 OR
- Consultations take place after the enactment of tax laws - sometimes/ad hoc (22b)	0.05	0.05	0.1
- Feedback received is published online (23)	0.2	0.2	0.4
Future Tax Plans	1	1	2
- Future tax plans are published online (24)	0.5	0.5	1
- Future tax plans are published prior to implementation (25)	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

26. Is there a legal provision that allows corporate taxpayers to keep all tax records digitally?

Note: If such provision is too general to be practically implemented, please answer “Partially”. If digital record-keeping is available for some tax records but not all, please answer “Partially”. If hard copies of

tax records are required to be kept in addition to the digital version, for example, in case of an audit, please answer “No”.

26a. Yes

26b. Partially

26c. No

27. Is there a legal provision that allows small businesses to use simplified record-keeping methods, for example single-entry bookkeeping ? (Y/N)

Note: This question measures corporate taxation and doesn't measure personal income taxes.

28. 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)

Note: This question measures corporate taxation and doesn't measure personal income taxes

1.2.2 General Tax Registration

29. Is information about the process for a company's registration for all taxes and social contributions available online? (Y/N)

Note: Please answer “Yes” if this information is available on an official government website. If the information is available only on a non-government website, e.g., website of a private consultancy firm or an NGO, please answer “No.”

30. Do the official sources explicitly define all registration fees for all taxes and social contributions that a company must report and pay? (Y/N)

Note: If tax registration is free of charge, please answer “Yes” only if it is explicitly stated in the law or official channels, for example, the official website of the relevant authority. If the law and official channels are silent, please answer “No” even if registration is deemed free of charge in practice. If the information is available only on a non-government website, e.g., website of a private consultancy firm or an NGO, please answer “No.”

31. Does the legislation define the timeframe in which the government must complete the corporate taxpayer's registration for all taxes and social contributions that a company must report and pay from the moment of the submission of the registration application? (Y/N)

Note: If such registration is automatic and instant, please answer “Yes” only if this is explicitly stated in the law or official channels, for example, the official website of the relevant authority.

32. Are corporate taxpayers legally required to notify the tax administration of changes to registration details ? (Y/N)

Y → provide response to question 33.

33. Is there a defined penalty regime for failure to comply with the requirements to notify the tax administration of changes to registration details? (Y/N)

1.2.3 Consumption-Based Tax Registration

34. Does the legal framework set a statutory turnover threshold above which registration for VAT or other consumption-based taxes is mandatory ? (Y/N)

Note: If registration is generally compulsory for all companies but they have option to opt-out from such registration if their turnover is below X (consider X as mandatory registration threshold), select “Yes”.

Y → provide response to question 35.

35. Does the legal framework allow voluntary VAT or other consumption-based taxes registration for businesses that are below the threshold? (Y/N)

1.2.4 VAT Refund

36. Is a refund mechanism available for excess VAT or other consumption-based tax ? (Y/N)

Note: This does not include the carrying forward of excess VAT or other consumption-based tax.

Y → provide response to question 37.

37. Are there any restrictions on claiming refunds of excess input tax (e.g., based on taxpayer type, transaction type, nature of goods or services, or required carry-forward period)? (Y/N; N – good practice)

Note: This question concerns only restrictions on claiming a refund of excessively paid tax (i.e., when input tax exceeds output tax). It does not cover exemptions or limitations that affect the calculation of tax liability, such as limits on input tax credits or special rates.

1.2 ADMINISTRATIVE PROCEDURES			
1.2.1 Simplified Tax Record Keeping and Reporting			
Indicators	FFP	SBP	Total Points
Simplified Tax Record Keeping and Reporting	1	1	2
- All tax records can be kept digitally (26a) OR	0.5 OR	0.5 OR	1 OR
- Tax records can be partially kept digitally (26b)	0.25	0.25	0.5
- Simplified record keeping is available for small businesses (27)	0.25	0.25	0.5
- Simplified reporting is available for small businesses (28)	0.25	0.25	0.5
Total Points	1	1	2
1.2.2 General Tax Registration			
Indicators	FFP	SBP	Total Points
General Tax Registration	1	1	2
- Information on general tax registration available online (29)	0.25	0.25	0.5
- Information on registration fees is available on official sources (30)	0.25	0.25	0.5
- Information on registration timeframe is clearly defined (31)	0.25	0.25	0.5
- Mandatory notification of changes to registration details and penalty for failure to comply (32 AND 33)	0.25	0.25	0.5
Total Points	1	1	2
1.2.3 Consumption-Based Tax Registration*			
Indicators	FFP	SBP	Total Points
Consumption-Based Tax Registration	1	1	2
- Registration threshold exists for VAT or other consumption-based taxes ((5b OR 6a) AND 34)	0.5	0.5	1
- Voluntary registration is available for VAT or other consumption-based taxes ((5b OR 6a) AND 35)	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
- Excess VAT refund is available (6a AND 36)	0.5	0.5	1
- Excess VAT refund is not restricted (6a AND 37)	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 Carbon Pricing Instruments

38. Do carbon taxes exist in [ECONOMY]? (Y/N)

Y → provide response to questions 39 and 43.

39. Is the carbon tax based on the direct emissions approach ? (Y/N)

Note: If several carbon taxes exist, select “Yes” if at least one of them is based on the direct emissions approach. Select “No” if all carbon taxes are levied based only on carbon content of fuels and other inputs, rather than on measured emissions.

Y → provide response to question 41.

40. Does an Emission Trading System (ETS) exist in [ECONOMY]? (Y/N)

Note: If the economy is part of a regional ETS system, the answer should be “Yes” only if the relevant directive is ratified and included in the national legislation.

Y → provide response to question 41 and 43.

41. Are there specific mechanisms in place for the measurement, reporting, and verification (MRV) of emissions in [ECONOMY]? (Y/N)

41a. Yes

41b. No or under development

Y → provide response to question 42.

42. Are MRV mechanisms implemented at the facility level in [ECONOMY]? (Y/N)

Note: If MRV exists only at the sectoral or other non-facility level, please select “No.”

43. Does the law include a transparent and predictable process for changes to the carbon pricing instruments and/or emission caps over time? (Y/N)

Note: If the law includes a clear plan for future changes to rates, prices, or caps, possibly with automatic adjustment (e.g., inflation, emissions thresholds, and/or other pre-defined triggers), please select “Yes”. If the law allows for changes through periodic reviews and/or inflation-based adjustments, but does not establish a structured plan or clear criteria, please select “No”. If a transparent and predictable process is prescribed for some but not all changes, please select “No”.

1.3.2 Supplementary Environmental Fiscal Measures

44. 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)

45. 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 ENVIRONMENTAL FISCAL INSTRUMENTS			
1.3.1 Carbon Pricing Instruments			
Indicators	FFP	SBP	Total Points
Existence of Carbon Pricing Instruments - Carbon Tax exists but is not based on direct emission approach (38 AND 39[No]), OR - Carbon tax exists and is based on direct emission approach with MRV mechanisms at the facility level (38 AND 39[Yes] AND 41a AND 42[Yes]) OR - Carbon tax exists and is based on direct emission approach with MRV mechanisms not applied at the facility level (38 AND 39[Yes] AND 41a AND 42[No]) OR[No]) OR - Emission Trading System (ETS) exists with MRV mechanisms at the facility level (40 AND 41a AND 42[Yes]) OR - Emission Trading System (ETS) exists with MRV mechanisms not applied at the facility level (40 AND 41a AND 42[No])	n/a	1 1 OR 1 OR 0.8 OR 1 OR 0.8	1 1 OR 1 OR 0.8 OR 1 OR 0.8
Transparency in Changes to Carbon Pricing Instruments (43)	1	1	2
Total Points	1	2	3
1.3.2 Supplementary Environmental Fiscal Measures			
Indicators	FFP	SBP	Total Points
Absence of Fossil Fuel Subsidy (44)	n/a	1	1
Availability of Tax Incentives (45)	1	1	2
Total Points	1	2	3

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

PILLAR II—PUBLIC SERVICES PROVIDED TO CORPORATE TAXPAYERS	
Parameters	
Business Location	The largest (most populous) city in the economy. For Pillar II, if public services provided to corporate taxpayers 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 Taxpayer Portal

46. Does a taxpayer portal exist?

46a. Yes, a single portal for all taxes and social contributions

46b. Yes, separate portals for some or all taxes/contributions

46c. No

46a or 46b → provide response to questions 47-51.

47. Are there any obstacles to using the taxpayer portal in practice? For example, the taxpayer portal is not fully functional or has frequent glitches, logging in is not easy, requires high speed internet access, etc. (Y/N; N – good practice)

Note: If several portals exist (you selected option 2 to question 46), please answer this question considering all portals. If obstacles exist in any of the relevant portals, please answer “Yes.”

48. Can taxpayers update their bank account and/or contact details (such as address and telephone number) on the taxpayer portal ? (Y/N)

Note: If several portals exist (you selected option 2 to question 46), please answer this question keeping all portals in mind. If this feature exists in some, but not all, relevant portals, please answer “No.”

49. Can taxpayers request refunds through the taxpayer portal? (Y/N)

Note: If several portals exist (you selected option 2 to question 50), please answer this question keeping all portals in mind. If this feature exists in some, but not all, relevant portals, please answer “No.”

50. Can taxpayers communicate with the tax administration via secure channels on the taxpayer portal? (Y/N)

Note: If several portals exist (you selected option 2 to question 50), please answer this question keeping all portals in mind. If this feature exists in some, but not all, relevant portals, please answer “No.”

51. Can taxpayers access historical files and/or communication on the taxpayer portal ? (Y/N)

Note: If several portals exist (you selected option 2 to question 50), please answer this question keeping all portals in mind. If this feature exists in some, but not all, relevant portals, please answer “No.”

2.1.2 E-Filing

52. Is electronic filing available for corporate income-based taxes (CIT or other profit-based taxes)?

52a. Yes, for all corporate taxpayers and taxes

52b. Yes, but not for all

52c. No

53. Is electronic filing available for VAT or other consumption taxes ?

53a. Yes, for all corporate taxpayers and taxes

53b. Yes, but not for all

53c. No

54. Is electronic filing available for employment-based taxes and social contributions?

54a. Yes, for all corporate taxpayers and taxes

54b. Yes, but not for all

54c. No

55. Is electronic filing available for corrected returns for corporate income-based taxes (CIT or other profit-based taxes)?

55a. Yes, for all corporate taxpayers and taxes

- 55b. Yes, but not for all
- 55c. No

56. Is electronic filing available for corrected returns for VAT or other consumption-based taxes?

- 56a. Yes, for all corporate taxpayers and taxes
- 56b. Yes, but not for all
- 56c. No

57. Is electronic filing available for corrected returns for employment-based taxes and social contributions? (Y/N)

- 57a. Yes, for all corporate taxpayers and taxes
- 57b. Yes, but not for all
- 57c. No

2.1.3 Pre-Filled Tax Returns

58. Are pre-filled electronic declarations available for corporate income-based taxes?

- 58a. Yes, for all corporate taxpayers and taxes
- 58b. Yes, but not for all
- 58c. No
- 58a or 58b → provide response to question 59.

59. Are the corporate income-based tax declarations fully pre-filled, including the final tax liability? (Y/N)

Y → provide response to question 60.

60. Are the pre-filled corporate income-based tax declarations editable ? (Y/N)

Note: This question refers to the fields with information that is reported directly by the taxpayer who is submitting the tax declaration. It does not include fields on withheld taxes or other information that is provided by other sources.

61. Are pre-filled electronic declarations available for VAT or other consumption-based taxes?

- 61a. Yes, for all corporate taxpayers and taxes
- 61b. Yes, but not for all
- 61c. No
- 61a or 61b → provide response to question 62.

62. Are the VAT or other consumption-based tax declarations fully pre-filled, including the final tax liability? (Y/N)

Y → provide response to question 63.

63. Are the pre-filled VAT or other consumption-based tax declarations editable? (Y/N)

Note: This question refers to the fields with information that is reported directly by the taxpayer who is submitting the tax declaration. It does not include fields on withheld taxes or other information that is provided by other sources.

64. Are pre-filled electronic declarations available for employment-based taxes and social contributions?

- 64a. Yes, for all corporate taxpayers and taxes
- 64b. Yes, but not for all

64c. No

64a or 64b → provide response to question 65.

65. Are the employment-based taxes and social contributions declarations fully pre-filled, including the final tax liability? (Y/N)

Y → provide response to question 66.

66. Are the pre-filled employment-based taxes and social contributions declarations editable? (Y/N)

Note: This question refers to the fields with information that is reported directly by the taxpayer who is submitting the tax declaration. It does not include fields on withheld taxes or other information that is provided by other sources.

2.1.4 E-Payment

67. Is direct electronic payment available on the tax portal, or through accounting software, for corporate income-based taxes? (Y/N)

67a. Yes, for all corporate taxpayers and taxes

67b. Yes, but not for all

67c. No

68. Is a direct electronic payment available on the tax portal or through accounting software for VAT or other consumption-based taxes?

68a. Yes, for all corporate taxpayers and taxes

68b. Yes, but not for all

68c. No

69. Is a direct electronic payment available on the tax portal or through accounting software for employment-based taxes and social contributions?

69a. Yes, for all corporate taxpayers and taxes

69b. Yes, but not for all

69c. No

2.1.5 Tax Accounting Integration

70. Is there a system in which tax administration has real-time open access to corporate taxpayers' full tax accounting data (including invoices, expenses, and other relevant records)? (Y/N)

Note: This question refers to ongoing and permanent access that is not limited to a tax audit. Such systems usually imply installation of government provided algorithm into the taxpayers' accounting software or use of third-party software that already has government-approved algorithm installed.

Y → provide response to question 71.

71. Does the system/tax administration explicitly communicate what information is accessed through this system and how it is used?

Note: Select "Yes, fully" if the scope of accessed data and its intended use are clearly disclosed to taxpayers (e.g., through official documentation, portal interface, or legal act). Select "Yes, partially" if only some aspects are communicated (for example, taxpayers are informed that data are accessed but not which specific data or for what purposes). Select "No" if there is no clear communication on what data are accessed or how they are used.

71a. Yes, fully

71b. Yes, partially

71c. No

72. Is e-invoicing system implemented in [ECONOMY]? (Y/N)

2.1 DIGITAL SERVICES FOR TAXPAYERS			
2.1.1 Online Taxpayer Portal			
Indicators	FFP	SBP	Total Points
Online Taxpayer Portal	1	1	2
- Availability of a single taxpayer portal for all taxes and social contributions (46a) OR	0.17 OR	0.17 OR	0.33 OR
- Availability of a separate taxpayer portal for some or all taxes and social contributions (46b)	0.08	0.08	0.08
- Absence of obstacles to using the portal in practice (47)	0.17	0.17	0.33
- Taxpayers can update their bank account and contact details on the portal (48)	0.17	0.17	0.33
- Taxpayers can request refunds through the portal (49)	0.17	0.17	0.33
- Taxpayers can communicate with the tax administration via secure channels on the portal (50)	0.17	0.17	0.33
- Taxpayers can access historical files and/or communication on the portal (51)	0.17	0.17	0.33
Total Points	1	1	2
2.1.2 E-Filing *			
Indicators	FFP	SBP	Total Points
E-Filing of Tax Returns	1	1	2
- All companies can file all corporate income-based taxes online (52a) OR	0.33 OR	0.33 OR	0.67 OR
- Some or all companies can file some or all corporate income-based taxes online (52b)	0.17	0.17	0.33
- All companies can file all VAT or other consumption taxes online ((5b OR 6a) AND 53a) OR	0.33 OR	0.33 OR	0.67 OR
- Some or all companies can file some or all VAT or other consumption taxes online ((5b OR 6a) AND 53b)	0.17	0.17	0.33
- All companies can file all employment-based taxes and social contributions online (54a) OR	0.33 OR	0.33 OR	0.67 OR
- Some or all companies can file some or all employment-based taxes and social contributions online (54b)	0.17	0.17	0.33
E-Filing of Corrected Tax Returns	1	1	2
- All companies can file corrected returns for all corporate income-based taxes online (55a) OR	0.33 OR	0.33 OR	0.67 OR
- Some or all companies can file corrected returns for some or all corporate income-based taxes online (55b)	0.17	0.17	0.33
- All companies can file corrected returns for all VAT or other consumption taxes online ((5b OR 6a) AND 56a) OR	0.33 OR	0.33 OR	0.67 OR
- Some or all companies can file corrected returns for some or all VAT or other consumption taxes online ((5b OR 6a) AND 56b)	0.17	0.17	0.33
- All companies can file corrected returns for all employment-based taxes and social contributions online (57a) OR	0.33 OR	0.33 OR	0.67 OR
- Some or all companies can file corrected returns for some or all employment-based taxes and social contributions online (57b)	0.17	0.17	0.33
Total Points	2	2	4

2.1.3 Pre-Filled Tax Returns*			
Indicators	FFP	SBP	Total Points
Pre-Filled Tax Returns	1	1	2
- Pre-filled tax returns are available for all corporate income-based taxes for all companies (58a) OR	0.17 OR	0.17 OR	0.33 OR
- Pre-filled tax returns are available for all or some corporate income-based taxes for all or some companies (58b)	0.8	0.8	0.17
- Corporate income-based tax returns are fully prefilled and editable (59 AND 60)	0.17	0.17	0.33
- Pre-filled tax returns are available for all VAT or other consumption-based taxes for all companies ((5b OR 6a) AND 61a) OR	0.17 OR	0.17 OR	0.33 OR
- Pre-filled tax returns are available for all or some VAT or other consumption-based taxes for all or some companies ((5b OR 6a) AND 61b)	0.8	0.8	0.17
- VAT or other consumption-based tax returns are fully prefilled and editable ((5b OR 6a) AND 62 AND 63)	0.17	0.17	0.33
- Pre-filled tax returns are available for all employment-based taxes and social contributions for all companies (64a) OR	0.17 OR	0.17 OR	0.33 OR
- Pre-filled tax returns are available for all or some employment-based taxes and social contributions for all or some companies (64b)	0.8	0.8	0.17
- Employment-based taxes and social contributions returns are fully prefilled and editable (65 AND 66)	0.17	0.17	0.33
Total Points	1	1	2
2.1.4 E-Payment*			
Indicators	FFP	SBP	Total Points
E-Payment	1	1	2
- All companies can pay all corporate income-based taxes through taxpayer portal (67a) OR	0.33 OR	0.33 OR	0.67 OR
- All or some companies can pay all or some corporate income-based taxes through taxpayer portal (67b)	0.17	0.17	0.33
- All companies can pay all VAT or other consumption taxes through taxpayer portal ((5b OR 6a) AND 68a) OR	0.33 OR	0.33 OR	0.67 OR
- All or some companies can pay all or some VAT or other consumption-based taxes through taxpayer portal ((5b OR 6a) AND 68b)	0.17	0.17	0.33
- All companies can pay all employment-based taxes and social contributions through taxpayer portal (69a) OR	0.33 OR	0.33 OR	0.67 OR
- All or some companies can pay all or some employment-based taxes and social contributions through taxpayer portal (69b)	0.17	0.17	0.33
Total Points	1	1	2
2.1.5 Tax Accounting Integration			
Data Sharing	1	1	2
- Existence of real-time open access to accounting data (70)	0.5	0.5	1
- Full transparency of information accessed through tax administration systems (71a) OR	0.5 OR	0.5 OR	1 OR
- Partial transparency of information accessed through tax administration systems (71b)	0.25	0.25	0.5
E-invoicing system	1	1	2
- Availability of e-invoicing (72)	1	1	2
Total Points	2	2	4

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

2.2.1 Taxpayer Registration

73. In practice, when a company is incorporated, are there any separate/additional interactions required to complete registration for all taxes and social contributions with all levels of administration? (Y/N; N – good practice)

Y → provide response to question 74.

74. In practice, can registration for all taxes and social contributions be done fully online and without submitting any hard copies in person? Please note that this includes the process of obtaining access to online portal(s), if any. (Y/N)

2.2.2 Taxpayer Deregistration

75. 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)

Y → provide response to question 76.

76. In practice, can deregistration for all taxes and social contributions be done fully online and without submitting any hard copies? Please note that this includes the process of closing the account(s) connected to online portal(s), if any. (Y/N)

2.2.3 Taxpayer Database

77. Does the tax authority use the unified identification number for all company's taxes and social contributions?

Note: In some cases, a specific small marker is added to unified ID to reflect registration with a certain tax, for example VAT. Such cases are still considered unified ID for the purposes of this questionnaire.

N → provide response to question 78.

78. 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)

79. Is there a searchable online database where information on corporate taxpayer's tax and social contributions registration details can be verified? (Y/N)

Y → provide response to questions 80-82.

80. Is such online database unified to cover all or several taxes and social contributions registrations? (Y/N)

Note: If several or separate databases exist, please select "No".

81. Does the online database(s) cover all taxes and social contributions? (Y/N)

Note: If several databases exist, please select “Yes” only if they cover all corporate taxes and social contributions.

82. Does such database have full national coverage? (Y/N)

Note: If several databases exist, please select “Yes” only when all of them have full national coverage.

2.2 DATA MANAGEMENT AND SYSTEM INTEGRATION			
2.2.1 Taxpayer Registration			
Indicators	FFP	SBP	Total Points
Taxpayer Registration	1	1	2
- Tax registration fully automated (73) OR	1 OR	1 OR	2 OR
- Tax registration fully online (74)	0.5	0.5	1
Total Points	1	1	2
2.2.2 Taxpayer Deregistration			
Indicators	FFP	SBP	Total Points
Taxpayer Deregistration	1	1	2
- Tax deregistration fully automated (75) OR	1 OR	1 OR	2 OR
- Tax registration fully online (76)	0.5	0.5	1
Total Points	1	1	2
2.2.3 Taxpayer Database			
Indicators	FFP	SBP	Total Points
Unified Tax Identification Number (TIN)	1	1	2
- Single TIN for all taxes and social contributions (77)	1 OR	1 OR	2 OR
- Single tax identification number for corporate income-based taxes, VAT/other consumption-based taxes or employment-based taxes and social contributions (78)	0.5	0.5	1
Searchable Online Database	1	1	2
- Searchable online database exists (79)	0.25	0.25	0.5
- Online database is unified across all or some taxes and social contributions (80)	0.25	0.25	0.5
- Online database covers all taxes and social contributions (81)	0.25	0.25	0.5
- Online database has full national coverage (82)	0.25	0.25	0.5
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

83. Is the recent annual report(s) outlining the performance of the tax administration available online?

Note: This refers to reports covering year 2023 onwards.

83a. Yes, for financial performance

83b. Yes, for operational performance

83c. Yes, for both

83d. No

- 84. In practice, is there an independent external review body (e.g., a government auditor or independent entity appointed in accordance with the economy's laws and regulations) that performs periodical audits of the tax administration's financial and/or operational performance?**

Note: "Periodic audits" refer to audits conducted at regular intervals, such as annually or biannually?

84a. Yes, for financial performance

84b. Yes, for operational performance

84c. Yes, for both

84d. No

84a or 84b or 84c → provide response to question 85.

- 85. Are findings and/or recommendations of such independent external review body published online?**

Note: This refers to findings and recommendations covering year 2023 onwards

85a. Yes, only findings

85b. Yes, only recommendations

85c. Yes, for both

85d. No

2.3.2 Public Accountability

- 86. Within the past three years, did the tax administration in <CITY> conduct surveys focused on corporate taxpayers' perception of services and communication with the tax administration? For example, feedback from taxpayers 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 87.

- 87. Are the results of the taxpayer perception surveys available online? (Y/N)**

- 88. Is there a tax administration's code of ethics and professional conduct available online? (Y/N)**

Note: A general code of ethics and professional conduct that is applicable to all public servants does not qualify as a "Yes". The code of ethics and professional conduct should be specific to the tax administration, distinguishing it from general codes applicable to all public officials.

Y → provide response to question 89.

- 89. 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)**

- 90. Does a tax ombudsman or an 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)**

- 91. 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			
Indicators	FFP	SBP	Total Points
Annual Performance - Online publication of the annual report on financial and operational performance (83c) OR - Online publication of the annual report on financial or operational performance (83a OR 83b)	n/a	1 0.4 OR 0.2	1 0.4 OR 0.2
- Audits on the financial and operational performance of a tax administration (84c) OR - Audits on the financial or operational performance of a tax administration (84a OR 84b)	n/a	0.4 OR 0.2	0.4 OR 0.2
- Online access to findings and recommendations of an external review body (85c) OR - Online access to findings or recommendations of an external review body (85a and 85b)	n/a	0.2 OR 0.1	0.2 OR 0.1
Total Points	n/a	1	1
2.3.2 Public Accountability			
Indicators	FFP	SBP	Total Points
Public Accountability - Taxpayer's perceptions surveys are conducted (86) - Results of the taxpayer perception survey are available online (87) - Tax administration code of ethics is available online (88) - Consequences for violations of the code of ethics are provided (89) - Tax ombudsman or an equivalent authority investigates unresolved complaints (90) - Anti-corruption agency on tax officials exists (91)	1 0.17 0.17 0.17 0.17 0.17	1 0.17 0.17 0.17 0.17 0.17	2 0.33 0.33 0.33 0.33 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

92. Does the tax administration publish online an annual national tax audit plan? (Y/N)

Note: This refers to plans covering year 2023 onwards.

Y → provide response to question 93.

93. Does the annual national tax audit plan cover all core taxes that exist in the economy? (Y/N)

94. Are tax audit manuals and guidelines publicly available online? (Y/N)

2.4.2 Dispute of Tax Audit Results

95. In practice, can a taxpayer dispute a tax audit assessment through 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)

Note: This question focuses on the first level of the review and doesn't capture review mechanisms outside the tax administration. Please review the definition of independent complaint review mechanism in glossary.

N → provide response to question 96.

Y → provide response to questions 97-99.

96. In practice, in the majority of cases, what body would conduct a review of complaints on a tax audit assessment?

96a. Internal 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).

96b. Independent external specialist review board or committee (e.g., a unit within a Ministry of Finance), tax tribunal, tax court, or a specialized tax chamber within a regular court.

96c. First instance court of general jurisdiction or administrative court.

96d. In practice, tax audit assessment cannot be disputed.

96a, 96b, or 96c → provide response to questions 97-99.

97. In practice, how many calendar days does it usually take for the independent complaint review mechanism / body selected in Q.96 to review a complaint on tax audit assessment, from the time it is filed until the full decision is issued in writing? Please provide your best estimate for majority of cases even if time varies largely depending on the complexity. [NUMERIC ENTRY]

Note: The time estimate should not include (1) the time for tax review or tax audit, (2) dispute at other levels, (3) statutory time limit for review by the authority unless it is fully respected in practice, or (4) statute of limitation.

98. In practice, if the independent complaint review mechanism / body selected in Q.96 does not review a complaint on a tax audit assessment within a reasonable period of time or by the legal deadline, what happens next?

98a. The decision is automatically considered in favor of taxpayer (positive silence)

98b. The decision is automatically considered in favor of tax administration (negative silence)

98c. The taxpayer can escalate the dispute to the next stage (appeal level), even when the decision is pending

98d. No action can be taken until the decision is issued

99. 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 Q.96? If multiple options exist, please select the one that will be used in most cases.

99a. A review board or committee within a tax administration (i.e., head of tax administration)

99b. 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

99c. Court of general jurisdiction

99d. 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
- Annual national tax audit plan is available online (92)	0.5	0.5	1
- Annual national tax audit plan covers all core taxes (93)	0.5	0.5	1

Tax Audit Manuals and Guidelines - Tax audit manuals and guidelines are available online (94)	1	1	2
Total Points	2	2	4
2.4.2 Dispute of Tax Audit Results			
Indicators	FFP	SBP	Total Points
First-Level Review Mechanism - Independent internal review (95) OR - Independent external review (96b)	1 1 OR 0.5	1 1 OR 0.5	2 2 OR 1
Second-Level Review Mechanism - Positive silence practice (98a) OR - Escalation of disputes to the next level (98c) - Graduate complaint mechanism (99b)	1 0.5 OR 0.25 0.5	1 0.5 OR 0.25 0.5	2 1 OR 0.5 1
Total Points	2	2	4

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

PILLAR III-EFFICIENCY OF TAX SYSTEM IN PRACTICE

The scores for indicators under Category 3.1–Time and Functionality of Processes that are calculated using the linear 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 scores for indicators under Category 3.2–Financial Burden on Firms 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 Efficiency of Tax System in Practice are collected through firm-level surveys (questions 100-104 and 106-108) and expert consultations (question 105) using the following parameters:

PILLAR III–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

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, both versions of the question are denoted below.

3.1.1 Time to Prepare, File, and Pay Taxes

100. 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 [LAST COMPLETE FISCAL YEAR]?

Note: ES questionnaire version – 2023

Over fiscal year [LAST COMPLETE FISCAL YEAR], what was the total number of hours required for the preparation, filing, and payment of all taxes (profit taxes, labor taxes, [CONSUMPTION TAX], or sales taxes) for this establishment?

Note: ES questionnaire version – 2024

101. 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 [LAST COMPLETE FISCAL YEAR]?

Note: ES questionnaire version – 2023; Removed in ES 2024

3.1.2 Use of Electronic Systems to File and Pay Taxes

102. In fiscal year [LAST COMPLETE FISCAL YEAR], did this establishment file its taxes electronically?

102a. Yes, fully

102b. Yes, Partially

102c. No

103. In fiscal year [LAST COMPLETE FISCAL YEAR], did this establishment pay its taxes electronically?

103a. Yes, fully

103b. Yes, Partially

103c. No

3.1.3 Duration of a Generic Tax Audit

104. 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

105. In practice, how many calendar days does it usually take for [INDEPENDENT COMPLAINT REVIEW MECHANISM/BODY SELECTED IN QUESTION 96] 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 Obtaining a VAT Refund in Practice

106. In the last three years, has this establishment applied for a VAT refund?

N → provide response to question 107.

Y → provide response to question 108.

Note: ES questionnaire version – 2023

In the last three years, has this establishment applied for a [Consumption tax] refund?

N → provide response to question 107.

Y → provide response to question 108.

Note: ES questionnaire version – 2024

In the last three years, has this establishment requested a [Consumption tax] refund?

N → provide response to question 107.

Y → provide response to question 108.

Note: ES questionnaire version – 2025

107. What was the main reason this establishment did not apply for a VAT cash refund?

107a. VAT cash refunds take too long to receive

107b. The application for a VAT cash refund is too complicated

107c. The establishment did not need to apply for a VAT cash refund

Note: ES questionnaire version – 2023

What was the main reason this establishment did not apply for a [Consumption tax] refund?

107a. Refunds take too long to receive

107b. The application for a refund is too complicated

107c. The establishment did not need to apply for a refund

Note: ES questionnaire version – 2024

What was the main reason this establishment did not request a [Consumption tax] refund?

107a. Refunds take too long to receive

107b. The application for a refund is too complicated

107c. The establishment did not need to request a refund

Note: ES questionnaire version – 2025

108. 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?

Note: ES questionnaire version – 2023

In reference to the most recent [consumption tax] refund, how many weeks did it take from when the establishment submitted its application until the refund was received? [Weeks]

Note: ES questionnaire version – 2024

How many weeks did it take from when the establishment submitted its application until the refund was received? [Weeks]

Note: ES questionnaire version – 2025

3.1 TIME AND FUNCTIONALITY OF PROCESSES			
3.1.1 Time to Prepare, File, and Pay Taxes			
Indicators	FFP	SBP	Total Points
Time to Prepare, File, and Pay Taxes (100 OR 101)	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 (102a AND 102b)	50 (50%)		50 (50%)
- The percentage of respondent firms that used electronic systems to pay taxes in the previous calendar year (103a AND 103b)	50 (50%)	n/a	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
Duration of a Generic Tax Audit (104)	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
Duration of a Tax Dispute (105)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.4	100	n/a	100
3.1.5 Obtaining a VAT Refund in Practice*			
Indicators	FFP	SBP	Total Points
Obtaining a VAT Refund in Practice	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 (106 AND 107a AND 107b)	50 (50%)		50 (50%)
- The time to receive a VAT refund adjusted by the number of firms reporting issues with VAT refunds (107a AND 107b AND 108)	50 (50%)	n/a	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

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, both versions of the question are denoted below.

3.2.1 Effective Tax Rate (ETR) for Profit Taxes

109. In fiscal year [LAST COMPLETE FISCAL YEAR] what percentage of this establishment's total annual gross profit was paid as income-based taxes?

3.2.2 Effective Tax Rate (ETR) for Employment-Based Taxes and Social Contributions

110. From this establishment's Income Statement for fiscal year [LAST COMPLETE FISCAL YEAR], please provide the following in [LCUs]:

110.1 Total annual cost of labor including wages, salaries, bonuses, social security payments.

110.2 Of which total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld.

Note: ES questionnaire version – 2023 and 2024

From this establishment's Income Statement for fiscal year [LAST COMPLETE FISCAL YEAR], please provide the following information:

110.1 Total annual cost of labor including gross wages, salaries, bonuses, social security payments and employment taxes.

110.2 Of which total annual costs of social security payments and employment-based taxes, excluding employee taxes that were withheld.

Note: ES questionnaire version – 2025

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 (109)	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 (110.1 AND 110.2)	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 measures 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. Each subcategory has several

indicators, each of which may, 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 (25 indicators)	
1.1	Court Litigation (15 indicators)
1.1.1	Procedural Certainty (7 indicators)
1.1.2	Judicial Competence (includes gender and environment) (8 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 (30 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) (10 indicators)
2.2.1	Public Services for Arbitration (includes gender) (5 indicators)
2.2.2	Public Services for Mediation (includes gender) (5 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-Related 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
1.1.2	Judicial Competence (includes gender and environment)
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

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 generally no longer be submitted, is likely to speed up the consideration of cases.²¹ Another important procedural

safeguard is to have limitations on 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 the powers to issue a default judgment in case a duly notified defendant fails to respond to a court summons or appear in court.²⁴

To streamline international dispute resolution, it is important to lay down clear and straightforward rules on the circulation of public documents and recognition of foreign judgments. For example, such rules permit the use of apostilles 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 Therefore, Subcategory 1.1.1–Procedural Certainty comprises seven indicators (table 3).

Table 3. Subcategory 1.1.1–Procedural Certainty

	Indicators	Components
1	Time Standards	i) Serving a complaint on the defendant ii) Filing a statement of defense iii) Considering a request for interim measures iv) Issuing an expert opinion v) Submitting a judgment
2	Time Limit on Suggesting Evidence	Existence of a time limit on suggesting evidence
3	Limitations on Adjournments	i) Restricted grounds for adjournments ii) Maximum number of adjournments
4	Holding a Pre-Trial Conference	Holding a pre-trial conference
5	Availability of a Default Judgment	Availability of a default judgment
6	Facilitated Cross-Border Proceedings	i) Permitting the use of apostilles ii) Allowing for recognition and enforcement of foreign judgments iii) Not requiring a security from a foreign judgment creditor iv) Grounds for denying recognition and enforcement of foreign judgments
7	Streamlined Enforcement Proceedings	i) Existence of a time limit for enforcing a judgment ii) Powers of enforcement agents to seize the debtor's monetary claims toward a third party iii) Powers of enforcement agents to seize the debtor's financial instruments, such as bonds and stocks iv) Powers of enforcement agents to seize the debtor's electronic assets (such as cryptocurrency)

1.1.2 Judicial Competence (includes gender and environment)

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.²⁷ Incorporating good practices that strengthen the independence and impartiality of judges into the law is essential for judicial integrity.²⁸ 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 being subjected them to disciplinary proceedings for reasons solely related to how they apply and interpret the law.²⁹ Requiring judges to disclose their assets may contribute positively to their accountability.³⁰

Codified targeted instruments—such as the code of ethics for judges or the code of ethics for enforcement agents—also help promote integrity.³¹ Economies may further enhance courts' reliability through enacting a judicial whistleblowing policy.³² 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.³³

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 hold polluting firms accountable for environmental damage caused abroad or allowing the courts to issue additional dispute-specific remedies.³⁴ Therefore, Subcategory 1.1.2–Judicial Competence (includes gender and environment) has eight indicators (table 4).

Table 4. Subcategory 1.1.2–Judicial Competence (includes gender and environment)

	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
7	Establishing Liability for Engaging in Bribery of Foreign Public Officials	Establishing liability for engaging in bribery of foreign public officials
8	Environmental Disputes	i) Holding polluting firms accountable for environmental damage caused abroad ii) Expanded range of remedies in environmental disputes

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, it is important to provide broad access to arbitration. For example, the law can tackle this issue by removing restrictions for public bodies and state-owned enterprises to use arbitration in resolving commercial and investment disputes.³⁶ Ensuring the right to freely choose legal counsel or allowing third-party funding to help smaller businesses cover their legal costs can increase openness of arbitration proceedings.³⁷

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.³⁸ Considering that the judiciary performs the primary role in any dispute resolution system, court support is crucial for making arbitration truly attractive, in particular, in the collection of evidence.³⁹ 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.⁴⁰ 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	Arbitration in Disputes with Public Bodies and State-Owned Enterprises	i) Arbitration in commercial disputes with public bodies and state-owned enterprises ii) Arbitration in investment disputes with the State, its public bodies, and state-owned enterprises
2	Openness of Arbitration	i) Allowing the parties to freely select a legal counsel ii) Provision of third-party funding
3	Incorporation of the Principle “ <i>Kompetenz-Kompetenz</i> ”	Incorporation of the principle “ <i>kompetenz-kompetenz</i> ”
4	Court Support with Evidence in Arbitration	Court support with evidence in arbitration
5	Recognition and Enforcement of Interim and Partial Arbitral Awards	i) Recognition and enforcement of interim awards ii) Recognition and enforcement of partial awards
6	Recognition and Enforcement of Final Arbitral Awards	i) Grounds for setting aside, annulling, or vacating a domestic arbitral award ii) Grounds for denying recognition and enforcement of a foreign arbitral award

1.2.2 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.⁴¹ 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.⁴² 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.⁴³ 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.⁴⁴ 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	Disclosure of Conflict of Interest by the Mediator	Disclosure of conflict of interest by the mediator
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.⁴⁵ 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.⁴⁶ 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.⁴⁷

Access to justice matters in commercial litigation too, with micro and small businesses being particularly vulnerable in this regard.⁴⁸ 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.⁴⁹ 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 regarding judicial misconduct or the misconduct of enforcement agents.⁵⁰ 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 judges' misconduct ii) Review mechanism for complaints filed against the misconduct of enforcement agents

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.⁵¹ When relevant, it is equally important to ensure that parties can communicate with court staff and enforcement agents through electronic means.⁵²

Digitalization of dispute resolution can be further promoted by providing for the admissibility of electronic evidence and introducing virtual hearings.⁵³ 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.⁵⁴ When it comes to enforcement, its digitalization is particularly associated with online auctions.⁵⁵ 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.⁵⁶ Apart from laws and regulations, it is also vital to publish judgments of both first instance and higher courts.⁵⁷ As to the conduct of proceedings, the principle of transparency requires granting public access to hearings, whether they are held in person or online.⁵⁸

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.⁵⁹ 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.⁶⁰ 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.⁶¹ 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
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.⁶² The availability of such services is confirmed by the existence of actual commercial cases resolved through arbitration.⁶³ 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.⁶⁴

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.⁶⁵ According to a different good practice, arbitration institutions can check the quality of draft arbitral awards prior to their formal issuance.⁶⁶ To keep up with the latest trends, arbitration services should embrace digitalization, which includes developing a relevant online platform, enabling virtual conferences and hearings, and introducing electronic signing.⁶⁷ Moreover, transparency is critical for the credibility of arbitration. This 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.⁶⁸ 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.⁶⁹ The availability of such services is confirmed by the existence of actual commercial cases resolved through mediation.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 five indicators (table 12).

Table 12. Subcategory 2.2.2–Public Services for Mediation (includes gender)

	Indicators	Components
1	Availability of Commercial Court-Annexed Mediation	i) Availability of court-annexed mediation at the first instance level ii) Availability of court-annexed mediation at the appellate level
2	Availability of Commercial Private Mediation	Availability of commercial private mediation
3	Promotion of Mediation	i) Setting up a roster of mediators ii) Financial incentives to use mediation
4	Digitalization of Mediation	i) Electronic submission of a request to mediate ii) Virtual meetings in mediation iii) Electronic signing of a mediation agreement
5	Transparency of Mediation	i) Statistics on the number of cases resolved through mediation ii) Statistics on the number of 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-Related 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 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

	Indicators	Components
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, it is critical to ensure that the time to adjudicate a case at the court of first instance and the time to complete the case’s review at the appellate court are reasonable. In a similar fashion, the amount of attorney and court fees charged at both first instance and appellate courts should not become an obstacle to dispute resolution.

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.⁷⁹ 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 to Resolve a Dispute (First Instance Level)	Includes the time to adjudicate a commercial dispute at the court of first instance and time to go through mandatory mediation (when applicable)
2	Cost to Resolve a Dispute (First Instance Level)	Includes attorney and court fees incurred by the plaintiff at the first instance court and fees associated with mandatory mediation (when applicable)
3	Time for Appeal Review	Includes the time to complete the case’s review at the appellate court
4	Cost for Appeal Review	Includes attorney and court fees incurred by the plaintiff at the appellate court
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.⁸⁰ 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	Use of Arbitration by Businesses	Use of arbitration by businesses
2	Use of Mediation by Businesses	Use of mediation by businesses

3.2.2 Operational Efficiency of Arbitration-Related 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.⁸¹ The time for arbitration represents the time to resolve a commercial dispute through domestic arbitration. The cost for arbitration is comprised of attorneys', arbitrators', and administrative fees incurred by the claimant in this process. Foreign arbitral awards are, as a rule, subject to the process of recognition before domestic courts, and its efficiency can vary significantly.⁸² The two key measures in this process are the time it takes for a local court to consider a request for recognizing a foreign arbitral award and the associated cost, consisting of attorney and court fees. Therefore, Subcategory 3.2.2–Operational Efficiency of Arbitration-Related Processes comprises four indicators (table 17).

Table 17. Subcategory 3.2.2–Operational Efficiency of Arbitration-Related 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, Reliability of ADR, and Operational Efficiency of Arbitration-Related Processes are collected through private sector experts, while the data on Reliability of Courts 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 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, Reliability of ADR, and Operational Efficiency of Arbitration-Related 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 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 not to 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	25	24	25	49	100	0.33
II	Public Services for Dispute Resolution	30	30	30	60	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 25 indicators with a total score of 49 points (24 points on firm flexibility and 25 points on social benefits) (table 20). The scoring for each category under this pillar is as follows:

- 6.1.1** *Court Litigation* has 15 indicators with a total maximum score of 29 points (14 points on firm flexibility and 15 points on social benefits). Specifically, the *Procedural Certainty* Subcategory has 7 indicators, while the *Judicial Competence (includes gender and environment)* Subcategory has 8 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 the *Environmental Disputes* indicator, 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	15	14	15	29	66.67
1.1.1	Procedural Certainty	7	7	7	14	33.33
1.1.2	Judicial Competence (includes gender and environment)	8	7	8	15	33.33
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		25	24	25	49	100.00

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

6.2 Pillar II—Public Services for Dispute Resolution

Pillar II covers 30 indicators with a total score of 60 points (30 points on firm flexibility and 30 points on social benefits) (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* has 8 indicators, and *Transparency of Courts (includes gender)* has 7 indicators. Both businesses (firm flexibility) and the general public (social benefits) have a direct interest in having a robust organizational structure of courts, accompanied by high degrees of digitalization and transparency. Hence, equal points are assigned to both categories.

6.2.2 *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). Both the Subcategory on *Public Services for Arbitration (includes gender)* and the Subcategory on *Public Services for Mediation (includes gender)* have 5 indicators each. 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). Hence, equal points are assigned to both 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)	10	10	10	20	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)	5	5	5	10	16.67
Total		30	30	30	60	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 scores ranging from 0 to 100 on firm flexibility (table 22). The scores on indicators under this pillar are assigned to firm flexibility only, because the indicators measure the outcomes of service provision to firms. For example, long times and high costs for resolving a commercial dispute may cause adverse consequences on firms, thus hampering firm flexibility. The scoring for each category under this pillar is as follows:

6.3.1 *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-Related 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	33.33
3.1.2	Operational Efficiency of Court Processes	6	33.33
3.2	Alternative Dispute Resolution (ADR)	6	33.33
3.2.1	Reliability of ADR	2	16.67
3.2.2	Operational Efficiency of Arbitration-Related Processes	4	16.67
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					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Time Standards	1	1	2	4.76	CEPEJ (2021a); ECHR (2024); Gramckow et al. (2016); Jean and Gurbanov (2015)
Time Limit on Suggesting Evidence	1	1	2	4.76	CEPEJ (2018); Steelman (2008)
Limitations on Adjournments	1	1	2	4.76	Gramckow et al. (2016); UNODC (2011)
Holding a Pre-Trial Conference	1	1	2	4.76	CEPEJ (2016); NAPCO (2016)
Availability of a Default Judgment	1	1	2	4.76	EU (2006); Gramckow et al. (2016)
Facilitated Cross-Border Proceedings	1	1	2	4.76	Browne, Watret, and Blears (2021); HCCH (1961, 2019)
Streamlined Enforcement Proceedings	1	1	2	4.76	CECL and UIHJ (2021); Gramckow (2012); Gramckow et al. (2016)
Total Points for Subcategory 1.1.1	7	7	14	33.33	
1.1.2 Judicial Competence (includes gender and environment)					
Protections against Interference with Judges' Work	1	1	2	4.44	OSCE (2010)
Disclosure of Assets by Judges	1	1	2	4.44	Transparency International (2007); UNODC (2011); USAID (2002, 2009)
Code of Ethics for Judges	1	1	2	4.44	UNODC (2011)
Code of Ethics for Enforcement Agents	1	1	2	4.44	GIZ (2020)
Existence of a Judicial Whistleblowing Policy	1	1	2	4.44	Council of Europe (2014); ICC (2014)

Equal Rights for Men and Women in Commercial Litigation	1	1	2	4.44	Feenan (2008); IDLO (2018); Samaha (2021); UN General Assembly (1979)
Establishing Liability for Engaging in Bribery of Foreign Public Officials	1	1	2	4.44	OECD (1997); UNODC (2003)
Environmental Disputes	n/a	1	1	2.22	Ellis (2012); Murase (1995); UNEP (2016)
Total Points for Subcategory 1.1.2	7	8	15	33.33	
Total Points for Category 1.1	14	15	29	66.67	
1.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)					
1.2.1 Legal Safeguards in Arbitration					
Arbitration in Disputes with Public Bodies and State-Owned Enterprises	1	1	2	2.78	ICC (2012); ICSID (1966); UNCITRAL (2008)
Openness of Arbitration	1	1	2	2.78	CAM (2020); European Parliament (2022)
Incorporation of the Principle “ <i>Kompetenz-Kompetenz</i> ”	1	1	2	2.78	UNCITRAL (2008)
Court Support with Evidence in Arbitration	1	1	2	2.78	UNCITRAL (2008)
Recognition and Enforcement of Interim and Partial Arbitral Awards	1	1	2	2.78	UNCITRAL (2008)
Recognition and Enforcement of Final 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); Gramckow et al. (2016); Reuben (2007); Streeter-Schaefer (2001); UNCITRAL (2018)
Disclosure of Conflict of Interest by the Mediator	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	24	25	49	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); Gramckow et al. (2016); World Bank Group (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 (2021d); Council of Europe (1998); USAID (2002)
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); Gramckow et al. (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); Gramckow et al. (2016); OSCE (2010)
Publication of Judgments of First Instance Courts	1	1	2	3.17	CEPEJ (2008c); EU (2021); Gramckow et al. (2016); OSCE (2010)
Publication of Information on Courts' Composition	1	1	2	3.17	CEPEJ (2020b, 2020c, 2020d); UN (2016); 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); Gramckow et al. (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 Commercial Court-Annexed Mediation	1	1	2	3.33	European Parliament (2011); Pouget (2013); World Bank (2011)
Availability of Commercial Private Mediation	1	1	2	3.33	ICC (2014); JAMS (n.d.)
Promotion of Mediation	1	1	2	3.33	European Parliament (2011); UNCITRAL (2018)
Digitalization of Mediation	1	1	2	3.33	Cordella and Contini (2020); Cortés (2011); EBRD (2021); Greacen (2018); OECD (2020); UNCITRAL (2017); Van den Heuvel (2000)
Transparency of Mediation	1	1	2	3.33	Gramckow et al. (2016); Kessedjian (2022); UN (2016, 2019)
Total Points for Subcategory 2.2.2	5	5	10	16.67	
Total Points for Category 2.2	10	10	20	33.33	
Total Points for Pillar II	30	30	60	100.00	

Note: 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	16.67	Council of Europe (2020); Feld, Gutmann and Voigt (2015)
Courts are Not an Obstacle to Business Operations	50	n/a	50	16.67	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	33.33	
3.1.2 Operational Efficiency of Court Processes					
Time to Resolve a Dispute (First Instance Level)	16.7	n/a	16.7	5.56	Chemin (2009); Dejuan-Bitria and Mora-Sanguinetti (2021); Fabbri (2010); Moro, Maresch, and Ferrando (2018)
Cost to Resolve a Dispute (First Instance Level)	16.7	n/a	16.7	5.56	Garcia-Posada and Mora-Sanguinetti (2015); OECD (2013b)
Time for Appeal Review	16.7	n/a	16.7	5.56	Ramos Maqueda and Chen (2021)
Cost for Appeal Review	16.7	n/a	16.7	5.56	Lee III (2015)
Time to Enforce a Final Judgment	16.7	n/a	16.7	5.56	Gramckow (2014)
Cost to Enforce a Final Judgment	16.7	n/a	16.7	5.56	Gramckow (2014)
Total Points for Subcategory 3.1.2	100	n/a	100	33.33	
Total Points for Category 3.1	100	n/a	100	66.67	

3.2 ALTERNATIVE DISPUTE RESOLUTION (ADR)					
3.2.1 Reliability of ADR					
Use of Arbitration by Businesses	50	n/a	50	8.33	Pouget (2013); World Bank (2011)
Use of Mediation by Businesses	50	n/a	50	8.33	Pouget (2013); World Bank (2011)
Total Points for Subcategory 3.2.1	100	n/a	100	16.67	
3.2.2 Operational Efficiency of Arbitration-Related Processes					
Time for Arbitration	25	n/a	25	4.17	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	4.17	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	4.17	IBA (2015); Mistelis and Baltag (2008)
Cost to Recognize a Foreign Arbitral Award	25	n/a	25	4.17	IBA (2015); Mistelis and Baltag (2008)
Total Points for Subcategory 3.2.2	100	n/a	100	16.67	
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 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”.

Certain questions are labeled 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → provide response to question...” or “N → provide response to question...” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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

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 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.
6. **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.
7. **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)**
8. **Does the legal framework provide that, after a certain time period or court event (e.g., first hearing), parties are no longer allowed to introduce evidence to support their case? (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. Please note that the question pertains to proceedings taking place at the first instance level.
9. **In commercial cases, are adjournments limited to unforeseen and exceptional circumstances (e.g., serious illness of a party, willingness of the parties to attempt to reach a settlement, etc.)? (Y/N)**
Note: Please respond based on regular hearings, not preparatory ones.
10. **Does the legal framework provide for the maximum number of adjournments of proceedings that can be granted in a commercial case? (Y/N)**
Note: Please respond based on regular hearings, not preparatory ones.
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, if a duly notified defendant fails to respond to a summons or appear in court, the judge may immediately proceed to issue a decision in favor of the plaintiff without hearing the case ? (Y/N)**
Note: Please answer Yes as long as this option is available to the judge, even if its application is subject to the judge's discretion based on the facts and complexity of the case.
13. **Does the legal framework recognize apostille for the use of public documents abroad? (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 68.
14. **Does the legal framework allow for recognition and enforcement of foreign judgments in your jurisdiction? (Y/N)**

Note: Please answer Yes only if the legal framework provides a separate set of rules for recognizing foreign judgments. If the only option for dealing with foreign judgments is to initiate a new lawsuit on the same matter, then the response should be No.

Y → provide response to questions 15 and 16.

- 15. 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.

- 16. 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.

- 17. Does the legal framework provide for a time frame within which the enforcement agent must complete enforcement 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 to enforce a final judgment until the enforcement proceedings are completed.

- 18. 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.

- 19. 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.

- 20. Does the legal framework provide the enforcement agent with the right to seize the debtor’s electronic assets (e.g., cryptocurrency)? (Y/N)**

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

1.1.2 Judicial Competence (includes gender and environment)

- 21. Does the legal framework prevent the chairperson of a court from interfering with the adjudication by other judges? (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 preclude commencing disciplinary proceedings against judges for the reasons solely related to how they apply and interpret the law? (Y/N)**

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

- 23. Does the legal framework require judges to disclose their assets on an annual basis? (Y/N)**

Y → provide response to question 24.

24. Does the legal framework require these disclosures to be available for the public scrutiny? (Y/N)

Note: Please answer No if such disclosures can be provided upon request only.

25. 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.

26. In your jurisdiction is there a code of ethics for enforcement agents or, when enforcement agents are part of the court personnel, a code of ethics for nonjudicial court employees? (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. If the only available instrument is a generic code of ethics for civil servants, the answer should be No.

27. 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.

28. 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.

29. Does the legal framework provide that a business entity, its officials, or its agents can be held liable in court for engaging in bribery of foreign public officials in the course of international business transactions? (Y/N)

Note: Please answer Yes only if the legal framework provides for direct and explicit provisions in this regard.

30. 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.

31. 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 (e.g., an order to stop a harmful activity) and restorative measures (e.g., an order to restore the polluted land).

1.1 COURT LITIGATION			
1.1.1 Procedural Certainty			
Indicators	FFP	SBP	Total Points

Time Standards	1	1	2
- Serving a complaint on the defendant (3)	0.2	0.2	0.4
- Filing a statement of defense (4)	0.2	0.2	0.4
- Considering a request for interim measures (5)	0.2	0.2	0.4
- Issuing an expert opinion (6)	0.2	0.2	0.4
- Submitting a judgment (7)	0.2	0.2	0.4
Time Limit on Suggesting Evidence (8)	1	1	2
Limitations on Adjournments	1	1	2
- Restricted grounds for 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
Facilitated Cross-Border Proceedings	1	1	2
- Permitting the use of apostilles (13)	0.25	0.25	0.5
- Allowing for recognition and enforcement of foreign judgments (14)	0.25	0.25	0.5
- Not requiring a security from a foreign judgment creditor (15)	0.25	0.25	0.5
- Grounds for denying recognition and enforcement of foreign judgments (16)	0.25	0.25	0.5
Streamlined Enforcement Proceedings	1	1	2
- Existence of a time limit for enforcing a judgment (17)	0.25	0.25	0.5
- Powers of enforcement agents to seize the debtor's monetary claims toward a third party (18)	0.25	0.25	0.5
- Powers of enforcement agents to seize the debtor's financial instruments, such as bonds and stocks (19)	0.25	0.25	0.5
- Powers of enforcement agents to seize the debtor's electronic assets (such as cryptocurrency) (20)	0.25	0.25	0.5
Total Points	7	7	14
1.1.2 Judicial Competence (includes gender and environment)			
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 (21)	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 (22)	0.5	0.5	1
Disclosure of Assets by Judges	1	1	2
- Obligation for judges to disclose their assets on an annual basis (23)	0.5	0.5	1
- Making judges' disclosures of assets available for the public scrutiny (24)	0.5	0.5	1
Code of Ethics for Judges (25)	1	1	2
Code of Ethics for Enforcement Agents (26)	1	1	2
Existence of a Judicial Whistleblowing Policy (27)	1	1	2
Equal Rights for Men and Women in Commercial Litigation (28)	1	1	2
Establishing Liability for Engaging in Bribery of Foreign Public Officials (29)	1	1	2
Environmental Disputes	n/a	1	1
- Holding polluting firms accountable for environmental damage caused abroad (30)	n/a	0.5	0.5
- Expanded range of remedies in environmental disputes (31)	n/a	0.5	0.5
Total Points	7	8	15

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 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.

33. Does the legal framework allow foreign investors to arbitrate investment disputes with the State, its public bodies, and state-owned enterprises, (e.g., before the International Centre for Settlement of Investment Disputes (ICSID))? (Y/N)

34. 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)

35. Does the legal framework 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, which may consist of a share of an award or settlement, or another form of remuneration contingent on the outcome.

36. Does the legal framework incorporate the principle of "kompetenz-kompetenz"? (Y/N)

Note: The principle of "kompetenz-kompetenz" recognizes, on the one hand, the power of the arbitral tribunal to determine its own jurisdiction under an arbitration agreement and, on the other hand, that courts should defer to the arbitral tribunal over disputes relating to jurisdiction at the outset of proceedings, unless the underlying agreement is prima facie null and void.

37. Does the legal framework allow courts to order the production of documents or the appearance of witnesses in support of arbitration? (Y/N)

38. 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.

39. 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.

- 40. 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)**
- 41. 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

- 42. 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 115 and 117.

- 43. Does the legal framework allow the parties to freely select mediators regardless of their nationality and profession (i.e., not only lawyers)? (Y/N)**
- 44. 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)**
- 45. 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.

- 46. 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 (e.g., expedited conversion to a court judgment, etc.), rendering them enforceable upon notarization, granting them the status of an arbitral award, etc.

- 47. 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
Arbitration in Disputes with Public Bodies and State-Owned Enterprises	1	1	2
- Arbitration in commercial disputes with public bodies and state-owned enterprises (32)	0.5	0.5	1
- Arbitration in investment disputes with the State, its public bodies, and state-owned enterprises (33)	0.5	0.5	1
Openness of Arbitration	1	1	2
- Allowing the parties to freely select a legal counsel (34)	0.5	0.5	1
- Provision of third-party funding (35)	0.5	0.5	1
Incorporation of the Principle "Kompetenz-Kompetenz" (36)	1	1	2
Court Support with Evidence in Arbitration (37)	1	1	2
Recognition and Enforcement of Interim and Partial Arbitral Awards	1	1	2
- Recognition and enforcement of interim awards (38)	0.5	0.5	1
- Recognition and enforcement of partial awards (39)	0.5	0.5	1
Recognition and Enforcement of Final Arbitral Awards	1	1	2
- Grounds for setting aside, annulment, or vacating a domestic arbitral award (40)	0.5	0.5	1
- Grounds for denying recognition and enforcement a foreign arbitral award (41)	0.5	0.5	1
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 (42)	0.5	0.5	1
- Allowing the parties to freely select mediators (43)	0.5	0.5	1
Disclosure of Conflict of Interest by the Mediator (44)	1	1	2
Inadmissibility of Using Suggestions and Statements Made for the Purpose of Mediation in Other Proceedings (45)	1	1	2
Recognition and Enforcement of Mediation Agreements	1	1	2
- Streamlined enforcement regime for mediation settlement agreements (46)	0.5	0.5	1
- Recognition and enforcement of international mediation agreements (47)	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

48. 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 (e.g., excludes other civil cases); and has a broad jurisdiction over commercial cases (e.g., not limited only to cross-border lawsuits or insolvency disputes).

49. 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.

50. 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 51.

51. 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)

52. 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).

53. 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. Please answer Yes only if this court or division is different from the commercial court or division that handles domestic commercial cases, if any.

54. 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.

55. Is there an independent review mechanism (e.g., 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.

56. Is there an independent review mechanism (e.g., 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

57. 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.

58. 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.

59. Can parties receive and send subsequent documents, as well as file motions (e.g., 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.

60. When requested by a party, can judges handling commercial cases issue a court decision (e.g., 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.

- 61. Can a party communicate with the court through electronic means, that is to send questions and receive notifications related to its case (e.g., 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.

- 62. 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.

- 63. 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.

- 64. In practice, can court conferences and hearings in a commercial case be conducted online (e.g., 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 73.

- 65. 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 (i.e., to endorse the receipt with a bank stamp) or court (i.e., to submit a hard copy of the receipt) would be required from the plaintiff to complete the payment.

- 66. Can a party track the status of its commercial case online (e.g., through a court’s platform or ECMS)? (Y/N)**

- 67. Is the court’s schedule of all its hearings made publicly available online (e.g., on the court’s website)? (Y/N)**

- 68. 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.

- 69. 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)

- 70. 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.

- 71. Are in-person court hearings of commercial cases open to the public, including independent media, with no arbitrary restrictions being applied in practice (e.g., 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.

- 72. Are online court hearings of commercial cases open to the public, including independent media, with no arbitrary restrictions being applied in practice (e.g., 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.

- 73. 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.

- 74. 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.

- 75. Does the judiciary, or other relevant body, publish statistics on the number of judges disaggregated by individual court and by level of court (e.g., 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 76.

- 76. Are these statistics on the number of judges sex-disaggregated? (Y/N)**

- 77. 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.

- 78. 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.

79. 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.

80. 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 (48)	1	1	2
Automated Random Assignment of Cases (49)	1	1	2
Access to Justice for Micro and Small Businesses	1	1	2
- Establishment of a small claims court or procedure (50)	0.33	0.33	0.67
- Self-representation before a small claims court or procedure (51)	0.33	0.33	0.67
- Existence of a legal aid program for micro and small businesses (52)	0.33	0.33	0.67
Facilitated International Dispute Resolution	1	1	2
- Existence of an international court or division (53)	0.5	0.5	1
- Setting up a mechanism for prevention and early resolution of investor-state disputes (54)	0.5	0.5	1
Special Review Mechanisms to Support Judicial Integrity	1	1	2
- Review mechanism for complaints filed against judges' misconduct (55)	0.5	0.5	1
- Review mechanism for complaints filed against the misconduct of enforcement agents (56)	0.5	0.5	1
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 (57)	0.5	0.5	1
- Electronic service of process for the initial complaint (58)	0.5	0.5	1
Electronic Flow of Documents during the Proceedings (59)	1	1	2
Issuing an Electronic Judgment (60)	1	1	2
Electronic Communication with Courts and Enforcement Agents	1	1	2
- Electronic communication with courts (61)	0.5	0.5	1
- Electronic communication with enforcement agents (62)	0.5	0.5	1
Admissibility of Digital Evidence (63)	1	1	2
Virtual Hearings (64)	1	1	2
Auxiliary Electronic Services	1	1	2

- Electronic payment of court fees (65)	0.25	0.25	0.5
- Electronic tracking of cases (66)	0.25	0.25	0.5
- Electronic access to court schedule (67)	0.25	0.25	0.5
- Electronic issuance and verification of apostilles (68)	0.25	0.25	0.5
Online Auctions (69)	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 (70)	1	1	2
Public Access to Court Hearings Held in Person (71)	1	1	2
Public Access to Court Hearings Held Online (72)	1	1	2
Publication of Judgments of Higher Courts (73)	1	1	2
Publication of Judgments of First Instance Courts (74)	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 (75)	0.5	0.5	1
- Statistics on the number of judges disaggregated by sex (76)	0.5	0.5	1
Publication of Information on Performance of Courts and Enforcement Agents	1	1	2
- Time to disposition report (77)	0.25	0.25	0.5
- Clearance rate report (78)	0.25	0.25	0.5
- Statistics on the average length of enforcement proceedings (79)	0.25	0.25	0.5
- Statistics on the number of resolved enforcement cases and the number of unresolved cases (turnover rate) (80)	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.

Please note that questions 82, 84, 99, and 102 are used as a reference point to determine the existence of practice in arbitration and mediation. In Pillar III, these questions (128-131) are also directly used for scoring purposes.

2.2.1 Public Services for Arbitration (includes gender)

81. In your jurisdiction, is domestic arbitration available for resolving commercial disputes? (Y/N)

Note: Please answer Yes only if domestic arbitration is used to resolve commercial cases in [CITY NAME] in practice.

Y → provide response to question 82.

82. Please estimate how many commercial cases have approximately been resolved through domestic arbitration in [CITY NAME] over the last year.

Note: Please respond specifically based on commercial cases.

82a. 0-10

82b. 11-25

82c. 26-100

82d. More than 100

N to 82a and 84a → provide response to questions 85-97 and 132-135.

83. In your jurisdiction, is international arbitration available for resolving commercial disputes? (Y/N)

Note: Please answer Yes only if international arbitration is used to resolve commercial cases in [CITY NAME] in practice.

Y → provide response to question 84.

84. Please estimate how many commercial cases have approximately been resolved through international arbitration in [CITY NAME] over the last year.

Note: Please respond specifically based on commercial cases.

84a. 0-10

84b. 11-25

84c. 26-100

84d. More than 100

N to 82a and 84a → provide response to questions 85-97 and 132-135.

85. 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.

86. 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.

87. 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.

88. 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.

89. 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.

90. 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.

- 91. 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.

- 92. In commercial arbitration, in practice, can virtual conferences and hearings be securely held through an online platform or via videoconferencing? (Y/N)**

- 93. 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.

- 94. 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.

- 95. 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.

- 96. 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.

- 97. 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)

- 98. In your jurisdiction, is court-annexed mediation available for resolving commercial disputes at the first instance level? (Y/N)**

Note: Please answer Yes only if court-annexed mediation is used to resolve commercial cases at the first instance level in practice.

Y → provide response to questions 99 and 100.

- 99. Please estimate how many commercial cases have approximately been resolved through court-annexed mediation in [CITY NAME] over the last year.**

Note: Please respond specifically based on commercial cases.

99a. 0-25

99b. 26-100

99c. 101-1000

99d. More than 1000

N to 99a and 102a → provide response to questions 103-109.

100. In your jurisdiction, is court-annexed mediation available for resolving commercial disputes at the appellate level? (Y/N)

Note: Please answer Yes only if court-annexed mediation is used to resolve commercial cases at the appellate level in practice.

101. In your jurisdiction, is private mediation available for resolving commercial disputes? (Y/N)

Note: Please answer Yes only if private mediation is used to resolve commercial cases in [CITY NAME] in practice.

Y → provide response to question 102.

102. Please estimate how many commercial cases have approximately been resolved through private mediation in [CITY NAME] over the last year.

Note: Please respond specifically based on commercial cases.

102a. 0-25

102b. 26-100

102c. 101-1000

102d. More than 1000

N to 99a and 102a → provide response to questions 103-109.

103. 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.

104. 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.

105. 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.

106. 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)

107. 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.

108. 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.

109. 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 (81)	0.5	0.5	1
- Availability of international arbitration (83)	0.5	0.5	1
Special Procedures in Arbitration	1	1	2
- Emergency arbitration procedure (85)	0.25	0.25	0.5
- Early dismissal procedure (86)	0.25	0.25	0.5
- Expedited (fast-track) procedure (87)	0.25	0.25	0.5
- Consolidation of related arbitral proceedings and joinder of additional parties (88)	0.25	0.25	0.5
Promotion of Arbitration	1	1	2
- Setting up a roster of arbitrators (89)	0.5	0.5	1
- Checking the quality of draft arbitral awards (90)	0.5	0.5	1
Digitalization of Arbitration	1	1	2
- Online platform for arbitration (91)	0.33	0.33	0.67
- Virtual conferences and hearings in arbitration (92)	0.33	0.33	0.67
- Electronic signing of an arbitral award (93)	0.33	0.33	0.67
Transparency of Arbitration	1	1	2
- Statistics on the number of cases resolved through arbitration (94)	0.25	0.25	0.5
- Statistics on the time to resolve cases through arbitration (95)	0.25	0.25	0.5
- Publication of summaries of arbitral awards (96)	0.25	0.25	0.5
- Statistics on the number of appointments of arbitrators disaggregated by sex (97)	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 Court-Annexed Mediation	1	1	2
- Availability of court-annexed mediation at the first instance level (98)	0.5	0.5	1
- Availability of court-annexed mediation at the appellate level (100)	0.5	0.5	1
Availability of Commercial Private Mediation (101)	1	1	2
Promotion of Mediation	1	1	2
- Setting up a roster of mediators (103)	0.5	0.5	1
- Financial incentives to use mediation (104)	0.5	0.5	1
Digitalization of Mediation	1	1	2
- Electronic submission of a request to mediate (105)	0.33	0.33	0.67
- Virtual meetings in mediation (106)	0.33	0.33	0.67
- Electronic signing of a mediation agreement (107)	0.33	0.33	0.67
Transparency of Mediation	1	1	2
- Statistics on the number of cases resolved through mediation (108)	0.5	0.5	1
- Statistics on the number of appointments of mediators disaggregated by sex (109)	0.5	0.5	1
Total Points	5	5	10

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 linear approach to transform economy-level answers into indicator scores ranging from 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 following indicators: Time to Resolve a Dispute (First Instance Level) (180 days); Time for Appeal Review (90 days); Time for Arbitration (180 days); and Time to Recognize a Foreign Arbitral Award (30 days). In these cases, to identify the best performance, the topic drew on relevant international standards and academic literature. The worst performance for the named indicators, however, is identified based on the 95th percentiles of the collected data, same as with the rest of indicators under Pillar III.

Data for Pillar III on Court Litigation are collected through firm-level surveys (questions 110-113) and expert consultations (questions 114-139).

3.1 COURT LITIGATION

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.1.1 Reliability of Courts

The data for the Subcategory on Reliability of Courts are collected through firm level surveys:

110. 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 111.

111. Did this establishment use courts, arbitration, or mediation to resolve or attempt to resolve its commercial disputes? (Y/N) (not scored)

112. 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”.

Note: ES questionnaire version – 2023 and 2024

Please indicate to what extent you agree with the following statement: “In resolving commercial disputes, courts are independent and impartial”.

Note: ES questionnaire version – 2025

112a. Strongly disagree

112b. Tend to disagree

112c. Tend to agree

112d. Strongly agree

113. Please respond to what degree courts are an obstacle to the current operations of this establishment.

113a. No obstacle

113b. Minor obstacle

113c. Moderate obstacle

- 113d. Major obstacle
- 113e. 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, using the following parameters:

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 to resolve a dispute at the first instance level, time and cost for appeal proceedings, 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.

114. Please estimate the total time, in calendar days, that it would take for the court of first instance to adjudicate this case, starting from the time of filing the complaint until a formal written judgment is delivered to the parties.
115. Please estimate the time, in calendar days, that the procedure of mandatory mediation would further add to the time to resolve this dispute.
116. 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.
117. Please estimate fees incurred by the plaintiff in the procedure of mandatory mediation, in percentage (%) to the claim value.
118. Please estimate fees of the first instance court incurred by the plaintiff, in percentage (%) to the claim value.
119. 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.
120. 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.

121. Please estimate fees of the appellate court incurred by the plaintiff, in percentage (%) to the claim value.

According to the current practice, how much time and cost would it take to 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.

122. 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)

123. 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.

124. Would attorneys be typically involved in this case of compulsory enforcement? (Y/N)

Y → provide response to question 125.

125. Please estimate attorney fees incurred by the creditor, in percentage (%) to the claim value.

126. Please estimate the enforcement institution's fees, incurred by the creditor, in percentage (%) to the claim value.

127. 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 (112)	100 (50%)	n/a	100 (50%)
Courts are Not an Obstacle to Business Operations (113)	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 to Resolve a Dispute (First Instance Level) (114, 115)	100 (16.7%)	n/a	100 (16.7%)
Cost to Resolve a Dispute (First Instance Level) (116-118)	100 (16.7%)	n/a	100 (16.7%)
Time for Appeal Review (119)	100 (16.7%)	n/a	100 (16.7%)
Cost for Appeal Review (120, 121)	100 (16.7%)	n/a	100 (16.7%)
Time to Enforce a Final Judgment (123)	100 (16.7%)	n/a	100 (16.7%)
Cost to Enforce a Final Judgment (124-127)	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)

The data for the Subcategory on Reliability of ADR and the Subcategory on Operational Efficiency of Arbitration-Related Processes are collected through expert consultations, as detailed below.

Please note that questions 128-131 are used directly for scoring purposes. In Pillar II, these questions (82, 84, 99, and 102) are also used as a reference point to determine the existence of practice in arbitration and mediation.

3.2.1 Reliability of ADR

128. Please estimate how many commercial cases have approximately been resolved through domestic arbitration in [CITY NAME] over the last year.

Note: Please respond specifically based on commercial cases.

128a. 0-10

128b. 11-25

128c. 26-100

128d. More than 100

129. Please estimate how many commercial cases have approximately been resolved through international arbitration in [CITY NAME] over the last year.

Note: Please respond specifically based on commercial cases.

129a. 0-10

129b. 11-25

129c. 26-100

129d. More than 100

130. Please estimate how many commercial cases have approximately been resolved through court-annexed mediation in [CITY NAME] over the last year.

Note: Please respond specifically based on commercial cases.

130a. 0-25

130b. 26-100

130c. 101-1000

130d. More than 1000

131. Please estimate how many commercial cases have approximately been resolved through private mediation in [CITY NAME] over the last year.

Note: Please respond specifically based on commercial cases.

131a. 0-25

131b. 26-100

131c. 101-1000

131d. More than 1000

3.2.2 Operational Efficiency of Arbitration-Related Processes

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 using the relevant arbitration institution, if any?

132. 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.

133. 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.

134. Please estimate arbitrators' fees incurred by the claimant, in percentage (%) to the claim value.

135. 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.

136. 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)*

137. 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.

138. Please estimate attorney fees, incurred by the claimant, for the process of recognizing a foreign arbitral award, in percentage (%) to the claim value.

139. 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
Use of Arbitration by Businesses (128, 129)	100 (50%)	n/a	100 (50%)
Use of Mediation by Businesses (130, 131)	100 (50%)	n/a	100 (50%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Operational Efficiency of Arbitration-Related Processes			
Indicators	FFP	SBP	Total Points
Time for Arbitration (132)	100 (25%)	n/a	100 (25%)
Cost for Arbitration (133-135)	100 (25%)	n/a	100 (25%)
Time to Recognize a Foreign Arbitral Award (137)	100 (25%)	n/a	100 (25%)
Cost to Recognize a Foreign Arbitral Award (138, 139)	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 summarizes 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 (96 indicators)	
1.1	Competition (42 indicators)
1.1.1	Antitrust (13 indicators)
1.1.2	Merger Control (12 indicators)
1.1.3	State-Owned Enterprises Framework and Scope of Competition Law (9 indicators)
1.1.4	Enforcement of Competition Regulations (8 indicators)
1.2	Innovation and Technology Transfer (29 indicators)
1.2.1	Strength of Intellectual Property Rights Protection (10 indicators)
1.2.2	Licensing and Technology Transfer (4 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 (25 indicators)
1.3.1	Access and Firm’s Participation (includes gender) (9 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 (67 indicators)	
2.1	Competition Authority (23 indicators)
2.1.1	Institutional Framework (10 indicators)
2.1.2	Advocacy and Transparency (13 indicators)
2.2	Innovation in Firms (22 indicators)
2.2.1	Institutional Framework to Support Innovation (7 indicators)
2.2.2	Digitalization of Intellectual Property Services (includes environment) (6 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) (16 indicators)
2.3.2	Transparency of Key Procurement Documents (6 indicators)
Pillar III–Implementation of Key Services Promoting Market Competition (25 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 (8 indicators)
3.2.1	Product Innovation (2 indicator)
3.2.2	Process Innovation (2 indicator)
3.2.3	Research and Development (2 indicator)
3.2.4	Use of International Quality Certifications (2 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 THAT PROMOTE 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 thirteen 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	Framework specifies which agreements are forbidden in and of themselves
3	Exemptions for Non-Competitive Agreements Must be Justified Based on Public Interest	Framework provides exemptions for anticompetitive agreements that advance public interests
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 Per Se	Framework specifically prohibits cartels per se
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	Consideration of Multiple Factors when Defining Market Dominance	Framework contains other factors beyond market share when defining market dominance

10	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
11	Cooperation with Competition Authorities Offers Confidentiality, Whistleblower Protection, and Monetary Rewards	i) Framework provides confidentiality to firms that cooperate with the Competition Authority during an investigation ii) Framework provides whistleblower protection to individuals that cooperate with the Competition Authority during an investigation iii) Framework provides monetary rewards for whistleblowers who report antitrust violations to the Competition Authority
12	Leniency Programs Establish Clear Immunity Regimes	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
13	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 twelve 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 and Transaction-Value Criteria	i) Framework establishes thresholds for merger notifications ii) Framework specifies whether thresholds are individual, aggregate or both iii) Framework specifies a threshold based on the value of the transaction
5	Existence of a Multi-phased Merger Review Procedure with Specific Statutory Time Limits	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	i) Framework allows firms to justify an increase in market power when the transaction increases efficiency

	Power Resulting from a Merger or Acquisition	ii) Framework allows firms to justify an increase in market power when the firm would otherwise exit the market iii) Framework allows firms to justify an increase in market power when there is an underlying public interest
10	Merger Remedies Can Be Adopted and Competition Authority Should Have the Authority to Ensure Compliance	i) Framework confers power to Competition Authority to impose a set of remedies to guarantee that the merger maintains, restores and does not distort competition ii) Competition Authority has the jurisdictional power to enforce a remedy order directly or indirectly
11	Merger Remedies Should Prioritize Efficiency and Allow for Alternative Proposals by Merging Parties	Remedies imposed by the Competition Authority must address competitive harm identified, must be proportionate to competition concerns identified, and must be capable of being implemented in a time-bound manner
12	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 nine 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 Sectors of the Economy	Exclusion of certain sectors of the economy from competition regulations
3	Competition Law Applies to All SOEs and Legal Monopolies	Exclusion of certain SOEs or legal monopolies from competition regulations
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	SOEs Receive Preferential Treatment Compared to Private Firms	i) Framework provides preferential treatment or exemptions specifically benefiting SOEs compared to private firms ii) Framework provides specific benefits to SOEs in taxes and fiscal obligations iii) Framework provides specific benefits to SOEs in access to land iv) Framework provides specific benefits to SOEs in access to natural resources v) Framework provides specific benefits to SOEs in public procurement
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 Firms or Sectors from the Application of Competition Law and Merger Control	Framework provides for an exclusion regime from the application of competition law

8	Requirement to Justify Exemption Decision Based on Economic, Social or Sustainability Grounds	Exemption decisions should be justified based on economic, social, or sustainability grounds
9	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 eight indicators (table 6).

Table 6. Subcategory 1.1.4–Enforcement of Competition Regulations

	Indicators	Components
1	Procedural and Fairness Guarantees During Investigation	Framework provides for the following procedural fairness guarantees: 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) Parties are provided a reasonable opportunity to consult with the Competition Authority iv) Parties have a reasonable opportunity to be heard and provide evidence or testimony in their defense (This includes testimony of experts, and the opportunity to review or rebut any evidence brought forward) v) Parties are provided with an opportunity to settle or to reach a consent agreement
2	Investigation Phase Completed within a Set Amount of Time and Extensions are Only Allowed under Certain Criteria	i) The investigation phase of the Competition Authority must be completed within a set amount of time ii) Extensions to the statutory investigation period should be allowed only under certain criteria
3	Legal Framework Defines What Constitutes Confidential Information	Framework sets out clear provisions over what constitutes confidential information in antitrust and merger control procedures
4	Adequate Powers to Investigate and to Enforce Sanctions are Conferred to the Competition Authority	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
5	Competition Authorities Have the Powers to Collect Monetary Sanctions and to Enforce Non-Monetary Sanctions	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
6	Competition Authority Can Investigate a Failure to Notify Transactions and Impose Sanctions Based on the Firm's Turnover	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
7	Decisions of the Competition Authority are Binding and/or Self-Enforceable and Designation of a Specialized Body to Review Decisions of the Competition	i) Framework considers the Competition Authority's decisions as binding and enforceable ii) Framework designates a specialized body to review decisions of the Competition Authority

	Authority, and Action for Damages is Allowed	iii) Framework allows firms to file for an action for damages resulting from infringement of competition law
8	An Overall Cap on Fines and Merger Filing Fees is Provided in the Regulatory Framework	i) Framework establishes a cap on fines that can be imposed on a firm ii) Framework establishes an overall cap on merger notification filing fees

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 ten 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 of the Application	Patent protection valid from the filing date of the application
4	Opposition Mechanisms for Patents and Trademarks	i) Opposition mechanisms for patents ii) Opposition mechanisms for trademarks
5	Provisions for Information Submission System for Patents	Provisions for Information Submission System for patents
6	Public Disclosure of Patent	Public disclosure of patent
7	Trademark use Obligation, Related Timeframe	i) Trademark use obligation ii) Timeframe
8	Protection for Well-Known Marks	Protection for well-known marks
9	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
10	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 four 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	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 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	Provisions Enabling Open Science	Provisions enabling open science
2	Open Access and Open-Source Definition	i) Open access definition ii) Open-source definition
3	Scope of Permissible Research Activities	Scope of permissible research activities
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	Guidelines on AI Generated Content	Guidelines on AI Generated Content
7	Criteria on IP Ownership Developed with the Use of AI	Criteria and Rules on IP Ownership Developed with the Use of AI
8	Guidelines for IP-Based Financing	Guidelines for IP-based financing
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 nine 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 with Competitive Second-Stages	Framework outlines a designated procedure for awarding contracts based on a framework agreement where contracts are awarded following a competitive two-stage process
7	Framework Agreements Can Be Open to New Suppliers During the Duration of the Agreement	Framework allows addition of new suppliers to initial parties during duration of framework agreement
8	Promoting Gender Equality in Public Procurement	Framework includes gender-specific provisions that promote gender equality in public procurement
9	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	Life Cycle Cost Consideration is Used in Bid Evaluation	Framework defines project life cycle cost
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	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

	Clarification Requests from Potential Bidders should be Addressed	
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, Tender Documents, and Award Decisions	i) Framework establishes that procurement plans should be made publicly available ii) Framework establishes that tender documents should be made publicly available iii) 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

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 ten 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 Decisions Cannot Be Overridden or Vetoed	Competition Authority decisions cannot be overridden or vetoed
3	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
4	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
5	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
6	Mechanisms are Established for Competition Authorities to Cooperate with Foreign Competition Authorities	Existence of established cooperation mechanisms between domestic and foreign Competition Authorities
7	Mechanisms are Established for Competition Authorities to Cooperate with Other Sector Regulators	Existence of established cooperation mechanisms between domestic and other sector regulators
8	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
9	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
10	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 thirteen indicators (table 17).

Table 17. Subcategory 2.1.2–Advocacy and Transparency

	Indicators	Components

1	Issuance of Guidelines on Competition Compliance Tools for Businesses	Competition Authority issues guidelines on competition compliance tools for businesses
2	Issuance of Guidelines on Horizontal and Vertical Agreements	i) Competition Authority issues guidelines documents on horizontal agreements ii) Competition Authority issues guidelines on vertical agreements iii) Competition Authority issues guidelines on cooperation agreements
3	Issuance of Guidelines on Abuse of Dominance	Competition Authority issues guidelines on abuse of dominance
4	Issuance of Guidelines on Leniency Programs	Competition Authority issues guidelines on leniency programs
5	Issuance of Guidelines on Market Definition	Competition Authority issues guidelines on market definition
6	Issuance of Guidelines on Competition-Related Issues in Digital Platforms	Competition Authority issues guidelines on competition-related issues in digital platforms
7	Issuance of Guidelines on Merger Control	Competition Authority issues guidelines on merger control
8	Issuance of Guidelines on Labor Markets	Competition Authority issues guidelines on antitrust enforcement as it pertains to labor markets
9	Issuance of Analytical Reports on Competition	Competition Authority may issue analytical reports on markets, behaviors, or practices from the perspective of competition policy
10	Organization of Workshops to Disseminate Competition Policy	Competition Authority organizes workshops or webinars to disseminate competition policy to firms
11	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
12	Online Publication of all Opinions of the Competition Authority on Government Policies	Competition Authority publishes all opinions on government policies online
13	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 seven 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	Online Public Consultations on IP Laws and Regulations	Online 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
5	Practical Enforcement in Civil Procedures, Provisional Measures and	Practical enforcement in civil procedures, provisional measures and criminal procedures for copyright protection

	Criminal Procedures for Copyright Protection	
6	Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Patent Protection	Practical enforcement in civil procedures, provisional measures and criminal procedures for patent protection
7	Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Trademark Protection	Practical enforcement in civil procedures, provisional measures and criminal procedures for trademark protection

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 six 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 Connecting Buyers and Sellers	Availability of license of rights database or IP marketplace connecting buyers and sellers
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	AI Powered Tools in Online IP Services	AI powered tools in online IP services
6	Online Publication of List of Qualified IP Professionals by the IPO	Online publication of list of qualified IP professionals by the IPO

Note: IP = Intellectual Property; IPO = Intellectual Property Office; IPR = Intellectual Property Rights.

2.2.3 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 and AI Regulatory Sandboxes	i) Availability of regulatory sandboxes ii) Availability of AI 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 sixteen 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 iii) Legal Effect of Electronic Notifications
4	Submitting Tenders Electronically	E-procurement platform includes submitting tenders electronically
5	Open Bids Electronically	E-procurement platform includes opening bids electronically
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
16	Restrictions on Foreign Bidders to Register as a Vendor	E-procurement platform is open to registration and authentication by foreign bidders

2.3.2 Transparency of Key Procurement Documents

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 comprises six indicators (table 22).

Table 22. Subcategory 2.3.2–Transparency of Key Procurement Documents

	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

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	Product Innovation
3.2.2	Process Innovation
3.2.3	Research and Development
3.2.4	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 two 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 3.1.1–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 four subcategories consisting of one indicator, each of which may, in turn, have several components.

3.2.1 Product Innovation

This subcategory assesses firms that have introduced a new product or service in both manufacturing and services sectors. Therefore, Subcategory 3.2.1–Product Innovation comprises two indicators (table 26).

Table 26. Subcategory 3.2.1–Product Innovation

	Indicators	Components
1	Proportion of Firms with Product Innovation (Manufacturing)	Percentage of firms that introduced a new product or service in the manufacturing sector
2	Proportion of Firms with Product Innovation (Services)	Percentage of firms that introduced a new product or service in the services sector

3.2.2 Process Innovation

This subcategory assesses firms that have introduced a new process in both manufacturing and services sectors. Therefore, Subcategory 3.2.2–Process Innovation comprises two indicators (table 27).

Table 27. Subcategory 3.2.2–Process Innovation

	Indicators	Components
1	Proportion of Firms with Process Innovation (Manufacturing)	Percentage of firms that introduced a new process in the manufacturing sector
2	Proportion of Firms with Process Innovation (Services)	Percentage of firms that introduced a new process in the services sector

3.2.3 Research and Development

This subcategory assesses firms that are spending on Research and Development in both manufacturing and services sectors. Therefore, Subcategory 3.2.3–Research and Development comprises two indicators (table 28).

Table 28. Subcategory 3.2.3–Research and Development

	Indicators	Components
1	Proportion of Firms that Spent on R&D (Manufacturing)	Percentage of firms spending on R&D in the manufacturing sector
2	Proportion of Firms that Spent on R&D (Services)	Percentage of firms spending on R&D in the services sector

Note: R&D – research and development.

3.2.4 Use of International Quality Certifications

This subcategory assesses use of international quality certifications. Therefore, Subcategory 3.2.4–Use of International Quality Certifications comprises two indicators (table 29).

Table 29. Subcategory 3.2.4–Use of International Quality Certifications

	Indicators	Components
1	Use of International Quality Certifications (Manufacturing)	Percentage of firms with international quality certifications in the manufacturing sector
2	Use of International Quality Certifications (Services)	Percentage of firms with international quality certifications in the services sector

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 30).

Table 30. 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 Services 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 31).

Table 31. 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 firms' 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 32).

Table 32. 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 33).

Table 33. 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 34).

Table 34. 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 employs 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 35 shows the scoring for the Market Competition topic. For further scoring details, please see Annex A, which complements this section.

Table 35. 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	96	96	96	192	100	0.33
II	Public Services that Promote Market Competition	67	67	67	134	100	0.33
III	Implementation of Key Services Promoting Market Competition	25	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 96 indicators with a total score of 192 points (96 points on firm flexibility and 96 points on social benefits) (table 36). The scoring for each category under this pillar is as follows:

- 6.1.1** *Competition* has 42 indicators with a total maximum score of 84 points (42 points on firm flexibility and 42 points on social benefits). Specifically, the *Antitrust* Subcategory has 13 indicators; *Merger Control* has 12 indicators; *State-Owned Enterprises Framework and Scope of Competition Law* has 9 indicators; and *Enforcement of Competition Regulations* has 8 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 29 indicators with a total maximum score of 58 points (29 points on firm flexibility and 29 on social benefits). Specifically, the *Strength of Intellectual Property Rights Protection* Subcategory has 10 indicators; *Licensing and Technology Transfer* has 4 indicators; *Fair Access to Innovation (includes environment)* has 9 indicators; and *University-Industry Collaboration* 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 25 indicators with a total maximum score of 50 points (25 points on firm flexibility and 25 points on social benefits). Specifically, the *Access and Firm's Participation (includes gender)* Subcategory has 9 indicators; *Best Value for Money (includes gender and environment)* has 8 indicators; *Fairness of the Procurement Process* has 6 indicators; and *Transparency of Key Procurement Documents* 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 36. 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	42	42	42	84	33.33
1.1.1	Antitrust	13	13	13	26	10.00
1.1.2	Merger Control	12	12	12	24	10.00
1.1.3	State-Owned Enterprises Framework and Scope of Competition Law	9	9	9	18	6.67
1.1.4	Enforcement of Competition Regulations	8	8	8	16	6.67
1.2	Innovation and Technology Transfer	29	29	29	58	33.33
1.2.1	Strength of Intellectual Property Rights Protection	10	10	10	20	6.67
1.2.2	Licensing and Technology Transfer	4	4	4	8	8.89
1.2.3	Fair Access to Innovation (includes environment)	9	9	9	18	8.89
1.2.4	University-Industry Collaboration	6	6	6	12	8.89
1.3	Bidding for Public Contracts	25	25	25	50	33.33
1.3.1	Access and Firm's Participation (includes gender)	9	9	9	18	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	96	96	96	192	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 67 indicators with a total score of 134 points (67 points on firm flexibility and 67 points on social benefits) (table 37). The scoring for each category under this pillar is as follows:

6.2.1 *Competition Authority* has 23 indicators with a total maximum score of 46 points (23 points on firm flexibility and 23 points on social benefits). Specifically, the *Institutional Framework* Subcategory has 10 indicators, and the *Advocacy and Transparency* Subcategory has 13 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 22 indicators with a total maximum score of 44 points (22 points on firm flexibility and 22 on social benefits). Specifically, the *Institutional Framework to Support Innovation* Subcategory has 7 indicators; the *Digitalization of Intellectual Property Services (includes environment)* Subcategory has 6 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 16 indicators; and the *Transparency of Key Procurement Documents* Subcategory has 6 indicators. High quality of e-procurement services benefit both the firm (firm flexibility) and the society (social benefits). Hence, equal scores are assigned to both categories.

Table 37. 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	23	23	23	46	33.33
2.1.1	Institutional Framework	10	10	10	20	16.67
2.1.2	Advocacy and Transparency	13	13	13	26	16.67
2.2	Innovation in Firms	22	22	22	44	33.33
2.2.1	Institutional Framework to Support Innovation	7	7	7	14	11.11
2.2.2	Digitalization of Intellectual Property Services (includes environment)	6	6	6	12	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)	16	16	16	32	22.22
2.3.2	Transparency of Key Procurement Documents	6	6	6	12	11.11
	Total	67	67	67	134	100.00

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

6.3 Pillar III–Implementation of Key Services Promoting Market Competition

Pillar III covers 25 indicators with a score ranging from 0 to 100 on firm flexibility (table 38). 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 8 indicators with a total maximum score of 33.33 points. The *Product Innovation* Subcategory has 2 indicators; *Process Innovation* Subcategory has 2 indicators; the *Research and Development* Subcategory has 2 indicators; and the *Use of International Quality Certifications* Subcategory has 2 indicators.
- 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 38. 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	8	33.33
3.2.1	Product Innovation	2	6.67
3.2.2	Process Innovation	2	6.67
3.2.3	Research and Development	2	6.67
3.2.4	Use of International Quality Certifications	2	13.33
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		25	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	0.77	UNCTAD (2007)
Legal Framework Distinguishes between which Agreements Restrict Competition by Object	1	1	2	0.77	UNCTAD (2007)
Exemptions for Non-Competitive Agreements Must be Justified Based on Public Interest	1	1	2	0.77	UNCTAD (2007)
Exemption Regulations Require to Identify the Efficiency, Harm and Consumer's Impact of the Exempted Agreement	1	1	2	0.77	UNCTAD (2007)
Exemptions are Granted for a Certain Time Period and Renewals are Reviewed	1	1	2	0.77	UNCTAD (2007)
Cartels are Forbidden Per Se	1	1	2	0.77	UNCTAD (2007)
Legal Framework Prohibits Abuse of Dominance	1	1	2	0.77	UNCTAD (2007)
Definition of Market Dominance and Abuse of Dominant Position	1	1	2	0.77	UNCTAD (2007)
Consideration of Multiple Factors when Defining Market Dominance	1	1	2	0.77	OECD (2008)
Availability of Leniency Programs with Procedural Guarantees	1	1	2	0.77	ICN (2019)
Cooperation with Competition Authorities Offers Confidentiality, Whistleblower Protection, and Monetary Rewards	1	1	2	0.77	ICN (2019)
Leniency Programs Establish Clear Immunity Regimes	1	1	2	0.77	ICN (2019)
Incentives for Voluntary Compliance	1	1	2	0.77	OECD (2021b)
Total Points for Subcategory 1.1.1	13	13	26	10.00	
1.1.2 Merger Control					
Scope of Merger Control Regulations	1	1	2	0.83	ICN (2018); OECD (2005)

Legal Framework Establishes the Economic Criteria Used to Identify which Transactions Fall under Merger Control Regime	1	1	2	0.83	ICN (2018)
Legal Framework Establishes a Merger Control Procedure to Assess Competition Distortions	1	1	2	0.83	ICN (2018)
Legal Framework Establishes Clear Guidelines and Thresholds for Merger Notifications, Including Individual and Aggregate Thresholds and Transaction-Value Criteria	1	1	2	0.83	ICN (2018)
Existence of a Multi-phased Merger Review Procedure with Specific Statutory Time Limits	1	1	2	0.83	OECD (2005)
Existence of a Simplified Merger Procedure	1	1	2	0.83	OECD (2005)
Existence of Pre-Merger Consultation with Competition Authority Regarding Transaction Notification	1	1	2	0.83	OECD (2018b, 2022b)
Requirement to Conduct a Substantive Economic Assessment on the Competitive Effects of a Transaction Submitted for a Merger Control Review	1	1	2	0.83	Bradford and Chilton (2018); ICN (2018)
Availability of Legitimate Justifications for Increases in Market Power Resulting from a Merger or Acquisition	1	1	2	0.83	ICN (2018); OECD (2018b)
Merger Remedies Can Be Adopted and Competition Authority Should Have the Authority to Ensure Compliance	1	1	2	0.83	Bradford and Chilton (2018); ICN (2018)
Merger Remedies Should Prioritize Efficiency and Allow for Alternative Proposals by Merging Parties	1	1	2	0.83	Bradford and Chilton (2018); ICN (2018)
Powers to Block Mergers that May Otherwise Adversely Impact Competition	1	1	2	0.83	ICN (2018); OECD (2018b)
Total Points for Subcategory 1.1.2	12	12	24	10.00	

1.1.3 State-Owned Enterprises Framework and Scope of Competition Law					
Requirement to Justify Creation of SOEs Based on Economic, Social and/or Sustainability Criteria	1	1	2	0.74	OECD (2015a), Recommendation I & III
Competition Law Applies to All Sectors of the Economy	1	1	2	0.74	OECD (2015a), Recommendation I & III
Competition Law Applies to All SOEs and Legal Monopolies	1	1	2	0.74	OECD (2015a), Recommendation I & III
Requirement to Carry Out an Evaluation Assessment to Justify SOE Commercial Activities	1	1	2	0.74	OECD (2015a), Recommendation I
SOEs Receive Preferential Treatment Compared to Private Firms	1	1	2	0.74	OECD (2015a, 2021e)
Presence of Barriers to Competition Authority's Investigations of SOEs	1	1	2	0.74	OECD (2015a, 2021e)
Existence of Procedure to Exclude Firms or Sectors from the Application of Competition Law and Merger Control	1	1	2	0.74	OECD (2015a), Recommendation I and III
Requirement to Justify Exemption Decision Based on Economic, Social or Sustainability Grounds	1	1	2	0.74	OECD (2015a), Recommendation I and III
Existence of Procedure to Exempt Agreements from the Application of Competition Law	1	1	2	0.74	OECD (2019)
Total Points for Subcategory 1.1.3	9	9	18	6.67	
1.1.4 Enforcement of Competition Regulations					
Procedural and Fairness Guarantees During Investigation	1	1	2	0.83	ICN (2019)
Investigation Phase Completed within a Set Amount of Time and Extensions are Only Allowed under Certain Criteria	1	1	2	0.83	ICN (2019)
Legal Framework Defines What Constitutes Confidential Information	1	1	2	0.83	OECD (2005)
Adequate Powers to Investigate and to Enforce Sanctions are Conferred to the Competition Authority	1	1	2	0.83	ICN (2019)
Competition Authorities Have the Powers to Collect Monetary Sanctions and to Enforce Non-Monetary Sanctions	1	1	2	0.83	ICN (2019)
Competition Authority Can Investigate a Failure to Notify Transactions and Impose Sanctions Based on the Firm's Turnover	1	1	2	0.83	ICN (2019)
Decisions of the Competition Authority are Binding and/or Self-Enforceable and Designation of a Specialized Body to Review Decisions of the Competition Authority, and Action for Damages is Allowed	1	1	2	0.83	Bradford and Chilton (2018); UNCTAD (2007)
An Overall Cap on Fines and Merger Filing Fees is Provided in the Regulatory Framework	1	1	2	0.83	OECD (2019b)
Total Points for Subcategory 1.1.4	8	8	16	6.67	
Total Points for Category 1.1	42	42	84	33.33	

1.2 INNOVATION AND TECHNOLOGY TRANSFER					
1.2.1 Strength of Intellectual Property Rights Protection					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Provisions for Establishment of Collective Management Organizations	1	1	2	0.67	WIPO (2004, 2022)
Patentability Requirements (Novelty, Inventive Step, Industrial Applicability) for Inventions and Experimental Use Exception or Research Exemption for Patents	1	1	2	0.67	WIPO (2004, 2010)
Patent Protection Valid from the Filing Date of the Application	1	1	2	0.67	WIPO (2004)
Opposition Mechanisms for Patents and Trademarks	1	1	2	0.67	WIPO (2009, 2023a)
Provisions for Information Submission System for Patents	1	1	2	0.67	WIPO (2023b)
Public Disclosure of Patent	1	1	2	0.67	WIPO (2004)
Trademark use Obligation, Related Timeframe	1	1	2	0.67	WIPO (2004)
Protection for Well-Known Marks	1	1	2	0.67	WIPO (2000)
Actions or Remedies to Enforce Copyright, Patent, and Trademark Protection	1	1	2	0.67	TRIPS (1994)
Arbitration of Copyright, Patent, and Trademark Disputes	1	1	2	0.67	Reed et al. (2021)
Total Points for Subcategory 1.2.1	10	10	20	6.67	
1.2.2 Licensing and Technology Transfer					
Provisions on Copyright, Patent, Trademark Licensing Procedures	1	1	2	2.22	WIPO (2004)
Guidelines for Setting Fair and Non-Discriminatory Royalties	1	1	2	2.22	OECD (2019a)
Recordal of Change of Patent Owner and Related Timeframe	1	1	2	2.22	WIPO (2010)
Disclosure of Patent and Trademark Licensing Agreements to IPO	1	1	2	2.22	WIPO (2010)
Total Points for Subcategory 1.2.2	4	4	8	8.89	
1.2.3 Fair Access to Innovation (includes environment)					
Provisions Enabling Open Science	1	1	2	0.99	UNESCO (2021a, 2022a)
Open Access and Open-Source Definition	1	1	2	0.99	WIPO (2011); BSA (2005)
Scope of Permissible Research Activities	1	1	2	0.99	Priest (2012); WIPO (2021)
Risk-Based Approach to AI Regulation	1	1	2	0.99	Panait et al. (2021); OECD (2023)
Guidelines on an Ethical Impact Assessment of AI Systems	1	1	2	0.99	UNESCO (2021b, 2022b, 2023); UNESCO/Mila (2023)
Guidelines on AI Generated Content	1	1	2	0.99	OECD (2025)

Criteria on IP Ownership Developed with the Use of AI	1	1	2	0.99	WIPO (2023)
Guidelines for IP-Based Financing	1	1	2	0.99	WIPO (2008)
Provisions on the Environmentally Safe Disposal and Destruction of IPRs Infringing Goods	1	1	2	0.99	WIPO (2010b, 2017a, 2017b); Stoentgen (2012)
Total Points for Subcategory 1.2.3	9	9	18	8.89	
1.2.4 University-Industry Collaboration					
Standard Model Research Collaboration Agreements	1	1	2	1.48	WIPO (n.d.)
Grace Period for Publishing Research Results without Compromising Patentability	1	1	2	1.48	WIPO (n.d.)
Patent Ownership Developed Within Public Research Organizations	1	1	2	1.48	Aridi and Cowey (2018)
Institutional IP Policies of Public Research Organizations	1	1	2	1.48	WIPO (n.d.)
University Spin-offs	1	1	2	1.48	Aridi and Cowey (2018)
Financial Incentives for Commercializing Research	1	1	2	1.48	Aridi and Cowey (2018)
Total Points for Subcategory 1.2.4	6	6	12	8.89	
Total Points for Category 1.2	29	29	58	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	1.30	OECD (2011); UNCITRAL (2011)
Restrictions on Foreign Firms' Participation in Public Procurement	1	1	2	1.30	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	1.30	OECD (2015a), Recommendation III
Ability to Divide Contracts into Lots	1	1	2	1.30	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	1.30	MAPS (2018)
Procurement Procedures for Framework Agreements are Established with Competitive Second-Stages	1	1	2	1.30	UNCITRAL (2011)
Framework Agreements Can Be Open to New Suppliers During the Duration of the Agreement	1	1	2	1.30	UNCITRAL (2011)
Promoting Gender Equality in Public Procurement	1	1	2	1.30	MAPS (2022); OECD (2021d)
Tender and Contractual Mechanisms to Promote SME Participation	1	1	2	1.30	ADB (2012); Beck and Demircuc-Kunt (2006); EBRD (2017b); OECD (2015b, 2017a)

Total Points for Subcategory 1.3.1	9	9	18	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)
Life Cycle Cost Consideration is 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 Procurement Tribunals and of the Right to Appeal its 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, 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	25	25	50	33.33	
Total Points for Pillar I	96	96	192	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	1.67	Bradford and Chilton (2018)
Competition Authority Decisions Cannot Be Overridden or Vetoed	1	1	2	1.67	OECD (2016)
Competition Authority has a Clear and Non-Overlapping Mandate	1	1	2	1.67	OECD (2022a)
Establishment of a Procedure for Selection and Dismissal of Board Members	1	1	2	1.67	Bradford and Chilton (2018)
Term Limits for Board Members of the Competition Authority	1	1	2	1.67	Bradford and Chilton (2018)
Mechanisms are Established for Competition Authorities to Cooperate with Foreign Competition Authorities	1	1	2	1.67	ICN (2013)
Mechanisms are Established for Competition Authority to Cooperate with Other Sector Regulators	1	1	2	1.67	OECD (2022)
Cooling off Periods after Term Limits for Board Members of Competition Authority for Private Sector Jobs in Previously Investigated Companies	1	1	2	1.67	Bradford and Chilton (2018)
Competition Authority Issues Opinions on Policies and Regulations	1	1	2	1.67	ICN (2014)
Competition Authority's Opinions are Binding	1	1	2	1.67	ICN (2014)
Total Points for Subcategory 2.1.1	10	10	20	16.67	
2.1.2 Advocacy and Transparency					
Issuance of Guidelines on Competition Compliance Tools for Businesses	1	1	2	1.28	OECD (2021c)
Issuance of Guidelines on Horizontal and Vertical Agreements	1	1	2	1.28	OECD (2021c)
Issuance of Guidelines on Abuse of Dominance	1	1	2	1.28	OECD (2021c)
Issuance of Guidelines on Leniency Programs	1	1	2	1.28	OECD (2021c)
Issuance of Guidelines on Market Definition	1	1	2	1.28	ICN (2018)
Issuance of Guidelines on Competition-Related Issues in Digital Platforms	1	1	2	1.28	ICN (2018)
Issuance of Guidelines on Merger Control	1	1	2	1.28	ICN (2018)
Issuance of Guidelines on Labor Markets	1	1	2	1.28	ICN (2018)
Issuance of Analytical Reports on Competition	1	1	2	1.28	ICN (2017)
Organization of Workshops to Disseminate Competition Policy	1	1	2	1.28	ICN (2012)

Online Publication of all Antitrust and Merger Control Decisions and Exemptions	1	1	2	1.28	ICN (2019); OECD (2015a)
Online Publication of all Opinions of the Competition Authority on Government Policies	1	1	2	1.28	OECD (2019c)
Electronic Notification of Transaction for Merger Control	1	1	2	1.28	ICN (2019)
Total Points for Subcategory 2.1.2	13	13	26	16.67	
Total Points for Category 2.1	23	23	46	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	1.58	WIPO (n.d.)
Availability of Information Submission System in Practice	1	1	2	1.58	WIPO (2023b)
Online Public Consultations on IP Laws and Regulations	1	1	2	1.58	US Chamber of Commerce (2022)
Public Body Responsible for Participation of Firms in Development of Technical Standards	1	1	2	1.58	WIPO (n.d.)
Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Copyright Protection	1	1	2	1.58	WIPO (2018)
Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Patent Protection	1	1	2	1.58	WIPO (2018)
Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Trademark Protection	1	1	2	1.58	WIPO (2028)
Total Points for Subcategory 2.2.1	7	7	14	11.11	
2.2.2 Digitalization of Intellectual Property Services (includes environment)					
Availability of License of Rights Database or IP Marketplace Connecting Buyers and Sellers	1	1	2	1.85	WIPO (2010)
Availability of Green Technology Identifier	1	1	2	1.85	WIPO (2020)
Availability of Electronic Database on Locally Registered IPR	1	1	2	1.85	WIPO (2004)
Availability of Online Platform for IP Holders to Manage IPR Electronically	1	1	2	1.85	WIPO (2004)
AI Powered Tools in Online IP Services	1	1	2	1.85	OECD (2025)
Online Publication of List of Qualified IP Professionals by the IPO	1	1	2	1.85	WIPO (2004)
Total Points for Subcategory 2.2.2	6	6	12	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 and AI Regulatory Sandboxes	1	1	2	1.23	World Bank (2020; OECD (2023)
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	22	22	44	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	1.39	EBRD (2015); MAPS (2018); PwC (2013)
Registering as a Vendor	1	1	2	1.39	ADB (2013); EBRD (2015); OECD (2015b); PwC (2013)
Asking the Procuring Entity for Clarifications and Notification of Decisions Electronically	1	1	2	1.39	ADB (2013); EBRD (2015); Kinsey (2004); OECD (2015b)
Submitting Tenders Electronically	1	1	2	1.39	ADB (2013); EBRD (2015); Kinsey (2004); OECD (2015b)
Open Bids Electronically	1	1	2	1.39	ADB (2013); EBRD (2015); MAPS (2018); PwC (2013)
Submitting Bid Security Electronically and Performance Guarantee with Electronic Validation	1	1	2	1.39	ADB (2013); EBRD (2015)
Contract Signing Electronically	1	1	2	1.39	ADB (2013); EBRD (2015); PwC (2013)
E-Contract Management and Implementation Module	1	1	2	1.39	ADB (2013); EBRD (2015); PwC (2013)
Submitting Invoices to the Procuring Entity	1	1	2	1.39	ADB (2013); EBRD (2015)
Receiving Payments from the Procuring Entity Electronically	1	1	2	1.39	ADB (2013); EBRD (2015)
Module for Framework Agreement Management	1	1	2	1.39	ADB (2013); EBRD (2015)
E-Reverse Auction Module	1	1	2	1.39	ADB (2013); EBRD (2015)
E-Catalogue of Approved Suppliers	1	1	2	1.39	ADB (2013); EBRD (2015)
Electronic Green Catalogues	1	1	2	1.39	ADB (2013); EBRD (2015)

Applying for Vendor Eco-Certifications or Eco/Labels Electronically	1	1	2	1.39	ADB (2013); EBRD (2015); OECD (2015b); PwC (2013)
Restrictions on Foreign Bidders to Register as a Vendor	1	1	2	1.39	MAPS (2018)
Total Points for Subcategory 2.3.1	16	16	32	22.22	
2.3.2 Transparency of Key Procurement Documents					
Accessing Notices on Procurement Opportunities Electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing Bidding Documents Electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing Award Decisions (Including Their Rationale) Electronically	1	1	2	1.85	ADB (2013); EBRD (2015); Kinsey (2004); MAPS (2018); PwC (2013)
Accessing Contracts and Contract Amendments Electronically	1	1	2	1.85	MAPS (2018); PwC (2013)
Access to Specifications, Standards, or Criteria for Eco-Labels and Environmentally Preferable Goods and Services Electronically	1	1	2	1.85	MAPS (2018); OECD (2015c); PwC (2013)
Publication of Open Data in Machine Readable Format on Suppliers Contracts and Tenders	1	1	2	1.85	EBRD (2015); MAPS (2018); OECD (2015b)
Total Points for Subcategory 2.3.2	6	6	12	11.11	
Total Points for Category 2.3	22	22	44	33.33	
Total Points for Pillar II	67	67	134	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 Product Innovation					
Proportion of Firms with Product Innovation (Manufacturing)	50	n/a	50	3.34	Cirera and Muzi (2020)
Proportion of Firms with Product Innovation (Services)	50	n/a	50	3.34	Cirera and Muzi (2020)
Total Points for Subcategory 3.2.1	100	n/a	100	6.67	
3.2.2 Process Innovation					
Proportion of Firms with Process Innovation (Manufacturing)	50	n/a	50	3.34	Cirera and Muzi (2020)

Proportion of Firms with Process Innovation (Services)	50	n/a	50	3.34	Cirera and Muzi (2020)
Total Points for Subcategory 3.2.2	100	n/a	100	6.67	
3.2.3 Research and Development					
Proportion of Firms that Spent on R&D (Manufacturing)	50	n/a	50	3.34	Cirera and Muzi (2020)
Proportion of Firms that Spent on R&D (Services)	50	n/a	50	3.34	Cirera and Muzi (2020)
Total Points for Subcategory 3.2.3	100	n/a	100	6.67	
3.2.4 Use of International Quality Certifications					
Use of International Quality Certifications (Manufacturing)	50	n/a	50	6.67	OECD (2018c)
Use of International Quality Certifications (Services)	50	n/a	50	6.67	OECD (2018c)
Total Points for Subcategory 3.2.4	100	n/a	100	13.33	
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	20	n/a	20	1.67	Kinsey (2004); MAPS (2018)
Time to Award a Small Services Contract in Selective Bidding	20	n/a	20	1.67	Kinsey (2004); MAPS (2018)
Time to Prequalify Suppliers	20	n/a	20	1.67	Kinsey (2004); MAPS (2018)
Time to Award a Contract through Electronic Auction	20	n/a	20	1.67	Kinsey (2004); MAPS (2018)
Time to Award a Contract in a Framework Agreement	20	n/a	20	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 or pre-registration opposition rights: Are the rights available to third parties to oppose the granting of a patent or a trademark through a non-judicial, administrative procedure prior to its grant or registration.

Post-granting or pre-registration opposition rights: Are the rights available to third parties to oppose the validity of a granted patent or a registered trademark through a non-judicial, administrative procedure within a defined post-grant opposition time window following grant of a patent or registration of a trademark.

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. It also includes injunctions.

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, guidelines, 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.

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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → provide response to question...” or “N → provide response to question...” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

PILLAR I—QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION

1.1. COMPETITION

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)**
Note: Agreements between independent undertakings, decisions by associations of undertakings, and concerted practices are strictly prohibited if they have the object of distorting competition in the relevant market. They are also known as per se violations of Competition Law. Guidance or soft law instruments can be a source to respond to this question.
3. **Are cartels, including agreements that directly or indirectly fix purchase or selling prices, forbidden in and of themselves? (Y/N)**
4. **Does the regulatory framework provide exemptions for anticompetitive agreements that advance certain public interests? (Y/N)**
Note: Exemptions to anticompetitive agreements are situations where a particular agreement may be exempted from the Competition Law normally applicable due to the nature of the agreement or the sector within which the agreement is made.

5. According to the regulatory framework, are exemptions for anticompetitive agreements granted contingent upon the condition that the agreement must be efficiency enhancing? (Y/N)
6. According to the regulatory framework, are exemptions for anticompetitive agreements granted contingent upon the condition that the agreement must not eliminate competition? (Y/N)
7. Are exemptions for anticompetitive agreements granted contingent upon the condition that the agreement should allow a fair share for consumers? (Y/N)
8. Are individual agreement exemptions from the competition regulatory framework granted only for certain time periods? (Y/N)
9. Are category of agreements exemptions from the competition regulatory framework granted only for certain time periods? (Y/N)
10. Is renewal of an individual agreement exemption at the end of its term contingent upon a review of the reasons for which the exemption was granted by the Competition Authority? (Y/N)
11. Is renewal of a category of agreements 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)
12. Does the regulatory framework prohibit firms from abusing dominant positions? (Y/N)
Note: This definition may be found either in the relevant Competition Law or in soft law instruments such as guidelines, circulars or practice directions.
13. Does the regulatory framework define market dominance when firms have substantial degree of power in a market? (Y/N)
Note: This definition may be found either in the relevant Competition Law or in soft law instruments such as guidelines, circulars or practice directions.
14. Does the regulatory framework contain other factors beyond market share when defining market dominance? (14a – good practice)
 14a. Yes, multiple factors are considered equally when defining dominance
 14b. Yes, market share is the primary factor, other factors can rebut the assessment
 14c. No
15. Does the regulatory framework define when firms are abusing their market dominance? (Y/N)
Note: This definition may be found either in the relevant Competition Law or in soft law instruments such as guidelines, circulars or practice directions.
16. Does the regulatory framework provide a leniency program? (Y/N)
Note: This definition may be found either in the relevant Competition Law or in soft law instruments such as guidelines, circulars or practice directions.
 Y → provide response to questions 17, 18, 22 and 23.
17. 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)
18. Does the regulatory framework allow the Competition Authority to disclose the identity of a leniency applicant? (18a or 18b – good practice)

- 18a. No, the identity of the applicant is never disclosed
- 18b. Yes, disclosure is allowed when there is a legal obligation to do so as part of judicial proceedings
- 18c. Yes, the regulatory framework imposes no constraints on the disclosure of the leniency applicant's identity

- 19. Is the confidentiality of organizations that cooperate with the Competition Authority during an investigation protected by the regulatory framework? (Y/N)**
- 20. 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)**
Note: This refers specifically to whistleblower protection in the context of Competition Law enforcement, not to broader whistleblower laws related to fraud, corruption or labor law. This definition may be found either in the relevant Competition Law or in soft law instruments such as guidelines, circulars or practice directions.
- 21. According to the regulatory framework, are whistleblowers who report antitrust violations to the Competition Authority eligible to receive monetary rewards? (Y/N)**
Note: This definition may be found either in the relevant Competition Law or in soft law instruments such as guidelines, circulars or practice directions.
- 22. Does the leniency program provide full immunity to the first firm that self-reports its involvement in anticompetitive behavior? (Y/N)**
- 23. Do subsequent firms that self-report involvement in anticompetitive behavior receive any reductions or exemptions from financial sanctions? (Y/N)**
- 24. 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

- 25. Are there sectors that are excluded from the merger control regulations? (Y/N; N – good practice)**
- 26. Does the regulatory framework provide economic criteria specifically designed to identify transactions that fall under merger control regulations? (26a – good practice)**
 - 26a. Yes, it provides for both quantitative and qualitative criteria
 - 26b. Yes, but it provides only quantitative criteria
 - 26c. Yes, but it provides only qualitative criteria
 - 26d. No, it does not provide an economic criterion
- 27. Does the regulatory framework establish thresholds for merger notifications? (Y/N)**
- 28. Does the regulatory framework specify a threshold for merger notifications based on turnover? (28c – good practice)**
 - 28a. Yes, individual, concerning the turnover of the target firm
 - 28b. Yes, aggregate, concerning the turnover of all firms involved in the merger
 - 28c. Yes, both, depending on the transaction
 - 28d. No, there is no such indication
- 29. Does the regulatory framework specify a threshold for merger notifications based on the value of the transaction (e.g., price paid, consideration, or valuation)? (Y/N)**

Note: Transaction value thresholds are used to capture mergers where the target has low turnover but high strategic value (e.g., in digital or innovation-intensive sectors). These may coexist with turnover thresholds.

30. 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? (30a or 30b – good practice)

30a. Yes, the transaction must be notified

30b. No, but firms can voluntarily submit their transaction for review

30c. No, there is no provision regulating this matter

30a and 30b → provide response to question 114.

31. Does the regulatory framework establish a merger control procedure that includes distinct phases or stages or alternative procedure tracks that differ based on the potential harm to competition posed by the transaction? (31a or 31b – good practice)

Note: Please, refer only to the merger control procedures administered by the Competition Authority. Do not include procedures or requirements imposed by other regulatory bodies or sectoral authorities. “Distinct phases, stages, or alternative procedural tracks” refer to different procedural steps or timelines that vary depending on the potential competition concerns posed by the transaction. Each of the phases must be clearly delineated.

31a. Yes, there is an integrated multi-phased merger control procedure (e.g. a Phase I / Phase II system managed by the same authority)

31b. Yes, there are distinct but coordinated merger control procedures for different types of mergers

31c. No

32. Does the regulatory framework set out statutory time limits within which merger control procedures must be completed? (32a – good practice)

Note: Consider Yes if there are statutory time limits for each phase, stage or procedure.

32a. Yes, for each phase, stage or procedure

32b. Yes, but only for some phases, stages or procedures

32c. No

33. Does the regulatory framework establish a procedure for conducting a simplified merger review? (Y/N)

Note: Simplified procedure specifically designed for the review of certain types of mergers that are considered to pose minimal competition concerns or do not raise significant antitrust issues. This simplified procedure typically involves expedited processing and reduced procedural requirements compared to the standard merger review process.

34. 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)

Note: Pre-merger consultations is a procedure that allows merging parties to seek the authority’s views before filing. This may include written opinions, structured meetings, or formal guidance. Ad hoc or informal conversations are not considered pre-merger consultations for the purposes of this question.

35. 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)

Note: This definition may be found either in the relevant Competition Law or in soft law instruments such as guidelines, circulars or practice directions.

36. 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)
37. 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)
38. 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)
39. According to the regulatory framework, when a merger raises competition concerns, can the merging parties engage with the Competition Authority to propose or adjust remedies to address these concerns? (39a or 39b – good practice)
- 39a. Yes, but the Competition Authority can only accept or reject remedies proposed by the merging parties
- 39b. Yes, and the Competition Authority can negotiate or amend remedies proposed by the merging parties
- 39c. No, the regulatory framework does not provide a process for parties to propose remedies
40. According to the regulatory framework, does the Competition Authority have the power to impose remedies unilaterally if the merging parties do not propose acceptable measures? (*not scored*)
- Note: “Power to impose remedies” includes both administrative power to directly require remedies and the power to initiate enforcement proceedings in court or before another competent body to secure structural or behavioral remedies.*
- 40a. Yes, for structural and behavioral remedies
- 40b. Yes, but only for structural remedies
- 40c. Yes, but only for behavioral remedies
- 40d. No
41. According to the regulatory framework, are proposed remedies required to specifically address the potential harm identified in the merger assessment? (Y/N)
42. According to the regulatory framework, are the proposed remedies required to be proportionate to competition concerns identified while ensuring the realization of the merger’s efficiencies? (Y/N)
- Note: Proportionate means that the Competition Authority required to apply a proportionality test—i.e., to select the least restrictive remedy that effectively addresses the identified competition harm.*
43. According to the regulatory framework, are the proposed remedies required to be implemented in a time-bound manner? (Y/N)
- Note: Time-bound manner means that remedies can be implemented effectively within a prescribed period.*
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. According to the regulatory framework, does the Competition Authority have powers to block mergers? (45a or 45b – good practice)

Note: The ability to block mergers involves the power to prevent the transaction that was notified from proceeding.

45a. Yes, it has the power to directly block the merger

45b. No, it must file a legal challenge against the merger in court to block the merger

45c. No, mergers cannot be blocked

1.1.3 State-Owned Enterprises Framework and Scope of Competition Law

46. Does the regulatory framework require governments to justify the creation of SOEs based on specific economic, social or sustainability criteria? (Y/N)

47. According to the regulatory framework, are any sectors in the economy excluded from the application of the Competition Law in relation to anticompetitive agreements? (Y/N; N – good practice)

48. According to the regulatory framework, are any legal monopolies excluded from the application of Competition Law? (Y/N; N – good practice)

49. According to the regulatory framework, are any SOEs excluded from the application of Competition Law? (Y/N; N – good practice)

50. Does the regulatory framework require that SOE's commercial activities are periodically evaluated to ensure competitive neutrality? (50a – good practice)

Note: An evaluation assessment entails any form of data-driven analysis that takes into account the commercial activity of the SOE and its ultimate impact on the relevant market. Such an assessment would determine whether the SOE activities are justified and competitively neutral, meaning the SOE operates on terms comparable to private sector firms and does not distort market competition due to its state ownership. Some examples of competitive neutrality checks include comparing pricing, access to resources, or regulatory treatment with private competitors. Periodically means that the evaluation happens at defined intervals. This instrument might have a different term in your jurisdiction. If so, please consider that instrument as long as it fulfills the same functions.

50a. Yes, for all SOEs

50b. Yes, for some SOEs

50c. No

51. Does the regulatory framework provide preferential treatment or exemptions specifically benefiting SOEs compared to private firms? (Y/N)

52. Does the regulatory framework provide SOEs with specific exemptions or preferential treatment in relation to taxes or fiscal obligations (e.g. corporate income tax, VAT, or land-use taxes) compared to private firms? (Y/N; N – good practice)

53. Does the regulatory framework provide SOEs with specific exemptions or preferential treatment in relation to access to land compared to private firms? (Y/N; N – good practice)

54. Does the regulatory framework provide SOEs with specific exemptions or preferential treatment in relation to access to natural resources (e.g. obtain electricity, gas or water at subsidised prices) compared to private firms? (Y/N; N – good practice)

55. Does the regulatory framework provide SOEs with specific exemptions or preferential treatment in relation to access to public procurement to private firms? (Y/N; N – good practice)

56. Are there any specific legal or procedural barriers that hinder the Competition Authority's ability to investigate anti-competitive practices by SOEs? (Y/N)

Note: Barriers include procedural constraints, such as requirements that the Competition Authority obtain prior government or ministerial approval before opening or pursuing an investigation into an SOE or information access restrictions, where the Competition Authority cannot compel SOEs to provide information because of state-secrets rules, confidentiality provisions, or ministerial oversight that limits disclosure.

57. Does the regulatory framework provide 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)

Note: Exclusion procedures refer to specific provisions or mechanisms within the regulatory framework that completely exclude certain firms or sectors from the application of antitrust or merger control regulations. This exclusion typically applies while these entities are engaged in specific commercial activities or under certain conditions outlined in the law. Exclusion procedures are more absolute in nature and effectively remove the entity or sector from regulatory oversight during the specified period or activities. This question refers to the existence of a procedure—that is, a legal mechanism to authorize or manage exclusions—not just the existence of exclusions in the law. If there are exclusions, but no procedure, please answer “No”.

58. Does the regulatory framework allow firms to seek exemptions from antitrust under specified conditions for individual agreements? (Y/N)

Note: Exemption procedures allow firms to seek relief from certain antitrust regulations in advance under specific conditions or criteria defined in the regulatory framework.

For anticompetitive practices, exemptions are usually granted for a limited period of time or under certain circumstances deemed justifiable by the Competition Authority.

Unlike exclusions, where firms are entirely removed from the scope of Competition Law, exemptions provide conditional or temporary relief or flexibility under criteria.

Y → provide response to questions 8 and 10.

59. Does the regulatory framework provide procedures to exempt category of agreements (Y/N)

Y → provide response to questions 9 and 11.

60. Does the exemption regime require a decision be justified on economic, social or sustainability grounds? (60a – good practice)

60a. Yes, both for individual agreement and categories

60b. Yes, only for individual agreements

60c. Yes, only for category of agreements

60d. No

1.1.4 Enforcement of Competition Regulations

- 61. Does the regulatory framework grant the Competition Authority powers to investigate whether firms have concluded a transaction that might raise competition concerns? (61a or 61b – good practice)**
 61a. Yes, for all transactions
 61b. Yes, but only for transactions that fall within the mandatory notification thresholds
 61c. No
- 62. 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)**
Note: The “notice of the reasons and concerns” refers to the notice of initiation of an investigation. In cartel cases, such notice might be issued after dawn raids have successfully gathered data necessary to start the investigation.
- 63. According to the regulatory framework, are the investigation procedures of the Competition Authority required to be documented in writing? (Y/N)**
- 64. 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)**
 Y → provide response to question 65.
- 65. According to the regulatory framework, are extensions to the statutory investigation period allowed only under certain criteria? (65a – good practice)**
 65a. Yes
 65b. No, extensions can be granted without explicitly specified conditions
 65c. No, extensions are not allowed
- 66. According to the regulatory framework, are parties provided a reasonable opportunity to consult with the Competition Authority during the investigation? (Y/N)**
- 67. 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, and the opportunity to review or rebut any evidence brought forward)? (Y/N)**
- 68. 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)**
- 69. Are there clear provisions on what constitutes confidential information to be protected within the merger control procedures (e.g., trade secrets, commercially sensitive data)? (Y/N)**
- 70. 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? (70a – good practice)**
Note: “Firms’ premises” includes corporate offices, production sites, and warehouses. If different rules exist for different types of firms or premises (e.g., regulated utilities vs. private firms), select the option that applies to the majority of scenarios.
 70a. Yes, with a court order or warrant
 70b. Yes, without a court order or warrant
 70c. No

- 71. Does the regulatory framework specify penalties for firms that fail to comply with information requests from the Competition Authority? (71a or 71b – good practice)**
 71a. Yes
 71b. Yes, but only if the company supplies incorrect, false or misleading information
 71c. No
- 72. In the enforcement of sanctions, does the regulatory framework confer the Competition Authority with the power to collect monetary sanctions? (72a or 72b – good practice)**
 72a. Yes, the Competition Authority can collect monetary sanctions itself
 72b. Yes, with coordination with tax authorities for enforcement
 72c. No, the Competition Authority needs judicial enforcement through court orders
 72d. No, the Competition Authority cannot collect monetary sanctions
- 73. In the enforcement of sanctions, does the regulatory framework confer the Competition Authority with the power to enforce non-monetary sanctions? (73a or 73b or 73c – good practice)**
 73a. Yes, the Competition Authority can enforce non-monetary sanctions itself
 73b. Yes, with coordination with other governmental authorities
 73c. No, the Competition Authority needs judicial enforcement through court orders
 73d. No, the Competition Authority cannot enforce non-monetary sanctions
- 74. 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-specific obligations? (74a or 74b – good practice)**
Note: Merger control-specific obligations include procedural requirements such as notifying a transaction, respecting standstill obligations (not implementing before clearance), providing information requested by the Competition Authority, or complying with imposed remedies. If action can only be taken under monopolization or abuse of dominance provisions, consider No. Please consider sanctions such as in the form of fines, penalties or the requirement to pay damages when the firm has been unfairly enriched.
 74a. Yes, the Competition Authority has the power to impose sanctions directly
 74b. Yes, sanctions are imposed by another agency or by the courts upon the Competition Authority's referral
 74c. No
- 75. According to the regulatory framework, are sanctions for non-compliance with merger control obligations determined with reference to the firm's turnover? (Y/N)**
- 76. Does the regulatory framework establish that Competition Authority's decisions are binding and enforceable? (76a – good practice)**
Note: Please consider as binding and enforceable decisions that are legally valid, must be complied with, and which the Competition Authority can enforce without relying on other government or judicial authorities.
 76a. Yes, decisions are directly enforceable without further approval
 76b. No, decisions become enforceable only after confirmation or an order by a court or another public authority
 76c. No, decisions are advisory
- 77. Are competition cases adjudicated by judges or judicial bodies with specialized expertise in Competition Law? (77a or 77b – good practice)**
Note: Please consider as "cases" scenarios whether as appeals of Competition Authority decisions or as direct enforcement actions.

77a. Yes, through a specialized competition court

77b. Yes, through specialized chambers/benches or designated judges within the general court system

77c. No

78. 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)

79. Does the regulatory framework establish an overall cap on fines that can be imposed on a firm? (Y/N)

80. Does the merger control framework have mandatory filing fees to be paid by firms for notifications? (Y/N) (not scored)

81. Does the regulatory framework establish an overall cap on filing fees paid by firms for notifications? (81a OR 81c – good practice)

81a. Yes, as a fixed amount

81b. Yes, as a percentage

81c. Yes, as percentage but capped at a fixed amount

81d. No

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 (2)	1	1	2
Exemptions for Non-Competitive Agreements Must be Justified Based on Public Interest (4)	1	1	2
Exemption Regulations Require to Identify the Efficiency, Harm and Consumer's Impact of the Exempted Agreement (5 AND 6 AND 7)	1	1	2
Exemptions are Granted for a Certain Time Period and Renewals are Reviewed	1	1	2
- Exemptions granted for certain time periods (8 AND 9)	0.5	0.5	1
- Renewal of exemptions conditions (10 AND 11)	0.5	0.5	1
Cartels are Forbidden Per Se (3)	1	1	2
Legal Framework Prohibits Abuse of Dominance (12)	1	1	2
Definition of Market Dominance and Abuse of Dominant Position (13 AND 15)	1	1	2
Consideration of Multiple Factors when Defining Market Dominance (14)	1	1	2
Availability of Leniency Programs with Procedural Guarantees	1	1	2
- Availability of leniency program (16)	0.5	0.5	1
- Leniency program provides procedural guarantees (17)	0.5	0.5	1
Cooperation with Competition Authorities Offers Confidentiality, Whistleblower Protection, and Monetary Rewards	1	1	2
- Confidentiality (18 AND 19)	0.33	0.33	0.67
- Whistleblower protection to individuals (20)	0.33	0.33	0.67
- Monetary reward for whistleblowers (21)	0.33	0.33	0.67
Leniency Programs Establish Clear Immunity Regimes (22 AND 23)	1	1	2
Incentives for Voluntary Compliance (24)	1	1	2

Total Points	13	13	26
1.1.2 Merger Control			
Indicators	FFP	SBP	Total Points
Scope of Merger Control Regulations (25)	1	1	2
Legal Framework Establishes the Economic Criteria Used to Identify Which Transactions Fall under Merger Control Regime (26)	1	1	2
Legal Framework Establishes a Merger Control Procedure to Assess Competition Distortions (30)	1	1	2
Legal Framework Establishes Clear Guidelines and Thresholds for Merger Notifications, Including Individual and Aggregate Thresholds and Transaction-Value Criteria (27 AND 28 AND 29)	1	1	2
Existence of a Multi-phased Merger Review Procedure with Specific Statutory Time Limits (31 AND 32)	1	1	2
Existence of a Simplified Merger Procedure (33)	1	1	2
Existence of Pre-Merger Consultation with Competition Authority Regarding Transaction Notification (34)	1	1	2
Requirement to Conduct a Substantive Economic Assessment on the Competitive Effects of a Transaction Submitted for a Merger Control Review (35)	1	1	2
Availability of Legitimate Justifications for Increases in Market Power Resulting from a Merger or Acquisition	1	1	2
- Efficiency defense (36)	0.33	0.33	0.67
- Failing firm defense (37)	0.33	0.33	0.67
- Public interest defense (38)	0.33	0.33	0.67
Merger Remedies Can be Adopted and Competition Authority Should have the Authority to Ensure Compliance (39 AND 44)	1	1	2
Merger Remedies Should Prioritize Efficiency and Allow for Alternative Proposals by Merging Parties (41 AND 42 AND 43)	1	1	2
Powers to Block Mergers that May Otherwise Adversely Impact Competition (45)	1	1	2
Total Points	12	12	24
1.1.3 State-Owned Enterprises Framework and Scope of Competition Law			
Indicators	FFP	SBP	Total Points
Requirement to Justify the Creation of SOEs Based on Economic, Social and/or Sustainability Criteria (46)	1	1	2
Competition Law Applies to All Sectors of the Economy (47)	1	1	2
Competition Law Applies to All SOEs and Legal Monopolies (48 AND 49)	1	1	2
Requirement to Carry out an Evaluation Assessment to Justify SOE Commercial Activities (50)*	1	1	2
<i>*A partial score of 0.50 is allotted if option 50b is selected</i>			
SOEs Receive Preferential Treatment Compared to Private Firms	1	1	2
- Preferential treatment or exemptions specifically benefiting SOEs compared to private firms (51)	0.2	0.2	0.4
- Specific exemptions or preferential treatment in relation to taxes or fiscal obligations (e.g. corporate income tax, VAT, or land-use taxes) compared to private firms (52)	0.2	0.2	0.4
- Specific exemptions or preferential treatment in relation to access to land compared to private firms (53)	0.2	0.2	0.4

- Specific exemptions or preferential treatment in relation to access to natural resources (e.g. obtain electricity, gas or water at subsidized prices) compared to private firms (54)	0.2	0.2	0.4
- Specific exemptions or preferential treatment in relation to access to public procurement to private firms (55)	0.2	0.2	0.4
Presence of Barriers to Competition Authority's Investigations of SOEs (56)	1	1	2
Existence of Procedure to Exclude Firms or Sectors from the Application of Competition Law and Merger Control (57)	1	1	2
Requirement to Justify Exemption Decision Based on Economic, Social or Sustainability Grounds (60) <i>*A partial score of 0.50 is allotted if either option 60b or 60c is selected</i>	1	1	2
Existence of Procedure to Exempt Agreements from the Application of Competition Law	1	1	2
- Procedure to exempt individual agreements exists (58)	0.5	0.5	1
- Procedure to exempt category of agreements exists (59)	0.5	0.5	1
Total Points	9	9	18
1.1.4 Enforcement of Competition Regulations			
Indicators	FFP	SBP	Total Points
Procedural and Fairness Guarantees During Investigation (62 AND 63 AND 66 AND 67 AND 68)	1	1	2
Investigation Phase Completed within a Set Amount of Time and Extensions are Only Allowed under Certain Criteria (64 AND 65)	1	1	2
Legal Framework Defines What Constitutes Confidential Information (69)	1	1	2
Adequate Powers to Investigate and to Enforce Sanctions are Conferred to the Competition Authority (61 AND 70 AND 71)	1	1	2
Competition Authorities have the Powers to Collect Monetary Sanctions and to Enforce Non-Monetary Sanctions (72 AND 73) <i>*A partial score of 0.50 is allotted if option 72c. is selected</i>	1	1	2
Competition Authority Can Investigate a Failure to Notify Transactions and Impose Sanctions Based on the Firm's Turnover (74 AND 75)	1	1	2
Decisions of the Competition Authority are Binding and/or Self-Enforceable and Designation of a Specialized Body to Review Decisions of the Competition Authority, and Action for Damages is Allowed (76 AND 77 AND 78)	1	1	2
An Overall Cap on Fines and Merger Filing Fees is Provided in the Regulatory Framework (79 AND 81)	1	1	2
Total Points	8	8	16

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

82. Does (the economy) have a functional Competition Authority? (not scored)

Note: A functional Competition Authority is one that is operational and actively carrying out the tasks and functions within its legal mandate. To be considered functional, the authority must have, within the

last three years, initiated at least one investigation into anticompetitive conduct or issued an enforcement decision.

82a. Please provide the Competition Authority's name

82b. Please provide the Competition Authority's website link

83. Is the Competition Authority operationally independent in practice? (83a – good practice)

83a. Yes

83b. Not in practice, although it should be independent according to the regulatory framework

83c. No

84. According to the regulatory framework, does a Minister or any equivalent Executive official have the power to override, or veto the decisions of the Competition Authority? (Y/N; N – good practice)

85. Are there any other authorities (e.g., sectoral regulators) that are responsible for protecting and fostering competition in a targeted sector? (not scored)

Y → provide response to questions 87 and 88.

86. Please provide an example of why the Competition Authority is not considered to be operationally independent (not scored)

87. Do all these sector regulators have exclusive jurisdiction over antitrust or merger review in their sector? (not scored)

88. Do these sector regulators have well-defined mandates in the areas of antitrust and merger control, to avoid overlapping interventions with the Competition Authority (Y/N)

Note: Please consider the mandates and roles of the Competition Authority and other authorities when answering this question. In the absence of a Competition Authority, please consider the mandates between other authorities that have competition mandates.

89. Does the regulatory framework establish a merit-based process for the appointment of the Competition Authority's board members? (Y/N)

90. Does the regulatory framework establish an objective criteria to dismiss Competition Authority board members? (Y/N)

91. Is there an official office term in years for board members of the Competition Authority? (Y/N)

Note: In jurisdictions where the Competition Authority does not have a multi-member board, please refer instead to the equivalent decision maker (e.g. chairperson, director,...etc.).

92. Is there a maximum number of terms a board member of the Competition Authority can serve? (Y/N)

Note: In jurisdictions where the Competition Authority does not have a multi-member board, please refer instead to the equivalent decision maker (e.g. chairperson, director,...etc.).

93. Are there any established cooperation mechanisms between the domestic and foreign Competition Authorities? (Y/N)

94. Are there any established cooperation mechanisms between the Competition Authority and other sector regulators? (Y/N)

95. 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)

96. Does the Competition Authority have a mandate to issue opinions on government policies and regulations to ensure they do not hinder competition? (Y/N)

Y → provide response to question 97.

97. Are the opinions of the Competition Authority on government policies legally binding? (Y/N)

2.1.2 Advocacy and Transparency

98. Does the Competition Authority publish general guidance documents on competition compliance tools for businesses online? (Y/N)

99. Does the Competition Authority publish guidelines documents on horizontal agreements online? (Y/N)

100. Does the Competition Authority publish guidelines documents on vertical agreements online? (Y/N)

101. Does the Competition Authority publish guidelines documents specifically on R&D or innovation cooperation agreements online? (Y/N)

102. Does the Competition Authority issue guidelines documents on abuse of dominance? (Y/N)

103. Does the Competition Authority publish guidelines documents on leniency programs online? (Y/N)

104. Does the Competition Authority publish guidelines documents on market definition (including analysis of product and geographical scope)? (Y/N)

105. Does the Competition Authority publish guidelines documents on digital platforms or multi-sided markets online? (Y/N)

106. Does the Competition Authority publish guidelines documents on merger control online? (Y/N)

107. Does the Competition Authority publish guidelines documents on antitrust enforcement or competition policy related to labor markets online? (Y/N)

Note: These guidelines could potentially include Antitrust in labor markets with a focus on no-poach agreements and wage fixing, or how labor impacts as a theory of harm in merger enforcement.

108. Does the Competition Authority issue analytical reports on markets, behaviors or practices from the perspective of competition policy? (Y/N)

Note: Analytical reports here are not the same as opinions on governmental policies referred above. These reports are analytical products of the Competition Authority where a specific sector or a specific behavior is analyzed from a competition perspective, helping to disseminate the Competition Authority's position on certain market activities. Select "Yes" only if the Competition Authority actively publishes its analytical reports online, and at least one opinion analytical report has been

published within the last three years. If the website exists but has not been updated or contains only older opinions, please select “No.”

109. Over the past 3 years, has the Competition Authority organized workshops/webinars to disseminate information about competition policy to firms? (Y/N)

Note: Only workshops and webinars aimed at the private sector firms and industry participants should be counted. Events targeted exclusively at public sector officials, government employees do not count.

110. Does the Competition Authority publish all antitrust and merger control decisions online? (Y/N)

111. Are exemption decisions published online in practice? (Y/N)

Note: In cases where exemptions only exist at the category level (e.g., block exemptions adopted as regulations or decrees rather than individual decisions), please answer Yes if all such instruments are published online.

112. In practice, can firms file notification of a transaction subject to merger control regulations electronically? (Y/N)

113. Are the opinions of the Competition Authority on government policies published online? (Y/N)

Note: This can be any document in which the Competition Authority provides views, recommendations, or assessments on draft laws, regulations, or government measures that may affect competition. Select “Yes” only if the Competition Authority actively publishes its opinions online, and at least one opinion has been published within the last three years. If the website exists but has not been updated or contains only older opinions, please select “No.”

2.1 COMPETITION AUTHORITY			
2.1.1 Institutional Framework			
Indicators	FFP	SBP	Total Points
Competition Authority is Operationally Independent (83)	1	1	2
Competition Authority Decisions Cannot Be Overridden or Vetoed (84)	1	1	2
Competition Authority has a Clear and Non-Overlapping Mandate (88)	1	1	2
Establishment of Procedure for Selection and Dismissal of Board Members (89 AND 90)	1	1	2
Term Limits for Board Members of the Competition Authority	1	1	2
- Existence of terms limits for board members (91)	0.5	0.5	1
- Existence of limits to the number of terms for board members (92)	0.5	0.5	1
Mechanisms are Established for Competition Authorities to Cooperate with Foreign Competition Authorities (93)	1	1	2
Mechanisms are Established for Competition Authority to Cooperate with Other Sector Regulators (94)	1	1	2
Cooling off Periods After Term Limits for Board Members of the Competition Authority for Private Sector Jobs in Previously Investigated Companies (95)	1	1	2
Competition Authority Issues Opinions on Policies and Regulations (96)	1	1	2
Competition Authority’s Opinions are Binding (97)	1	1	2
Total Points	10	10	20

2.1.2 Advocacy and Transparency			
Indicators	FFP	SBP	Total Points
Issuance of Guidelines on Competition Compliance Tools for Businesses (98)	1	1	2
Issuance of Guidelines on Horizontal and Vertical Agreements	1	1	2
- Horizontal agreements (99)	0.33	0.33	0.67
- Vertical agreements (100)	0.33	0.33	0.67
- Cooperation agreements (101)	0.33	0.33	0.67
Issuance of Guidelines on Abuse of Dominance (102)	1	1	2
Issuance of Guidelines on Leniency Programs (103)	1	1	2
Issuance of Guidelines on Market Definition (104)	1	1	2
Issuance of Guidelines on Competition-Related Issues in Digital Platforms (105)	1	1	2
Issuance of Guidelines on Merger Control (106)	1	1	2
Issuance of Guidelines on Labor Markets (107)	1	1	2
Issuance of Analytical Reports on Competition (108)	1	1	2
Organization of Workshops to Disseminate Competition Policy (109)	1	1	2
Online Publication of all Antitrust and Merger Control Decisions and Exemptions	1	1	2
- Antitrust and merger control decisions (110)	0.5	0.5	1
- Exemption decisions (111)	0.5	0.5	1
Online Publication of all Opinions of the Competition Authority on Government Policies (113)	1	1	2
Electronic Notification of Transaction for Merger Control (112)	1	1	2
Total Points	13	13	26

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 linear approach to transform economy-level answers into indicator scores ranging from 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 30; and (ii) actual practice in filing merger notifications to the Competition Authority over last year, as answered in question 114b. Data for Pillar III on the Index on Market Dynamism and Competitive Behaviors are collected through firm-level surveys.

3.1 COMPETITION

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.1.1 Simplified Merger Review

114. 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.

114a. In practice, in case of a transaction with the characteristics described above, would the transaction be reviewed under a simplified merger review procedure?

1. Yes
2. No, the Competition Authority would not review it under a simplified merger review procedure
3. No, because there is no simplified merger review regime

114b. Have any merger notifications been filed with the Competition Authority in the past year? (Y/N) *(not scored)*

Y → provide response to questions 114c and 114d.

114c. 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? [NUMERIC ENTRY]

114d. 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? [NUMERIC ENTRY]

115. Over the past year, has the Competition Authority applied a leniency program? (Y/N) *(not scored)*

116. Are all Competition Authority's antitrust decisions enforced in practice? (Y/N) *(not scored)*

117. Does the regulatory framework require firms to pay a fee to notify and/or clear a transaction? (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? [NUMERIC ENTRY]

119. In fiscal year [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? [NUMERIC ENTRY]

Note: ES questionnaire version – 2023

Which of the following best describes this establishment's main market?

- 119a. The market is dominated by one firm
- 119b. The market is dominated by a few firms
- 119c. There is competition among many firms

Note: ES questionnaire version – 2024 and 2025

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)

Note: ES questionnaire version – 2023

Over the last year, has the level of competition in this establishment's main market increased, decreased, or stayed the same? Decreased (0), Stayed the same (50), Increased (100)

Note: ES questionnaire version – 2024 and 2025

- 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/Prices are regulated/Prices are set by headquarters); N – good practice (100)

Note: ES questionnaire version – 2023 and 2024

In this main market, can this establishment increase its prices more than its competitors can without losing customers?

(Y/N/Prices are regulated/Prices are set by headquarters); N – good practice (100)

Note: ES questionnaire version – 2025

- 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 (114a)	100 (33.33%)	n/a	100 (33.33%)
Time to File a Simplified Merger Review (114c)	100 (33.33%)	n/a	100 (33.33%)
Time to Clear a Simplified Merger Review (114d)	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

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 that 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)**
Note: Answer “yes” only when all three requirements (novelty, inventive step, industrial applicability) are explicitly covered by the regulatory framework.
- 3. Does the regulatory framework stipulate that patent protection is valid from the filing date of the application in case patent registration is granted? (Y/N)**
- 4. Does the regulatory framework includes any experimental use exception or research exemption for patents? (Y/N)**

5. According to the regulatory framework, are pre-granting opposition rights available for patents? (Y/N)
6. According to the regulatory framework, are post-granting opposition rights available for patents? (Y/N)
7. 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)
8. Does the regulatory framework require the disclosure of a patent? (Y/N)
9. Does the regulatory framework provide for a trademark use obligation? (Y/N)
Y → provide response to question 10.
10. Does the regulatory framework stipulate a timeframe after trademark registration before the use obligation comes into effect? (Y/N)
11. Does the regulatory framework provide protection for well-known marks? (Y/N)
12. According to the regulatory framework, are pre-registration opposition procedures available for trademarks? (Y/N)
13. According to the regulatory framework, are post-registration opposition procedures available for trademarks? (Y/N)
14. Does the regulatory framework include civil or administrative procedures to enforce copyright protection? (Y/N)
15. Does the regulatory framework include criminal procedures to enforce copyright protection? (Y/N)
16. Does the regulatory framework include provisional measures (including injunctions) to enforce copyright protection? (Y/N)
17. Does the regulatory framework include civil or administrative procedures to enforce patent rights protection? (Y/N)
18. Does the regulatory framework include criminal procedures to enforce patent rights protection? (Y/N)
19. Does the regulatory framework include provisional measures (including injunctions) to enforce patent rights protection? (Y/N)
20. Does the regulatory framework include civil or administrative procedures to enforce trademark rights protection? (Y/N)
21. Does the regulatory framework include criminal procedures to enforce trademark rights protection? (Y/N)

22. Does the regulatory framework include provisional measures (including injunctions) to enforce trademark rights protection? (Y/N)
23. Does the regulatory framework allow arbitrating copyright disputes, as long as they do not affect third party rights? (Y/N)
24. Does the regulatory framework allow arbitrating patent disputes, as long as they do not affect third party rights? (Y/N)
25. 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

26. Does the regulatory framework include provisions on copyright licensing procedures? (Y/N)
27. Does the regulatory framework include provisions on patent licensing procedures? (Y/N)
28. Does the regulatory framework include provisions specifying procedures on trademark licensing agreements? (Y/N)
29. Are there any guidelines provided by a public agency for setting fair, reasonable, and non-discriminatory patent royalties? (Y/N)
Note: Please consider FRAND guidelines, including data tools, circulars, and/or manuals that can be used for benchmarking or calculating patent royalty rates, including resources on legal and market assessments, economic analyses, and/or valuation benchmarking.
30. 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)

Y → provide response to question 31.

31. Does the regulatory framework specify a timeframe during which a record of a change of the patent owner must be made? (Y/N)
32. Does the regulatory framework require the disclosure of patent licensing agreements to the Intellectual Property Office? (Y/N)
33. 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)

34. Does the regulatory framework include provisions enabling open science? (Y/N)
35. Does the regulatory framework define open access content? (Y/N)
36. Does the regulatory framework define open-source content? (Y/N)
37. Does the regulatory framework define the scope of permissible research activities to prevent potential liability for copyright infringement? (Y/N)

38. Does your economy adopt a risk-based approach to AI regulation? (Y/N)
39. Are there guidelines on ethical impact assessment of AI systems? (Y/N)
40. Does the regulatory framework require AI systems that generate content (such as text, images, or audio) to clearly indicate when content was created by AI? (Y/N)
41. Are there rules and criteria on intellectual property ownership of inventions developed in part or fully with the use of AI? (Y/N)
42. Does the regulatory framework include provisions on intellectual property-based financing? (Y/N)
Note: Please consider any provisions pertaining to IP securitization, IP-backed loans, IP sale and leaseback.
43. 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

44. Does your economy have standard model research collaboration agreements or consortium agreements? (Y/N)
45. Does the regulatory framework include provisions on a grace period for the publication of research results that may compromise patentability prior to filing a patent application? (Y/N)
46. Does the regulatory framework establish rules and criteria on patent ownership developed by staff within public research organizations or universities? (Y/N)
47. Does the regulatory framework include provisions specifying that public research organizations or universities adopt their own institutional IP policies? (Y/N)
48. 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)
49. Does the regulatory framework provide financial incentives for public research organizations or universities to commercialize research, for example, 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 (4)	0.5	0.5	1
Patent Protection Valid from the Filing Date of the Application (3)	1	1	2
Opposition Mechanisms for Patents and Trademarks	1	1	2
- Pre-granting opposition for patents (5)	0.25	0.25	0.5
- Post-granting opposition for patents (6)	0.25	0.25	0.5
- Pre-registration opposition for trademarks (12)	0.25	0.25	0.5
- Post-registration opposition for trademarks (13)	0.25	0.25	0.5
Provisions for Information Submission System for Patents (7)	1	1	2
Public Disclosure of Patent (8)	1	1	2
Trademark Use Obligation, Related Timeframe	1	1	2
- Trademark use obligation (9)	0.5	0.5	1
- Timeframe after trademark registration before the use obligation comes into effect (10)	0.5	0.5	1
Protection for Well-Known Marks (11)	1	1	2
Actions or Remedies to Enforce Copyright, Patent, and Trademark Protection*	1	1	2
- Civil and administrative procedures for copyrights (14)	0.11	0.11	0.22
- Criminal procedures for copyrights (15)	0.11	0.11	0.22
- Provisional measures for copyrights (16)	0.11	0.11	0.22
- Civil and administrative procedures for patents (17)	0.11	0.11	0.22
- Criminal procedures for patents (18)	0.11	0.11	0.22
- Provisional measures for patents (19)	0.11	0.11	0.22
- Civil and administrative procedures for trademarks (20)	0.11	0.11	0.22
- Criminal procedures for trademarks (21)	0.11	0.11	0.22
- Provisional measures for trademarks (22)	0.11	0.11	0.22
Arbitration of Copyright, Patent, and Trademark Disputes*	1	1	2
- Arbitration for copyrights disputes (23)	0.33	0.33	0.67
- Arbitration for patents disputes (24)	0.33	0.33	0.67
- Arbitration for trademarks disputes (25)	0.33	0.33	0.67
Total Points	10	10	20
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 (26)	0.33	0.33	0.67
- Provisions on patents licensing procedures (27)	0.33	0.33	0.67
- Provisions on trademarks licensing procedures (28)	0.33	0.33	0.67
Guidelines for Setting Fair and Non-Discriminatory Royalties (29)	1	1	2
Recordal of Change of Patent Owner and Related Timeframe	1	1	2
- Recordal of change of patent owner (30)	0.5	0.5	1
- Timeframe for recordal of change of patent owner (31)	0.5	0.5	1
Disclosure of Patent and Trademark Licensing Agreements to IPO	1	1	2
- Disclosure of patent licensing agreements to IPO (32)	0.5	0.5	1
- Disclosure of trademark licensing agreements to IPO (33)	0.5	0.5	1
Total Points	4	4	8
1.2.3 Fair Access to Innovation (includes environment)			
Indicators	FFP	SBP	Total Points
Provisions Enabling Open Science (34)	1	1	2
Open Access and Open-Source Definition	1	1	2
- Open access definition (35)	0.5	0.5	1

- Open-source definition (36)	0.5	0.5	1
Scope of Permissible Research Activities (37)	1	1	2
Risk-Based Approach to AI Regulation (38)	1	1	2
Guidelines on an Ethical Impact Assessment of AI Systems (39)	1	1	2
Guidelines on AI Generated Content (40)	1	1	2
Criteria on IP Ownership Developed with the Use of AI (41)	1	1	2
Guidelines for IP-Based Financing (42)	1	1	2
Provisions on the Environmentally Safe Disposal and Destruction of IPRs Infringing Goods (43)	1	1	2
Total Points	9	9	18

1.2.4 University-Industry Collaboration

Indicators	FFP	SBP	Total Points
Standard Model Research Collaboration Agreements (44)	1	1	2
Grace Period for Publishing Research Results without Compromising Patentability (45)	1	1	2
Patent Ownership Developed Within Public Research Organizations (46)	1	1	2
Institutional IP Policies of Public Research Organizations (47)	1	1	2
University Spin-offs (48)	1	1	2
Financial Incentives for Commercializing Research (49)	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

50. In practice, does the Intellectual Property Office (IPO) offer pro-bono or low-cost legal assistance to potential IP licensees? (Y/N)
51. In practice, is there a functioning online third-party observation system (also known as Information Submission System) where patent holders or third parties may submit complementary information on a patent application? (Y/N)
52. Do government agencies conduct online public consultations when developing IP related laws and regulations? (Y/N)
53. Does a public body, such as national standards setting body, facilitate and coordinate domestic firms' participation in developing technical standards? (Y/N)
54. In practice, are civil or administrative procedures used by competent authorities to enforce copyright protection? (Y/N)

55. In practice, are criminal procedures used by competent authorities to enforce copyright protection? (Y/N)
56. In practice, are provisional measures (including injunctions) used by competent authorities to enforce copyright protection? (Y/N)
57. In practice, are civil or administrative procedures used by competent authorities to enforce patent rights protection? (Y/N)
58. In practice, are criminal procedures used by competent authorities to enforce patent rights protection? (Y/N)
59. In practice, are provisional measures (including injunctions) used by competent authorities to enforce patent rights protection? (Y/N)
60. In practice, are civil or administrative procedures used by competent authorities to enforce trademark rights protection? (Y/N)
61. In practice, are criminal procedures used by competent authorities to enforce trademark rights protection? (Y/N)
62. In practice, are provisional measures (including injunctions) used by competent authorities to enforce trademark rights protection? (Y/N)

2.2.2 Digitalization of Intellectual Property Services (includes environment)

63. 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)
Y → provide response to question 64.
64. 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)
65. 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)
Note: Answer "yes" only if the searchable database is fully electronic and available online.
66. Does the IPO have an online platform allowing IP holders to manage the details of their rights electronically? (Y/N)
67. Does the IPO publish online an updated list of qualified IP professionals, including registered patent attorneys? (Y/N)
68. Does the IPO utilize AI-powered tools to enhance the efficiency of IP services (e.g., patent/trademark search, application processing, or infringement detection)? (Y/N)

2.2.3 Innovation Systems (includes gender)

69. 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)

70. Are regulatory sandboxes used in your economy to enable technology generation? (Y/N)

Y → provide response to question 71.

71. Does the economy have regulatory sandboxes to support the development and testing of AI? (Y/N)

72. Are there any innovation incubators in your economy? (Y/N)

73. Are there any innovation accelerators in your economy? (Y/N)

74. Do government agencies provide financial assistance to private sector led innovation incubators and/or accelerators? (Y/N)

75. Do public research organizations provide technical assistance to private sector led innovation incubators and/or accelerators? (Y/N)

76. Are there incubators and/or accelerators that specifically target women entrepreneurs and women-founded businesses in your economy? (Y/N)

77. Are there any science and technology parks in your economy? (Y/N)

78. Are there any innovation clusters in your economy? (Y/N)

Note: Answer “yes” only when all four actors (firms, suppliers, clients, and knowledge institutions) are present in the cluster as defined in the glossary.

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 (50)	1	1	2
Availability of Information Submission System in Practice (51)	1	1	2
Online Public Consultations on IP Laws and Regulations (52)	1	1	2
Public Body Responsible for Participation of Firms in Development of Technical Standards (53)	1	1	2
Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Copyright Protection (54 AND 55 AND 56)	1	1	2
Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Patent Protection (57 AND 58 AND 59)	1	1	2
Practical Enforcement in Civil Procedures, Provisional Measures and Criminal Procedures for Trademark Protection (60 AND 61 AND 62)	1	1	2
Total Points	7	7	14
2.2.2 Digitalization of Intellectual Property Services (includes environment)			
Indicators	FFP	SBP	Total Points
Availability of License of Rights Database or IP Marketplace Connecting Buyers and Sellers (63)	1	1	2
Availability of Green Technology Identifier (64)	1	1	2
Availability of Electronic Database on Locally Registered IPR (65)	1	1	2

Availability of Online Platform for IP Holders to Manage IPR Electronically (66)	1	1	2
AI Powered Tools in Online IP Services (68)	1	1	2
Online Publication of List of Qualified IP Professionals by the IPO (67)	1	1	2
Total Points	6	6	12
2.2.3 Innovation Systems (includes gender)			
Indicators	FFP	SBP	Total Points
Availability of Technology Transfer Offices (69)	1	1	2
Availability of Regulatory Sandboxes and AI Regulatory Sandboxes (70 AND 71)	1	1	2
Availability of Innovation Incubators (72)	1	1	2
Availability of Innovation Accelerators (73)	1	1	2
Government Financial Assistance to Private Incubators/Accelerators (74)	1	1	2
Public Research Organizations Technical Assistance to Private Incubators/Accelerators (75)	1	1	2
Availability of Incubators/Accelerators that Target Women Entrepreneurs (76)	1	1	2
Availability of Science and Technology Parks (77)	1	1	2
Availability of Innovation Clusters (78)	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

The scores for Pillar III indicators are calculated using the linear approach to transform economy-level answers into indicator scores ranging from 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 Innovation are collected through firm-level surveys.

3.2 INNOVATION

3.2.1 Product Innovation

79. During the last three years, has this establishment introduced new or improved products or services? (Y/N)

3.2.2 Process Innovation

80. During the last three years, has this establishment introduced any new or improved process? (Y/N)

3.2.3 Research and Development

81. During the fiscal year [LAST COMPLETE FISCAL YEAR], did this establishment spend on research and development activities, either in-house or contracted with other companies, excluding market research surveys? (Y/N)

3.2.4 Use of International Quality Certifications

82. Does this establishment have an internationally recognized quality certification? (Y/N)

3.2 INNOVATION			
3.2.1 Product Innovation			
Indicators	FFP	SBP	Total Points
Proportion of Firms with Product Innovation (Manufacturing*) (79)	100 (50%)	n/a	100 (50%)
Proportion of Firms with Product Innovation (Services**) (79)	100 (50%)	n/a	100 (50%)
Total Points	100	n/a	100
3.2.2 Process Innovation			
Indicators	FFP	SBP	Total Points
Proportion of Firms with Process Innovation (Manufacturing*) (80)	100 (50%)	n/a	100 (50%)
Proportion of Firms with Process Innovation (Services**) (80)	100 (50%)	n/a	100 (50%)
Total Points	100	n/a	100
3.2.3 Research and Development			
Indicators	FFP	SBP	Total Points
Proportion of Firms that Spent on R&D (Manufacturing*) (81)	100 (50%)	n/a	100 (50%)
Proportion of Firms that Spent on R&D (Services**) (81)	100 (50%)	n/a	100 (50%)
Total Points	100	n/a	100
3.2.4 Use of International Quality Certifications			
Indicators	FFP	SBP	Total Points
Use of International Quality Certifications (Manufacturing*) (82)	100 (50%)	n/a	100 (50%)
Use of International Quality Certifications (Services**) (82)	100 (50%)	n/a	100 (50%)
Total Points	100	n/a	100

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

FFP = Firm Flexibility Point; SBP = Social Benefits Point, R&D – research and development

*Data for this indicator comes from the sample of firms operating in the manufacturing sector.

** Data for this indicator comes from the sample of firms operating in the services sector.

PROCUREMENT 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → *provide response to question...*” or “N → *provide response to question...*” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

PILLAR I–QUALITY OF REGULATIONS THAT PROMOTE MARKET COMPETITION	
Parameters	
Procuring Entity	Procurement procedures and the legal framework that governs a procurement process can vary depending on which institution is undertaking the procurement. This parameter affects both de jure and de facto indicators. Indicators that fall within the category of public procurement are benchmarked as applicable to the three largest procuring entities based on the volume of tenders (number of tenders) they have procured over the last three years. The procuring entities are identified by the private sector experts who respond the market competition questionnaire based on their experience and knowledge or based on reliable publicly available data.

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. **List the three central/federal government entities in [economy] that have conducted the highest number of procurements by number of tenders in the last three years. Please, list the three procuring entities in order of importance, starting with the one that has issued the most tenders.** (not scored)

Note: (i) Please, do not list entities that tender defense procurement or entities that exclusively manage concessions or PPPs. (ii) If procurement at the central/federal government level is conducted exclusively by a central purchasing authority, please list the authority and the two government bodies with the highest number of tenders procured through the central purchasing authority. (iii) If two or more of the largest procuring entities tender exclusively either goods, services, or works, please list only the largest for each type of spending and exclude the others. (iv) A procuring entity might be composed of several purchasing departments. For instance, the Ministry of Public Works might have separate purchasing departments for roads or buildings. If all these purchasing departments apply the same public procurement rules, then please indicate the Ministry as the procuring entity.

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. **Are any of the three procuring entities that you have selected a state-owned enterprise or an Independent Authority?** (Y/N) (not scored)

Y → provide response to question 3.

3. **Do any of the selected 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)

*Note: Answer "Yes" only if these entities are subject to distinct procurement regulations that replace the main public procurement framework (for example, an SOE has its own set of public procurement regulations). Answer "No" if the general public procurement framework still applies, even when special exemptions, thresholds, or sector-specific rules exist (for example, in some sectors there are *lex specialis* in public procurement but they are consistent with the general public procurement framework).*

5. **Does the regulatory framework establish open competitive tendering as a default method for awarding 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?** (6c - good practice)

Note: Exclusions related to national defense, public security, or public health and safety are not covered in this question, as such measures are typically permitted under international agreements (e.g., Article III of the WTO Government Procurement Agreement).

6a. Yes, in all public tenders

- 6b. Yes, in some public tenders
6c. No
- 7. Does the regulatory framework require foreign firms to partner with domestic firm to be eligible to participate in a tender? (7c – good practice)**
Note: For example, in the form of joint venture/consortium or mandatory subcontracting.
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? (8c – good practice)**
Note: For example, a requirement to incorporate locally the company; instead of a branch or representative office.
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? (9c – good practice)**
Note: Reserved contracts refer to those where foreign firms are explicitly barred from participating, and only local firms are eligible to bid or fulfill the procurement opportunity. Do not consider defense procurement when answering this question. Exclusions related to national defense, public security, or public health and safety are not covered in this question, as such measures are typically permitted under international agreements (e.g., Article III of the WTO Government Procurement Agreement).
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 allow for the division of contracts into lots? (Y/N)**

- 17. Does the regulatory framework, applicable to the Procuring Entities you selected, establish a timeframe within which a Procuring Entity must process a payment once an invoice is received?**
(17a or 17b – good practice)
17a. Yes, for all contracts
17b. Yes, but only in some contracts
17c. No
- 18. 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)
18a. Yes
18b. The regulatory framework does not provide for late payment interest (or any similar contractual penalty)
- 19. Does the regulatory framework outline a designated procedure for awarding contracts based on a framework agreement? (Y/N)**
- 20. Does the regulatory framework allow framework agreements to admit new suppliers, in addition to the initial parties, during the duration of the agreement? (20a or 20b – good practice)**
20a. Yes, for all types of procurement
20b. Yes, but only for some types of procurements
20c. No
- 21. Are call-off contracts within a framework agreement awarded through a competitive second stage? (21a – good practice)**
21a. Yes, for all types of procurement
21b. Yes, but only for some types of procurements
21c. No
- 22. 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)

- 23. Does the regulatory framework establish a process for identifying abnormally low bids that calls for the procuring entity to interact with the bidder prior to exclusion? (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 establish objective and quantifiable criteria to identify abnormally low bids? (24a or 24b – good practice)**
24a. Yes, for all procurement procedures
24b. Yes, but only in some procurement procedures
24c. No
- 25. Does the regulatory framework provide specific tendering procedures dedicated to innovation procurement? (Y/N)**
Note: Answer “Yes” only if the law or guidelines explicitly establish specific tendering procedures or methods intended to acquire an innovation process or innovative outcome. Frameworks that merely mention innovation-related criteria or provide general guidance cannot be considered “Yes”.

- 26. Does the regulatory framework require procuring entities to use standard bidding/tender documents when preparing a tender? (not scored)**
 26a. Yes, without exception
 26b. Yes, with exception
 26c. No
- 27. Do the standard bidding documents include sustainability clauses? (27a or 27b – good practice)**
Note: Consider clauses that contain environmental requirements in technical specifications, evaluation criteria, or contract conditions.
 27a. Yes, in all model documents
 27b. No, only in some model documents
 27c. None of the model documents contain sustainability clauses
- 28. Does the regulatory framework provide incentives for preparing bids with environmentally friendly components? (Y/N)**
Note: Soft law instruments such as rules, guidelines and standard bidding documents can be considered as part of the regulatory framework when responding to this question.
- 29. Does the regulatory framework set general quantifiable environmental targets for procuring entities to achieve through procurement projects? (Y/N)**
Note: Answer "Yes" if the regulatory framework includes clear and measurable environmental targets (e.g., numerical targets for emissions reduction, percentage targets for renewable energy procurement).
- 30. Does the regulatory framework mandate specific environmental standards in the specifications for goods, services, and works? (30a or 30b – good practice)**
Note: Environmental standards are established guidelines or criteria that specify the minimum environmental performance requirements for products, services, or processes. These standards could relate to energy efficiency, reduced emissions, sustainability certifications, use of environmentally friendly materials, etc.
 30a. Yes, standards are mandated in all public tenders
 30b. Yes, standards are mandated in some public tenders
 30c. No, standards are only recommended
 30d. No, there are no specific requirements
- 31. Does the regulatory framework provide a list of accepted eco tags that procuring entities can use in their bid documents? (Y/N)**
Note: Eco tags indicate a product or company meets specific environmental standards.
- 32. Does the regulatory framework encourage needs assessments to include gender analysis? (Y/N)**
- 33. Does the regulatory framework require firms to demonstrate adherence to the principle of equal pay during tender procedures? (Y/N)**
- 34. Does the regulatory framework require firms to demonstrate adherence to gender non-discrimination? (Y/N)**
- 35. Does the regulatory framework include exclusion grounds for firms that have violated gender equality obligations? (Y/N)**

- 36. Does the regulatory framework include award criteria with a gender dimension? (Y/N)**
- 37. 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? (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 conduct a feasibility study to estimate the contract value of a new procurement opportunity? (38a or 38b – good practice)**
Note: (i) A feasibility study involves evaluating the practicality, viability, and financial implications of a proposed procurement project to inform decision-making and planning. (ii) Soft law instruments such as rules, guidelines and standard bidding documents can be considered as part of the regulatory framework when responding to this question.
 38a. Yes, in all public tenders
 38b. Yes, in some public tenders
 38c. No
- 39. 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? (39a or 39b – good practice)**
Note: (i) Historical data includes information on past procurement contracts, prices, and outcomes that can inform and improve the accuracy of contract value estimations. (ii) Soft law instruments such as rules, guidelines and standard bidding documents can be considered as part of the regulatory framework when responding to this question.
 39a. Yes, in all public tenders
 39b. Yes, in some public tenders
 39c. No
- 40. 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? (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

1.3.3 Fairness of the Procurement Process

- 42. Is there a mandatory standstill period between the public notice of award and contract signing to allow unsuccessful bidders challenge the decision? (42a – good practice)**
 42a. Yes, for all public procurement procedures
 42b. Yes, but only in some public procurement procedures
 42c. No

- 43. Does the regulatory framework set a minimum timeframe between advertisement of a tender notice and a submission deadline?** (43a – good practice)
 43a. Yes, for all procurement procedures
 43b. Yes, but only in some procurement procedures
 43c. No
- 44. Does the regulatory framework prohibit splitting contracts to circumvent open tendering thresholds?** (Y/N)
Note: The provision must clearly prohibit splitting or fractioning contracts with the purpose of limiting competition.
- 45. Does the regulatory framework mandate communication of an award decision to all bidders?** (Y/N)
 Y → provide response to question 46.
- 46. Is the requirement to communicate an award decision applicable to all procurements conducted by the procuring entities listed?** (46a – good practice)
 46a. Yes, applicable to all procurement procedures
 46b. No, only for some procurements procedures
 46c. No
- 47. According to the regulatory framework, how should clarification requests from potential bidders be communicated?** (47a – good practice)
 47a. Required to communicate answers to all bidders
 47b. Required to communicate answers only to inquiring bidder
 47c. Not specified by law
- 48. 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?** (48a – good practice)
 48a. Yes, specialized and independent
 48b. Yes, specialized
 48c. Yes, independent
 48d. No
- 49. Does an aggrieved bidder have the right to appeal decisions on challenges made by the authority that receives procurement challenges?** (Y/N)
- 50. Are there any legally binding time limits to resolve a procurement challenge?** (50a – good practice)
 50a. Yes, for all types of challenges
 50b. Yes, but only in some types of challenges
 50c. No
- 51. Is there a legal recourse for an aggrieved bidder experiencing delays in either challenge or review processes?** (51a – good practice)
 51a. Yes, for all types of challenges
 51b. Yes, but only in some type of challenges
 51c. No

1.3.4 Transparency of Key Procurement Documents

52. According to the regulatory framework, which of the following documents needs to be made publicly available?

Note: (i) Please note that low value contracts refer to contracts that are below a certain threshold as determined by the regulatory framework. (ii) Soft law instruments such as rules, guidelines and standard bidding documents can be considered as part of the regulatory framework when responding to this question.

52a. Annual Procurement plans (Yes, for all contracts/Yes, except for low value contracts/No)

52b. Tender documents (project specific) (Yes, for all contracts/Yes, except for low value contracts/No)

52c. Award decisions (Yes, for all contracts/Yes, except for low value contracts/No)

52d. Contracts (Yes, for all contracts/Yes, except for low value contracts/No)

52e. 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 on Foreign Firms' Participation 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 (16)	1	1	2
Legal Deadline for Procuring Entities to Process Payments to the Contractor is Established (17)	1	1	2
Procurement Procedures for Framework Agreements are Established with Competitive Second-Stages (19 AND 21)	1	1	2
Framework Agreements Can Be Open to New Suppliers During the Duration of the Agreement (20)	1	1	2
Promoting Gender Equality in Public Procurement (22)	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	9	9	18
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 (23 AND 24)	1	1	2
Designation of Specialized Tendering Methods for Innovation Procurement (25)	1	1	2
Incorporation of Sustainability Clauses in Standard Bidding Documents (27)	1	1	2
Incentives to Include Environmental Considerations in Tenders (28 OR 29 OR 30 OR 31)	1	1	2
<i>*A partial score of 0.50 is allotted if option 30c is selected</i>			
Mechanisms to Introduce Gender-Responsive Public Procurement	1	1	2
- Needs assessment should include gender analysis (32)	0.2	0.2	0.4
- Firms show that they adhere to the principle of equal pay (33)	0.2	0.2	0.4
- Firms show that they adhere to gender non-discrimination (34)	0.2	0.2	0.4
- Exclusion grounds for infringement of gender rules (35)	0.2	0.2	0.4

- Award criteria with gender dimension (36)	0.2	0.2	0.4
Market-Based Tools to Estimate Contract Value (37 OR 38 OR 39)	1	1	2
Life Cycle Cost Consideration is Used in Bid Evaluation (40)	1	1	2
Most Economically Advantageous Tender is the Preferred Evaluation Criteria (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 (42)	1	1	2
Minimum Duration between Publication of Tender Notice and Submission Deadline is Clearly Defined (43)	1	1	2
Prohibition of Dividing Contracts to Circumvent Open Tendering Thresholds (44)	1	1	2
Obligation to Notify Firms of Procurement Decisions and Legal Framework Establishes How Clarification Requests from Potential Bidders should be Addressed (45 AND 46 AND 47)	1	1	2
Availability of Specialized Procurement Tribunals and of the Right to Appeal its Decisions (48 AND 49)	1	1	2
Time Limits to Resolve Appeals and Legal Recourses Granted to Firms When there are Delays in Resolving Appeals (50 AND 51)	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, Tender Documents and Award Decisions (52a AND 52b AND 52c)	1	1	2
Publication of Contracts and Contract Amendments	1	1	2
- Contracts (52d)	0.5	0.5	1
- Contract amendments (52e)	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	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. 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.

2.3 E-PROCUREMENT

2.3.1 Digitalization of Procurement Procedures (includes environment)

53. Is there an operational central electronic public procurement (e-procurement) platform in your economy? (Y/N)

Note: Answer “Yes” if there is a single central platform or multiple portals that are interoperable or linked. Answer No if there are multiple unconnected portals or if no operational e-procurement platform exists at the central/federal level.

Y → provide response to questions 54-56.

54. Has the central electronic public procurement platform been operational in the past 12 months? (Y/N)

55. How open is the central e-procurement platform to registration and authentication by foreign bidders? (55a – good practice)

Note: Consider both technical access and administrative requirements. Select “Closed” if access is effectively impossible or conditional on establishing local presence.

55a. Open – Foreign bidders can register and participate online with no restrictive conditions beyond providing standard documentation

55b. Partially open – Registration is technically possible but requires additional steps

55c. Closed – Foreign bidders cannot register directly or access full platform functionality

56. Is the central e-procurement platform used by all the procuring entities that you listed at the beginning of the questionnaire? (not scored)

57. In the absence of a central e-procurement platform, is there any other operational e-procurement platform used by procuring entities at the central/federal level? (not scored)

58. Please complete the questions below based on the features available in the procurement platform. (Yes, fully digitized – good practice)

58a. 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)

Note: If in your economy there is a mandatory vendor/supplier registration system to participate in a public tender (or supplier classification or supplier pre-qualification), either with a central public procurement authority or with specific procuring entities, the feature “vendor registration” means to complete this process electronically until the supplier has obtained the notification/certificate of their registration. If in your economy the requirement is applicable in some cases, please consider if this registration is required for bidding to any of the tenders advertised by the procuring entities listed in Question 1.

58b. Does the e-procurement platform allow firms to view procurement opportunities online? (Yes, fully digitized without registration/Yes, but registration is required/No)

Note: Answer “Yes, fully digitized without registration” if at least the title, procuring entity, and submission deadline are publicly visible without registration.

58c. Does the e-procurement platform allow firms to access project-level (tender-specific) bidding documents online? (Yes, fully digitized /Yes, some documents are provided in digital format online, but others must be obtained in hard copy/ No)

Note: Answer “Yes, fully digitized” only if the platform allows firms to download the tender-specific documents for each project.

58d. 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)

Note: Answer “Yes, fully digitized” only if clarifications are integrated in the e-procurement platform, so that the user can fill in the clarification and receive the response through the system. Answer “No” if there is only an email to the contact person of the tender, and consequently the interaction happens outside the portal.

- 58e. Is it possible to submit all components of tenders online through the e-procurement platform? (Yes, fully digitized/Yes, electronic upload is possible but hard copy documents also must be submitted/No)

Note: Answer “Yes, fully digitized” only if firms/entrepreneurs can electronically submit all necessary documents, forms, and attachments that comprise their tender submission through the electronic public procurement platform.

- 58f. Does the e-procurement platform allow to submit bid security online with electronic validation? (Yes, fully digitized/Yes, electronic upload is possible, but hard copy originals must also be submitted/No)

Note: If in your economy there is no bid security consider whether the e-procurement platform allows bidders to submit any equivalent declaration of responsibility or form in which the bidder guarantees the validity of the offer for a certain period of time electronically through the platform. Electronic validation means that the e-procurement portal supports the inclusion of verification codes/links to verify the authenticity of the bid security with the provider of the instrument.

- 58g. Is it possible to conduct the bid opening procedure online on the e-procurement platform? (Yes, fully digitized/Yes, but some parts require physical presence or handling/No)

Note: Answer “Yes, fully digitized” if the e-procurement portal allows to record and store bid opening sessions, including the possibility of recording videoconferences of the bid opening act.

- 58h. 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, electronic notice is sent but hard copy documents are required/No)

- 58i. Do electronic notifications issued through the e-procurement platform have legal effect? (Yes, fully digitized/Yes, electronic notice is sent but hard-copy documents are required later for the decision to take effect/No)

Note: Legal effect means that these decisions are considered official communications under the public procurement regulatory framework.

- 58j. Are award decisions, including their rationale publicly available on the e-procurement platform? (Yes, fully digitized/Yes, but the rationale is only available in hard copy/No)

Note: Answer “Yes, fully digitized” only if the published decision includes a written rationale, meaning it explains why the winning bidder was selected. The rationale must include, at minimum: a list of participating bidders, key evaluation results (such as scores or exclusion reasons), and the justification for the final choice. A summary is acceptable if it contains this information. Do not count as a rationale case where only the winner’s name or evaluation criterion (e.g., “lowest price”) is disclosed without a comparative explanation. In cases where the e-procurement platform publishes summaries or notices of awards online without the minimum information, answer “Yes, but the rationale is only available in hard copy”. Answer “No” if award rationales are not publicly available online, or if access requires registration, a fee, or in-person interaction.

- 58k. Does the e-procurement platform allow to submit performance guarantees online with electronic validation? (Yes, fully digitized/Yes, electronic upload is possible, but hard copy originals must also be submitted/No)

- 58l. 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)

Note: Answer “Yes, fully digitized” only if the contract signing process can be completed electronically through the platform using legally recognized electronic signatures or equivalent digital means, without requiring any physical exchange of signed documents. Answer “Yes, but hard copy signatures or documents are still required” if the platform facilitates draft preparation or upload but the final signature must be completed on paper

- 58m. Are contracts publicly available on the e-procurement platform? (Yes, signed contracts are published online in digital format/Yes, partially – a contract summary (including at least the winning bidder’s name, contract value, and the date of signature/execution) is published online/No)

Note: Answer “Yes, signed contracts are published online in digital format” only when the platform posts the contract text or a faithful digital version of the contract, including the signature date, even if the signature itself is not displayed. The key requirement is that the public can access a version that reflects the final, binding agreement, not merely the award decision or notice. Confidential terms can be redacted.

- 58n. Are contract amendments publicly accessible on the e-procurement platform? (Yes, contract amendments are published online in digital format/Yes, partially – contract amendment summary that includes information of at least modifications to contract value, scope, duration (where applicable), and the date of signature/execution/No)

Note: Answer “Yes, contract amendments are published online in digital format” if the platform publishes full digital versions or faithful reproductions of contract amendments, so that the public can see how the contract has changed. Inclusion of the signature is not required, but the date of the amendment must be clear. Do not confuse this with the original contract or the award decision; this question is only about subsequent amendments.

- 58o. 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)

- 58p. Does the e-procurement platform include a module for framework agreement management? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

Note: Answer “Yes, fully digitized” if the module allows to create new framework agreements within the platform, including defining contract terms, duration, participating suppliers, and other relevant details, and allows to issue call-off orders.

- 58q. Does the e-procurement platform include an e-catalogue of approved suppliers? (Y/N)

Note: Answer “Yes” only if the platform itself hosts the e-catalogue as defined in the glossary—i.e., a digital database within the platform containing comprehensive information on approved suppliers and their products or services.

- 58r. Does the e-procurement platform include green catalogues? (Y/N)

- 58s. Does the e-procurement platform include an e-reverse auction module? (Yes, fully digitized/Yes, but hard copy documents must be submitted/No)

- 58t. 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)

- 58u. 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)

Note: Answer “Yes, fully digitized” if the e-procurement portal records logs and receipts of payments. The payment itself can be processed in another system (e.g. treasury) as long as it is interconnected with the e-procurement portal.

- 58v. Does the e-procurement platform allow to apply for vendor eco-certifications or eco-labels? (Yes, integrated within the e-procurement platform/Yes, available on a separate platform, but clearly linked or interoperable with the e-procurement platform/No, available only on a separate platform without connection, or not available at all)

58w. Does the e-procurement platform provide access to specifications, standards, or criteria for eco-labels and environmentally preferable goods and services? (Yes, integrated within the e-procurement platform/Yes, available on a separate platform, but clearly linked or interoperable with the e-procurement platform/No, available only on a separate platform without connection, or not available at all)

Note: Items b, c, j, m, n and w are under Subcategory Transparency of Key Procurement Documents.

59. Are the features supported by the e-procurement platform available for procurements of goods, works, and services? (not scored)

Note: Answer “Yes” if features are supported for all three procurement sectors.

2.3.2 Transparency of Key Procurement Documents

60. For the following two questions, please indicate if there is a public data portal that provides open access to such information in machine readable format:

Note: Machine-readable format refers to structured data that a computer can automatically read and process. Common examples include Excel-readable files such as CSV, XLSM, XLSX, or JSON. Non-digital materials, such as printed, scanned, or handwritten documents, are not machine-readable. Likewise, not all digital materials qualify as machine-readable. For instance, a PDF containing tables of data is digital but not machine-readable, since a computer cannot easily extract or manipulate the tabular information as it could from a native spreadsheet format.

60a. Is there a public data portal that provides machine-readable data on tenders, including the tender description, publication and closing dates, category of spending, estimated value, contracting authority, and identification of firms that submitted bids for each tender? (Y/N)

Note: If tender data is available only in PDF or non-structured format, answer “No.” Identification of firms means that bidder identification for each tender is available, not the broader supplier registry, which is asked in the next question. Data should be publicly accessible without special registration requirements.

60b. Is there a public data portal that provides machine-readable data on suppliers registered to participate in tenders, including identification information, registration status? (Y/N)

Note: If supplier data is available only in PDF or non-structured format, answer “No.” Focus on the entire registry of eligible suppliers, not just firms that have submitted bids. Data should be publicly accessible without special registration requirements.

2.3 E-PROCUREMENT			
2.3.1 Digitalization of Procurement Procedures (includes environment)			
Indicators	FFP	SBP	Total Points
Availability of Central E-Procurement Platform (53 AND 54)	1	1	2
Registering as a Vendor (58a)	1	1	2
Asking the Procuring Entity for Clarifications and Notification of Decisions Electronically	1	1	2
- Clarifications (58d)	0.33	0.33	0.67
- Notifications for decisions (58h)	0.33	0.33	0.67
- Legal effect of electronic notifications (58h)	0.33	0.33	0.67
Submitting Tenders Electronically (58e)	1	1	2
Open Bids Electronically (58g)	1	1	2
Submitting Bid Security Electronically and Performance Guarantee with Electronic Validation	1	1	2
- Bid security (58f)	0.5	0.5	1

- Performance guarantee (58k)	0.5	0.5	1
Contract Signing Electronically (58l)	1	1	2
E-Contract Management and Implementation Module (58t)	1	1	2
Submitting Invoices to the Procuring Entity (58o)	1	1	2
Receiving Payments from the Procuring Entity Electronically (58u)	1	1	2
Module for Framework Agreement Management (580p)	1	1	2
E-Reverse Auction Module (58s)	1	1	2
E-Catalogue of Approved Suppliers (58q)	1	1	2
Electronic Green Catalogues (58r)	1	1	2
Applying for Vendor Eco-Certifications/Eco-Labels Electronically (60v)	1	1	2
Restrictions on Foreign Bidders to Register as a Vendor (55)	1	1	2
Total Points	16	16	32
2.3.2 Transparency of Key Procurement Documents			
Indicators	FFP	SBP	Total Points
Accessing Notices on Procurement Opportunities Electronically (58b)	1	1	2
Accessing Bidding Documents Electronically (58c)	1	1	2
Accessing Award Decisions (Including their Rationale) Electronically (58j)	1	1	2
Accessing Contracts and Contract Amendments Electronically	1	1	2
- Contracts (58m)	0.5	0.5	1
- Contract amendments (58n)	0.5	0.5	1
Access to Specifications, Standards, or Criteria for Eco-Labels and Environmentally Preferable Goods and Services Electronically (58w)	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
Total Points	6	6	12

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 linear approach to transform economy-level answers into indicator scores ranging from 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 three years (question 61).

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 62-65).

3.3 PUBLIC PROCUREMENT

Several questions under Pillar III are collected through the ES (Enterprise Surveys) questionnaire. Depending on the year when ES data collection started, different wording may have been used for some questions. Whenever such difference in wording occurred, all versions of the question are denoted below.

3.3.1 Time to Award Public Contracts

61. 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?

- 61a. Calendar days to complete a procurement of works contract procured in an open procedure valued above the threshold for international procurement
- 61b. 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
- 61c. Calendar days to complete the prequalification of supplier
- 61d. Calendar days to complete an electronic auction
- 61e. Calendar days to complete a framework agreement with a competitive second stage

3.3.2 Time to Receive a Payment from a Government Contract

62. 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? [NUMERIC ENTRY]

Note: If this establishment has received multiple payments or contracts, please provide the time of the largest payment.

Note: ES questionnaire version – 2023 and 2024

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? [NUMERIC ENTRY]

Note: If this establishment has received multiple payments or contracts, please provide the time of the largest payment.

Note: ES questionnaire version – 2025

3.3.3 Firms' Perceptions on the Ease of Bidding

63. 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))

Note: Please consider the time and resources that the establishment used in order to prepare a bid.

- 63a. Very difficult
- 63b. Moderately difficult
- 63c. Somewhat difficult
- 63d. Not difficult at all

64. 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

65. 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 (61a)	100 (20%)	n/a	100 (20%)
Time to Award a Small Services Contract in Selective Bidding (61b)	100 (20%)	n/a	100 (20%)
Time to Prequalify Suppliers (61c)	100 (20%)	n/a	100 (20%)
Time to Award a Contract through Electronic Auction (61d)	100 (20%)	n/a	100 (20%)
Time to Award a Contract in a Framework Agreement (61e)	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 (62)	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 (63)	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 (65)	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 quality of 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 (27 indicators)	
1.1	Legal and Procedural Standards in Insolvency Proceedings (9 indicators)
1.1.1	Pre-Commencement and Commencement Standards in Liquidation and Reorganization (4 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	Management of Debtor's Assets during Liquidation and Reorganization (includes environment) (6 indicators)
1.2.2	Selection and Dismissal of the Insolvency Administrator (2 indicators)
1.2.3	Creditor's Rights in Liquidation and Reorganization (includes environment) (5 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 (15 indicators)	
2.1	Digital Services (e-Courts) in Insolvency Proceedings (7 indicators)
2.1.1	Electronic Judicial 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	Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization (1 indicator)
2.2.2	Digital Services Connectivity with External Systems in Liquidation and Reorganization (1 indicator)
2.3	Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners (4 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 (1 indicator)
2.4	Public Officials (2 indicators)
2.4.1	Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings (2 indicators)
Pillar III—Operational Efficiency of Resolving Judicial Insolvency Proceedings (4 indicators)	
3.1	Reorganization Proceedings (2 indicators)
3.1.1	Time to Resolve a Reorganization Proceeding (1 indicator)
3.1.2	Cost to Resolve a Reorganization Proceeding (1 indicator)
3.2	Liquidation Proceedings (2 indicators)
3.2.1	Time to Resolve a Liquidation Proceeding (1 indicator)
3.2.2	Cost to Resolve a Liquidation 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	Management of Debtor's Assets during Liquidation and Reorganization (includes environment)
1.2.2	Selection and Dismissal of the Insolvency Administrator
1.2.3	Creditor's Rights in Liquidation and Reorganization (includes environment)
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 four 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 Reorganization Proceedings	i) Filing for reorganization by debtors ii) Filing for reorganization by creditors
4	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 Management 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–Management of Debtor's Assets during Liquidation and Reorganization (includes environment) comprises six indicators (table 5).

Table 5. Subcategory 1.2.1–Management 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	i) Existence of the provision that preferential and undervalued transactions can be voided ii) Existence of the provision that undervalued transactions can be voided
6	Post-Commencement Credit Availability and Priority	i) Existence of the post-commencement credit availability ii) Existence of the post-commencement credit priority over ordinary unsecured creditors during distribution of assets

1.2.2 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.¹⁷ 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 1.2.2–Selection and Dismissal of the Insolvency Administrator comprises two indicators (table 6).

Table 6. Subcategory 1.2.2–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

1.2.3 Creditor’s Rights in Liquidation and Reorganization (includes environment)

Creditors have significant interest in the debtor’s business and assets.¹⁸ 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.¹⁹ The greater the 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.²⁰ 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.²¹ The indicators measure whether creditors participate in important decisions during insolvency proceedings, such as the existence of a creditor representation. Therefore, Subcategory 1.2.3–Creditor’s Rights in Liquidation and Reorganization (includes environment) comprises five indicators (table 7).

Table 7. Subcategory 1.2.3–Creditor’s Rights in Liquidation and Reorganization (includes environment)

	Indicators	Components
1	Creditor Representation	Facilitation of creditor representation in Insolvency Proceedings
2	Request of Information by Creditors	Ability of creditors to request up-to-date information on the Corporate Debtor’s business and financial affairs
3	Priority of Secured Claims	Availability of an absolute priority for secured creditors over all other creditors
4	Priority of Labor and Environmental Claims	i) Priority of labor claims over ordinary unsecured creditors ii) Priority of environmental claims over ordinary unsecured creditors
5	Special Regime for Labor Claims	Existence of a special regime for labor standards in insolvency proceedings

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 Judicial 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	Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization
2.2.2	Digital Services Connectivity with External 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
2.4.1	Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings

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 Judicial 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 Judicial Services in Liquidation and Reorganization comprises four indicators (table 11).

Table 11. Subcategory 2.1.1–Electronic Judicial 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	i) Existence of case management features implemented in insolvency proceedings for judges ii) Existence of case management features implemented in insolvency proceedings for lawyers
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 one indicator each.

2.2.1 Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization

The Business Insolvency topic measures whether the key aspects of 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.³⁰ Therefore, Subcategory 2.2.1–Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization comprises one indicator (table 13).

Table 13. Subcategory 2.2.1–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

2.2.2 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.³¹ 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 2.2.2–Digital Services Connectivity with External Systems in Liquidation and Reorganization comprises one indicator (table 14).

Table 14. Subcategory 2.2.2–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

2.3 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 practitioners, 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 one indicator (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 electronic means

2.4 Public Officials

Category 2.4 includes one subcategory 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 a 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 over Insolvency Proceedings	Existence of a court, court division or bench with specialized insolvency expertise

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

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	Reorganization Proceedings
3.1.1	Time to Resolve a Reorganization Proceeding
3.1.2	Cost to Resolve a Reorganization Proceeding
3.2	Liquidation Proceedings
3.2.1	Time to Resolve a Liquidation Proceeding
3.2.2	Cost to Resolve a Liquidation Proceeding

3.1 Reorganization Proceedings

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

3.1.1 Time to Resolve a Reorganization Proceeding

Excessive length of restructuring and business discharge is key in triggering loss of value for the enterprise.³⁶ Therefore, Subcategory 3.1.1–Time to Resolve a Reorganization Proceeding comprises one indicator (table 20).

Table 20. Subcategory 3.1.1–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. It includes the time to complete the following steps: i) Admission of filing by court ii) Commencement of Reorganization proceeding iii) Creditor meetings and approval of the Reorganization Plan iv) Confirmation of the Reorganization Plan by the court

3.1.2 Cost to Resolve a Reorganization 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 Reorganization Proceeding comprises one indicator (table 21).

Table 21. Subcategory 3.1.2–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. It includes the following: i) Court and administrative fee ii) Insolvency administrators fee iii) Lawyers' fee

3.2 Liquidation Proceedings

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

3.2.1 Time to Resolve a Liquidation 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 Liquidation Proceeding comprises one indicator (table 22).

Table 22. Subcategory 3.2.1–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 final adjustment. It includes the time to complete the following steps: i) Filing in court ii) Asset valuation iii) Asset liquidation iv) Creditor repayment v) Final judgment

3.2.2 Cost to Resolve a Liquidation Proceeding

Subcategory 3.2.2–Cost to Resolve a Liquidation Proceeding comprises one indicator (table 23).

Table 23. Subcategory 3.2.2–Cost to Resolve a Liquidation Proceeding

	Indicators	Components
1	Cos 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. It includes the following: i) Court and administrative fee ii) Insolvency administrators fee iii) Asset valuation and auction fee iv) Lawyers' fee

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 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

Experience in formal judicial proceedings, either liquidation or reorganization, involving corporate debtors or creditors in the last three years based on closed and/or current ongoing cases

Thus, the information provided in the screener questionnaires allows the team to better understand the experts' profession, areas of specializations, and knowledge or experience related to the 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 employ general parameters that are applicable to all pillars.

5.2 Specific Parameters

Business Insolvency employs two specific parameters. One is the competent court and its location, which applies in Pillars II and III. The other is the 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 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 25 shows the scoring for the Business Insolvency topic. 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	27	26	23	49	100	0.33
II	Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings	15	15	15	30	100	0.33
III	Operational Efficiency of Resolving Judicial Insolvency Proceedings	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—Quality of Regulations for Judicial Insolvency Proceedings

Pillar I covers 27 indicators with a total score of 49 points (26 points on firm flexibility and 23 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 9 indicators with a total maximum score of 18 points (9 points for firm flexibility and 9 points on social benefits). Specifically, the *Pre-Commencement and Commencement Standards in Liquidation and Reorganization* Subcategory has 4 indicators, and *Post-Commencement Standards in Liquidation and Reorganization* has another 5 indicators. 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 23 points (12 points on firm flexibility and 11 points on social benefits). Specifically, the *Management of Debtor's Assets during Liquidation and Reorganization (includes environment)* Subcategory has 6 indicators, the *Selection and Dismissal of the Insolvency Administrator* has 2 indicators, and the *Creditor Rights in Liquidation and Reorganization (includes environment)* Subcategory has another 5 indicators. Under this category, the scores for most indicators are 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 score 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 *Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)*, Subcategory scores are 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). Legal frameworks for cross-border insolvencies directly benefit firms operating internationally. However, numerous companies operating on a domestic scale may not directly benefit from the existence of a regime for cross-border insolvencies. Therefore, under the *Cross-Border Insolvency* Subcategory scores are only allocated for firm flexibility.

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	9	9	9	18	30.00
1.1.1	Pre-Commencement and Commencement Standards in Liquidation and Reorganization	4	4	4	8	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	Management of Debtor's Assets during Liquidation and Reorganization (includes environment)	6	6	4	10	20.00
1.2.2	Selection and Dismissal of the Insolvency Administrator	2	2	2	4	10.00
1.2.3	Creditor's Rights in Liquidation and Reorganization (includes environment)	5	4	5	9	20.00
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	27	26	23	49	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 Institutional and Operational Infrastructure for Judicial Insolvency Proceedings

Pillar II covers 15 indicators with a total score of 30 points (15 points on firm flexibility and 15 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 Judicial 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, *Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization* Subcategory has 1 indicator, and the *Digital Services Connectivity with External Systems in Liquidation and Reorganization* Subcategory has 1 indicator.
- 6.2.3** *Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners* has 4 indicators with a total maximum score of 8 points (4 on firm flexibility and 4 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 has 1 indicator.
- 6.2.4** *Public Officials* has 2 indicators with a total maximum score of 4 points (2 points on firm flexibility and 2 points on social benefits). Specifically, the *Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings* Subcategory has 2 indicators. Under this category, the score is allocated equally between firm flexibility and social benefits.

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	50.00
2.1.1	Electronic Judicial Services in Liquidation and Reorganization	4	4	4	8	25.00
2.1.2	Electronic Case Management Systems in Liquidation and Reorganization	3	3	3	6	25.00
2.2	Interoperability in Insolvency Proceedings	2	2	2	4	20.00

2.2.1	Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization	1	1	1	2	10.00
2.2.2	Digital Services Connectivity with External Systems in Liquidation and Reorganization	1	1	1	2	10.00
2.3	Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners	4	4	4	8	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	1	1	1	2	10.00
2.4	Public Officials	2	2	2	4	10.00
2.4.1	Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings	2	2	2	4	10.00
	Total	15	15	15	30	100.00

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

6.3 Pillar III—Operational Efficiency of Resolving Judicial Insolvency Proceedings

Pillar III covers 4 indicators with scores ranging from 0 to 100 on firm flexibility (table 28). 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. High fees and long time 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. The scoring for each category under this pillar is as follows:

6.3.1 *Reorganization Proceedings* has 2 indicators with a total 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.

6.3.2 *Liquidation Proceedings* has 2 indicators with a total 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.

Table 28. Aggregate Scoring Pillar III

Pillar III—Operational Efficiency of Resolving Judicial Insolvency Proceedings		No. of Indicators	Rescaled Points
3.1	Reorganization Proceedings	2	50.00
3.1.1	Time to Resolve a Reorganization Proceeding	1	25.00
3.1.2	Cost to Resolve a Reorganization Proceeding	1	25.00
3.2	Liquidation Proceedings	2	50.00
3.2.1	Time to Resolve a Liquidation Proceeding	1	25.00
3.2.2	Cost to Resolve a Liquidation Proceeding	1	25.00
	Total	4	100.00

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

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- ⁹ World Bank (2021).
- ¹⁰ Cirmizi, Klapper, and Uttamchandani (2012).
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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	3.75	Menezes, Mocheva, and Shankar (2020) Menezes et al. (2022); UNCITRAL (2021)
Out-of-Court Restructuring Mechanisms	1	1	2	3.75	Dancausa, Muro, and Uttamchandani (2020); Martínez (2018); Menezes et al. (2022); WB-ICR Task Force (2022)
Commencement of Formal Reorganization Proceedings	1	1	2	3.75	Faber et al. (2012); UNCITRAL (2005); World Bank Group (2021)
Basis for Commencement of Formal Insolvency Proceedings	1	1	2	3.75	Faber et al. (2012); UNCITRAL (2005); World Bank Group (2021)
Total Points for Subcategory 1.1.1	4	4	8	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	9	9	18	30.00	

1.2 DEBTOR'S ASSETS AND CREDITOR'S PARTICIPATION IN INSOLVENCY PROCEEDINGS					
1.2.1 Management of Debtor's Assets during Liquidation and Reorganization (included 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 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 1.2.2	2	2	4	10.00	
1.2.3 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 1.2.3	4	5	9	20.00	
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	26	23	49	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 Judicial Services in Liquidation and Reorganization					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
Electronic Filing	1	1	2	6.25	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	6.25	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	6.25	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	6.25	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	25.00	
2.1.2 Electronic Case Management Systems in Liquidation and Reorganization					
Electronic Case Management for Judges and Lawyers	1	1	2	8.33	CEPEJ (2021a, 2021b); Cordella et al. (2020); Frade et al. (2020); UNCITRAL (2021); World Bank Group (2021); Zorza (2013)
Electronic Case Management for Insolvency Administrators	1	1	2	8.33	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	8.33	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	25.00	
Total Points for Category 2.1	7	7	14	50.00	

2.2 INTEROPERABILITY IN INSOLVENCY PROCEEDINGS					
2.2.1. 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 2.2.1	1	1	2	10.00	
2.2.2 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 2.2.2	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	10.00	Loubser (2007); UNCITRAL (2021); World Bank Group (2021)
Total Points for Subcategory 2.3.2	1	1	2	10.00	
Total Points for Category 2.3	4	4	8	20.00	
2.4 PUBLIC OFFICIALS					
2.4.1 Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings					
Expertise of Specialized Courts with Jurisdiction over Insolvency Proceedings	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	
Total Points for Category 2.4	2	2	4	10.00	
Total Points for Pillar II	15	15	30	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 REORGANIZATION PROCEEDINGS					
3.1.1 Time to Resolve a Reorganization Proceeding					
Indicators	FFP	SBP	Total Points	Rescaled Points	Background Literature
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 3.1.1	100	n/a	100	25.00	
3.1.2 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 3.1.2	100	n/a	100	25.00	
Total Points for Category 3.1	100	n/a	100	50.00	
3.2 LIQUIDATION PROCEEDINGS					
3.2.1 Time to Resolve a Liquidation Proceeding					
Time to Resolve an In-Court Liquidation Proceeding	100	n/a	100	25.00	Cirmizi, 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 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 3.2.2	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

Completed liquidation proceedings: A liquidation judicial proceeding is considered complete when a final judicial decision is issued to close the proceedings.

Completed reorganization proceedings: A reorganization judicial proceeding is considered complete when the Reorganization Plan has been approved by the creditors and confirmed by the court.

Corporate debtor: A debtor that is a non-financial legal entity, such as a corporation or limited liability company, that is engaged in commercial or business activities. This excludes individuals, sole proprietors, partnerships without legal personality, other non-incorporated entities, and non-governmental organizations, endowments, charitable organizations and societies.

Corporate insolvency: The state in which a Corporate Debtor is generally unable to pay its debts as they mature and/or where its liabilities exceed the value of its assets.

Debt discharge: For the purpose of the section on Micro and Small Enterprises, this refers to the release of the liability of natural persons from claims that were, or could have been, addressed in the Insolvency Proceedings.

Hybrid workout: A restructuring involving private negotiations of restructuring terms pursuant to a procedure that provides for a court role, where this role falls short of supervision of the full procedure.

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 Corporate Debtor.

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 Corporate Debtor in order to distribute the proceeds to various stakeholders and dissolve the company. Liquidation may result in the piecemeal sale of the Corporate Debtors' assets or the sale of all or most of its 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.

Post-commencement credit: New credit provided to Corporate Debtor after the start of Insolvency Proceedings by existing or new creditors to finance the Corporate Debtor's ongoing operations during the insolvency process.

Reorganization: Collective proceedings through which the financial well-being and viability of a Corporate Debtor's business may be restored based on a Reorganization Plan, so that the business can

continue to operate as a going concern, through debt forgiveness, debt rescheduling, debt equity conversions, or sale of the business (or parts of it). The term Reorganization refers exclusively to formal in-court proceedings available to Corporate 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 Corporate Debtor's business can be restored.

Secured creditor: A creditor holding a claim assisted by a security interest taken as a guarantee for a debt enforceable in case of the Corporate 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 Corporate Debtor's assets, rights, obligations, or liabilities, including actions to make security interests effective against third parties or to enforce a security interest; and prevents execution against the assets of the insolvency estate, the termination of a contract with the Corporate Debtor, and the transfer, encumbrance or other disposition of any assets or rights of the insolvency estate.

BUSINESS INSOLVENCY 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 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.

Some questions serve as a filter for one or more questions. In these cases, notes such as “Y → *provide response to question ...*” or “N → *provide response to question...*” indicate whether the filtered questions should be asked based on the response to the filter question. This does not automatically imply that other subsequent questions are skipped, unless explicitly stated.

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 impose obligations of the management of a Corporate 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 a Hybrid Workout outside formal judicial Insolvency Proceedings? (Y/N)**
- 3. Under the Legal Framework, can a Corporate Debtor file for in-court Reorganization proceedings? (Y/N)**
- 4. Under the Legal Framework, can an individual creditor file for in-court Reorganization proceedings? (Y/N)**
- 5. 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

6. Does the Legal Framework establish that, upon commencement of Insolvency Proceedings, each creditor shall receive a timely and individual notification to submit his/her claim, specifying the basis and amount of the claim? (Y/N)
7. Under the Legal Framework, are creditors entitled to vote on the Reorganization Plan divided into classes based on their respective rights? (Y/N)
8. Under the Legal Framework, does each class of creditors vote separately on the Reorganization Plan? (Y/N)
9. Under the Legal Framework, do creditors of the same class receive the same treatment under the Reorganization Plan? (Y/N)
10. Does the Legal Framework allow creditors to vote for the Reorganization Plan through electronic means? (Y/N)
11. 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)
12. 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 Reorganization Proceedings	1	1	2
- Filing for reorganization by debtors (3)	0.5	0.5	1
- Filing for reorganization by creditors (4)	0.5	0.5	1
Basis for Commencement of Formal Insolvency Proceedings (5)	1	1	2
Total Points	4	4	8
1.1.2 Post-Commencement Standards in Liquidation and Reorganization			
Indicators	FFP	SBP	Total Points
Creditors Notification Requiring to Submit Claims (6)	1	1	2
How the Reorganization Plan is Voted	1	1	2
- Creditors are separated into classes (7) AND			
- Each class votes separately (8) AND			
- Equal treatment of members of the same class (9)			
<i>The full point is granted only if the answer is Y to 7, 8, 9</i>			
Means of Voting on the Reorganization Plan (10)	1	1	2
Protection of Dissenting Creditors in Reorganization (11)	1	1	2
Conversion from Reorganization to Liquidation (12)	1	1	2

Total Points	5	5	10

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

1.2 DEBTOR'S ASSETS AND CREDITOR'S PARTICIPATION IN INSOLVENCY PROCEEDINGS

1.2.1 Management of Debtor's Assets during Liquidation and Reorganization (includes environment)

13. Does the Legal Framework provide for an automatic Stay of Proceedings? (Y/N)

Y → provide response to questions 14-18.

14. Does the Legal Framework specify the duration of the Stay of Proceedings? (Y/N)

15. Does the Legal Framework allow actions to protect public policy interests such as the restraint of environmental damage or other activities detrimental to public health and safety? (Y/N)

16. Can the Stay of Proceedings be lifted if the insolvency process is being misused or abused, i.e., through bad faith filings or the use of Insolvency Proceedings as a shield for illegal activities? (Y/N)

17. Does the Legal Framework allow Secured Creditors to 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)

18. Does the Legal Framework allow Secured Creditors to 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)

19. Following the commencement of Insolvency Proceedings, does the Legal Framework explicitly allow for the continuation of existing contracts by the Corporate Debtor that are essential to the Corporate Debtor's ordinary course of business? (Y/N)

20. Does the Legal Framework 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)

21. 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 Corporate Debtor's assets, which occurred when the Corporate Debtor was already insolvent or resulted in the Corporate Debtor becoming insolvent? (Y/N)

22. 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 Corporate Debtor was already insolvent or resulted in the Corporate Debtor becoming insolvent? (Y/N)

23. Does the Legal Framework explicitly provide the possibility for Corporate Debtor to obtain credit after the commencement of Insolvency Proceedings (Post-Commencement Credit) to finance its on-going needs during the proceedings? (Y/N)

Y → provide response to question 24.

24. Does the Legal Framework assign priority to Post-Commencement Credit over ordinary unsecured creditors? (Y/N)

1.2.2 Selection and Dismissal of the Insolvency Administrator

25. Does the Legal Framework set out the minimum competency requirements for the appointment of an Insolvency Administrator? (Y/N)

26. Does the Legal Framework specify grounds on which an Insolvency Administrator may be excluded from appointment to, or disqualified from, the case? (Y/N)

1.2.3 Creditor's Rights in Liquidation and Reorganization (includes environment)

27. Does the Legal Framework facilitate creditor representation in Insolvency Proceedings? (Y/N)

28. 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 Corporate Debtor's business and financial affairs? (Y/N)

29. Are Secured Creditors given absolute priority with respect to the assets over which they hold security over all other creditors? (Y/N)

30. Are labor claims given priority or preference over ordinary unsecured creditors? (Y/N)

31. Are environmental claims given priority or preference over ordinary unsecured creditors? (Y/N)

32. 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 DEBTOR'S ASSETS AND CREDITOR'S PARTICIPATION IN INSOLVENCY PROCEEDINGS			
1.2.1 Management of Debtor's Assets during Liquidation and Reorganization (includes environment)			
Indicators	FFP	SBP	Total Points
Automatic Stay of Proceedings (13 AND 14) <i>The full point is granted if the answer is Y to 13 and 14. Half point is granted if answer is Y on 13 only</i>	1	n/a	1
Exceptions and Relief to Automatic Stay of Proceedings (15 AND 16 AND 17 AND 18) <i>The full point is granted if the answer is Y to 15, 16, 17, 18</i>	1	1	2
Continuation of Existing Essential Contracts (19)	1	1	2
Rejection of Existing Burdensome Assets (20)	1	n/a	1
Voidance of Preferential and Undervalued Transactions	1	1	2
- Existence of the provisions that preferential and undervalued transactions can be voided (21)	0.5	0.5	1
- Existence of the provision that undervalued transactions can be voided (22)	0.5	0.5	1
Post-Commencement Credit Availability and Priority	1	1	2
- Existence of the post-commencement credit availability (23)	0.5	0.5	1
- Existence of the post-commencement credit priority over ordinary			

unsecured creditors during distribution of assets (24) <i>The full point is granted if the answer is Y to 23 and 24. Half point is granted if answer is Y on 23 only</i>	0.5	0.5	1
Total Points	6	4	10
1.2.2 Selection and Dismissal of the Insolvency Administrator			
Indicators	FFP	SBP	Total Points
Insolvency Administrators Qualification Requirements in the Law (25)	1	1	2
Conditions for Disqualification (26)	1	1	2
Total Points	2	2	4
1.2.3 Creditor's Rights in Liquidation and Reorganization (includes environment)			
Indicators	FFP	SBP	Total Points
Creditor Representation (27)	1	1	2
Request of Information by Creditors (28)	1	1	2
Priority of Secured Claims (29)	1	1	2
Priority of Labor and Environmental Claims	1	1	2
- Priority of labor claims over ordinary unsecured creditors (30)	0.5	0.5	1
- Priority of environmental claims over ordinary unsecured creditors (31)	0.5	0.5	1
Special Regime for Labor Claims (32)	n/a	1	1
Total Points	4	5	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.

1.3 SPECIALIZED INSOLVENCY PROCEEDINGS AND INTERNATIONAL INSOLVENCY

1.3.1 Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)

33. Does the Legal Framework provide for specialized (simplified) Insolvency Proceedings for juridical and natural persons classified as Micro- and Small Enterprises (MSEs)? (Y/N)
Y → provide response to questions 34 and 35.

34. Does the Legal Framework provide for the possibility, at any point during a simplified Reorganization proceeding, to convert the proceeding into a simplified Liquidation or a different type of insolvency proceeding, if the competent authority determines that the Corporate Debtor is insolvent and there is no prospect for Reorganization? (Y/N)

35. Does the Legal Framework provide for Debt Discharge in specialized (simplified) Liquidation proceedings for MSEs? (Y/N)

1.3.2 Cross-Border Insolvency

36. Does the Legal Framework set forth a specific process for obtaining recognition of foreign Insolvency Proceedings? (Y/N)

37. Does the Legal Framework provide for cooperation between courts and Insolvency Administrators in cross-border 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 and Eligibility (33)	1	1	2
Conversion of Proceedings (34)	1	1	2
Debt Discharge (35) <i>The full point is granted if the answer to is Y to 33 and 35</i>	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 (36)	1	n/a	1
Legal Framework for Cooperation with Foreign Courts and Representatives (37)	1	n/a	1
Total Points	2	n/a	2

Note: n/a = not applicable (refers to the cases when the impact on firms or society is either ambiguous or nonexistent). FFP = Firm Flexibility Point; SBP = Social Benefits Point.

PILLAR II—QUALITY OF INSTITUTIONAL AND OPERATIONAL INFRASTRUCTURE FOR INSOLVENCY PROCESSES	
Parameters	
Competent Court and Its Location	The largest (most populous city in the country). Geographical location determines 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 Judicial Services in Liquidation and Reorganization

38. Is electronic filing for the commencement of Insolvency Proceedings available in practice? (Y/N)

Y → provide response to questions 39 and 49.

39. Does a hard copy have to be submitted along with the electronic filing? (Y/N; N – good practice)

40. Are electronic payments of court fees available in Insolvency Proceedings in practice? (Y/N)

Y → provide response to question 41.

41. Is there in practice a physical interaction with the bank, the court, or the post office required to complete electronic payment? (Y/N; N – good practice)

42. Can virtual hearings be held at the relevant court? (Y/N)

43. Are electronic auctions in Insolvency Proceedings available in practice? (Y/N)

Y → provide response to question 44.

44. Do physical/on-site auctions need to be conducted along with electronic auctions? (Y/N; N – good practice)

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 45 through 48)

45. For judges (Y/N)

46. For Lawyers (Y/N)

47. For Insolvency Administrators (Y/N)

48. Can creditors and Corporate Debtors electronically monitor Insolvency Proceedings? (Y/N)

2.1 DIGITAL SERVICES (E-COURTS) IN INSOLVENCY PROCEEDINGS			
2.1.1 Electronic Judicial Services in Liquidation and Reorganization			
Indicators	FFP	SBP	Total Points
Electronic Filing (38 AND 39) <i>The full score will be granted if the electronic filing service is fully functional (Y to 38 and N to 39)</i>	1	1	2
Electronic Payment of Court Fees (40 AND 41) <i>The full score will be granted if the electronic payment service is fully functional (Y to 40 and N to 41)</i>	1	1	2
Electronic Auction (43 AND 44) <i>The full score will be granted if the Electronic Auction service is fully functional (Y to 43 and N to 44)</i>	1	1	2
Virtual Hearing (42)	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
- Existence of case management features implemented in insolvency proceedings for judges (45)	0.5	0.5	1
- Existence of case management features implemented in insolvency proceedings for lawyers (46)	0.5	0.5	1
Electronic Case Management for Insolvency Administrators (47)	1	1	2
Electronic Monitoring of the Status of Insolvency Proceedings (48)	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 Interconnection Between e-Case Management System and e-Filing Systems in Liquidation Reorganization

49. Are the electronic case management systems and e-filing systems interconnected? (Y/N)

2.2.2 Digital Services Connectivity with External Systems in Liquidation and Reorganization

50. Are the electronic case management systems for Insolvency Proceedings 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 INTEROPERABILITY IN INSOLVENCY PROCEEDINGS			
2.2.1 Interconnection Between e-Case Management System and e-Filing Systems in Liquidation and Reorganization			
Indicators	FFP	SBP	Total Points
Interconnection Between Case Management System and e-Filing Systems (49) <i>The full point is granted if the answer is Y on 38 and 49</i>	1	1	2
Total Points	1	1	2
2.2.2 Digital Services Connectivity with External Systems in Liquidation and Reorganization			
Interoperability with External Systems (50)	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

51. Are the judgments concerning Insolvency Proceedings available to the public through electronic means? (Y/N)
52. Is up-to-date data on the number and types of Insolvency Proceedings in the economy per year available to the public through electronic means? (Y/N)
53. Is the data on the average length of Insolvency Proceedings available to the public through electronic means? (Y/N)

2.3.2 Availability of a Public Registry of Insolvency Practitioners

54. Is there a register of insolvency practitioners and/or firms qualified to offer insolvency services that is available to the public through electronic means? (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 (51)	1	1	2
Publication of Data on the Number and Type of Insolvency Procedures (52)	1	1	2
Publication of Data on the Average Length of Insolvency Procedures (53)	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 (54)	1	1	2
Total Points	2	2	4

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

2.4 PUBLIC OFFICIALS

2.4.1 Specialization of Courts with Jurisdiction on Reorganization and Liquidation Proceedings

55. In [LARGEST BUSINESS CITY IN ECONOMY], are all Insolvency Proceedings overseen and disposed by a court division or bench with specialized insolvency expertise? (Y/N)

Y → provide response to questions 56 and 57.

56. What is the name of this court, division or bench? (*not scored*)

57. Is [COURT NAME] operational in practice? (Y/N)

2.4 PUBLIC OFFICIALS			
2.4.1 Expertise of Courts with Jurisdiction on Reorganization and Liquidation Proceedings			
Indicators	FFP	SBP	Total Points
Expertise of Specialized Courts with Jurisdiction over Insolvency Proceedings (55)	1	1	2
Operability of Courts with Jurisdiction over Insolvency Proceedings (57) <i>The full point is granted if the answer is Y on 55 and 57</i>	1	1	2
Total Points	2	2	4

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

PILLAR III—OPERATIONAL EFFICIENCY OF RESOLVING JUDICIAL INSOLVENCY PROCEEDINGS	
Parameters	
Debtor Company	Business Insolvency assumes that the debtor is a domestic limited liability company (LLC) operating in the largest business city in each economy. The 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.

	Establishing a standardized debtor company with very specific characteristics is the only way to preserve comparability in measuring the time and cost of insolvency proceedings.
Competent Court and Its Location	The largest (most populous city in the country). Geographical location determines 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.

For all indicators in Pillar III–Operational Efficiency of Resolving Judicial Insolvency Proceedings, the linear approach is used to transform economy-level answers into indicator scores ranging from 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.

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.

NO PRACTICE OF IN-COURT LIQUIDATION AND REORGANIZATION PROCEEDINGS

58. To your knowledge, were there in-court Completed Reorganization Proceedings in the last 3 years in [LARGEST BUSINESS CITY IN THE ECONOMY], as of September 1, 2025? (Y/N) (not scored)

Y → provide response to questions 61-71.

59. To your knowledge, were there in-court Completed Liquidation Proceedings in the last 3 years in [LARGEST BUSINESS CITY IN THE ECONOMY], as of September 1, 2025? (Y/N) (not scored)

Y → provide response to questions 72-84.

60. Considering the parameters described above, what procedure is most likely to be used to resolve Insolvency Proceedings? (Y/N) (not scored)

60a. In-court Liquidation

60b. In-court Reorganization

60c. Out of court workouts (without court participation)

60d. Other corporate workouts (with court participation)

60e. Debt enforcement (foreclosure or receivership)

3.1 REORGANIZATION PROCEEDINGS

3.1.1 Time to Resolve a Reorganization Proceeding

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 the following steps in Reorganization proceedings in practice?

- 61. Admission of filing by court: Once an application to commence Reorganization proceedings is filed in court, how many calendar days does it typically take the court to admit or acknowledge the matter?** [Unit of Measurement – Calendar Days]
- 62. Commencement of Reorganization proceedings: Once the matter is admitted or acknowledged by the court, how many calendar days does it typically take the court to commence Reorganization?** [Unit of Measurement – Calendar Days]
- 63. Creditor meetings and approval of the Reorganization Plan: How many calendar days does it typically take to conduct creditor meetings and approve the Reorganization Plan?** [Unit of Measurement – Calendar Days]
- 64. Confirmation of the Reorganization Plan by the court: How many calendar days does it typically take for the court to confirm the Reorganization Plan once it has been approved by the creditors?** [Unit of Measurement – Calendar Days]
- 65. Please confirm that the above estimates have been provided in calendar days. (Y/N) *(not scored)***
- 66. Please provide any other comments you may have in relation to the time taken to complete Reorganization, if any. *(not scored)***

3.1.2 Cost to Resolve a Reorganization Proceeding

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 the following steps in Reorganization proceedings in practice?

- 67. Court and administrative fees: What are the court and administrative fees *of* in local currency for Reorganization proceedings?** [Unit of Measurement – Local Currency Unit]
- 68. Insolvency administrator fees: What are the fees for Insolvency Administrators in local currency for Reorganization proceedings?** [Unit of Measurement – Local Currency Unit]
- 69. Lawyers' fees: What are the lawyers' fees in local currency for Reorganization proceedings?** [Unit of Measurement – Local Currency Unit]
- 70. Please confirm that the above estimates have been provided in local currency. (Y/N) *(not scored)***
- 71. Please provide any other comments you may have in relation to the cost of completion of Reorganization, if any. *(not scored)***

3.1. REORGANIZATION PROCEEDINGS			
3.1.1 Time to Resolve a Reorganization Proceeding			
Indicators	FFP	SBP	Total Points
Time to Resolve an In-Court Reorganization Proceeding (61 AND 62 AND 63 AND 64)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.1.1	100	n/a	100
3.1.2 Cost to Resolve a Reorganization Proceeding			
Cost to Resolve an In-Court Reorganization Proceeding (67 AND 68 AND 69)	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 LIQUIDATION PROCEEDINGS

3.2.1 Time to Resolve a Liquidation Proceeding

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?

72. Filing in court: How many calendar days does the filing stage typically take in Liquidation? [Unit of Measurement – Calendar Days]

73. Asset valuation: How many calendar days does the asset valuation process typically take in Liquidation? [Unit of Measurement – Calendar Days]

74. Asset liquidation: How many calendar days does it typically take to liquidate assets in Liquidation? [Unit of Measurement – Calendar Days]

75. Creditor repayment: How many calendar days does the creditor repayment stage typically take in Liquidation? [Unit of Measurement – Calendar Days]

76. Final judgment: How many calendar days does it take for the issuance of a formal court order that closes the proceedings after Liquidation is completed? [Unit of Measurement – Calendar Days]

77. Please confirm that the above estimates have been provided in calendar days. (Y/N) (not scored)

78. Please provide any other comments you may have in relation to the time taken to complete Liquidation, if any. (not scored)

3.2.2 Cost to Resolve a Liquidation Proceeding

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 the following steps in Liquidation proceedings in practice?

- 79. Court and administrative fees: What are the court and administrative fees in local currency for Liquidation proceedings?** [Unit of Measurement – Local Currency Unit]
- 80. Insolvency administrator fees: What are the fees for Insolvency Administrators in local currency for Liquidation proceedings?** [Unit of Measurement – Local Currency Unit]
- 81. Asset valuation and auction fees: What are the fees for asset valuations and auctions in local currency for Liquidation proceedings?** [Unit of Measurement – Local Currency Unit]
- 82. Lawyers' fees: What are the lawyers' fees in local currency for Liquidation proceedings?** (Y/N)
- 83. Please confirm that the above estimates have been provided in local currency.** (Y/N) *(not scored)*
- 84. Please provide any other comments you may have in relation to the time taken to complete Liquidation, if any.** *(not scored)*

3.2 LIQUIDATION PROCEEDINGS			
3.2.1 Time to Resolve a Liquidation Proceeding			
Indicators	FFP	SBP	Total Points
Time to Resolve an In-Court Liquidation Proceeding (72 AND 73 AND 74 AND 75 AND 76)	100 (100%)	n/a	100 (100%)
Total Points for Subcategory 3.2.1	100	n/a	100
3.2.2 Cost to Resolve a Liquidation Proceeding			
Cost to Resolve an In-Court Liquidation Proceeding (79 AND 80 AND 81 AND 82)	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.

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 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 third 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
Afghanistan	Kabul	Kabul
Albania	Tirana	Tirana
Angola	Luanda	Luanda
Antigua and Barbuda	St. John's	St. John's
Argentina	Buenos Aires (Ciudad autonoma de)	Buenos Aires (Ciudad autonoma de)
Armenia	Yerevan	Yerevan

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
Australia	Sydney ⁴	Sydney
Austria	Vienna	Vienna
Azerbaijan	Baku	Baku
Bahrain	Manama	Manama
Bangladesh	Dhaka	Dhaka; Chittagong
Barbados	Bridgetown	Bridgetown
Belgium	Brussels	Brussels
Belize	Belize City	Belize City
Benin	Cotonou ⁵	Cotonou
Bhutan	Thimphu	Thimphu
Bolivia	La Paz	La Paz
Bosnia and Herzegovina	Sarajevo	Sarajevo
Botswana	Gaborone	Gaborone
Brazil	São Paulo	São Paulo; Rio de Janeiro
Brunei Darussalam	Bandar Seri Begawan	Bandar Seri Begawan
Bulgaria	Sofia	Sofia
Burkina Faso	Ouagadougou	Ouagadougou
Burundi	Bujumbura	Bujumbura
Cabo Verde	Praia	Praia
Cambodia	Phnom Penh	Phnom Penh
Cameroon	Douala ⁶	Douala
Canada	Toronto	Toronto
Central African Republic	Bangui	Bangui
Chad	N'Djamena	N'Djamena
Chile	Santiago	Santiago
China	Shanghai	Shanghai; Beijing
Colombia	Bogota	Bogota
Comoros	Moroni	Moroni
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

⁴ While WUP identified Melbourne as the largest city, Melbourne and Sydney are close in population size. In addition, Sydney has been consistently identified as the largest business center and is of greater economic importance.

⁵ 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/>).

⁶ 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>).

Economy	Selected City	Doing Business City
Denmark	Copenhagen	Copenhagen
Djibouti	Djibouti Ville	Djibouti Ville
Dominican Republic	Santo Domingo	Santo Domingo
Ecuador	Guayaquil	Quito
Egypt, Arab Rep.	Cairo	Cairo
El Salvador	San Salvador	San Salvador
Equatorial Guinea	Bata	Malabo
Estonia	Tallinn	Tallinn
Eswatini	Mbabane	Mbabane
Ethiopia	Addis Ababa	Addis Ababa
Fiji	Suva	Suva
Finland	Helsinki	Helsinki
France	Paris	Paris
Gabon	Libreville	Libreville
Gambia, The	Banjul	Banjul
Georgia	Tbilisi	Tbilisi
Germany	Berlin	Berlin
Ghana	Accra ⁷	Accra
Greece	Athens	Athens
Grenada	St. George's	St. George's
Guatemala	Guatemala City	Guatemala City
Guinea	Conakry	Conakry
Guinea-Bissau	Bissau	Bissau
Honduras	Tegucigalpa	Tegucigalpa
Hong Kong SAR, China	Hong Kong	Hong Kong
Hungary	Budapest	Budapest
Iceland	Reykjavik	Reykjavik
India	Delhi	Mumbai; Delhi
Indonesia	Jakarta	Jakarta; Surabaya
Ireland	Dublin	Dublin
Israel	Tel Aviv	Tel Aviv
Italy	Rome	Rome
Jamaica	Kingston	Kingston
Japan	Tokyo	Tokyo; Osaka
Jordan	Amman	Amman
Kazakhstan	Almaty	Almaty
Kenya	Nairobi	Nairobi
Kiribati	Tarawa	Tarawa
Korea, Rep.	Seoul	Seoul
Kosovo	Pristina	Pristina

⁷ 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
Kuwait	Kuwait City	Kuwait City
Kyrgyz Republic	Bishkek	Bishkek
Lao PDR	Vientiane	Vientiane
Latvia	Riga	Riga
Lesotho	Maseru	Maseru
Liberia	Monrovia	Monrovia
Lithuania	Vilnius	Vilnius
Luxembourg	Luxembourg	Luxembourg
Madagascar	Antananarivo	Antananarivo
Malawi	Lilongwe	Blantyre
Malaysia	Kuala Lumpur	Kuala Lumpur
Maldives	Malé	Malé
Mali	Bamako	Bamako
Malta	Valletta	Valletta
Mauritania	Nouakchott	Nouakchott
Mauritius	Port Louis	Port Louis
Mexico	Mexico City	Mexico City; Monterrey
Moldova	Chisinau	Chisinau
Mongolia	Ulan Bator	Ulan Bator
Montenegro	Podgorica	Podgorica
Morocco	Casablanca	Casablanca
Mozambique	Maputo	Maputo
Namibia	Windhoek	Windhoek
Nepal	Kathmandu	Kathmandu
Netherlands	Amsterdam	Amsterdam
New Zealand	Auckland	Auckland
Niger	Niamey	Niamey
Nigeria	Lagos	Lagos; Kano
North Macedonia	Skopje	Skopje
Norway	Oslo	Oslo
Oman	Muscat	Muscat
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 ⁸	Quezon City
Poland	Warsaw	Warsaw
Portugal	Lisbon	Lisbon
Qatar	Doha	Doha

⁸ 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
Romania	Bucharest	Bucharest
Rwanda	Kigali	Kigali
Samoa	Apia	Apia
São Tomé and Príncipe	São Tomé	São Tomé
Saudi Arabia	Riyadh	Riyadh
Senegal	Dakar	Dakar
Serbia	Belgrade	Belgrade
Seychelles	Victoria	Victoria
Sierra Leone	Freetown	Freetown
Singapore	Singapore	Singapore
Slovak Republic	Bratislava	Bratislava
Slovenia	Ljubljana	Ljubljana
Solomon Islands	Honiara	Honiara
Somalia	Mogadishu	Mogadishu
South Sudan	Juba	Juba
Spain	Madrid	Madrid
Sri Lanka	Colombo	Colombo
St. Lucia	Castries	Castries
St. Vincent and the Grenadines	Kingstown	Kingstown
Suriname	Paramaribo	Paramaribo
Sweden	Stockholm	Stockholm
Switzerland	Zurich	Zurich
Taiwan, China	Taipei ⁹	Taipei
Tajikistan	Dushanbe	Dushanbe
Tanzania	Dar es Salaam	Dar es Salaam
Thailand	Bangkok	Bangkok
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
Uganda	Kampala	Kampala
United Kingdom	London	London
United States	New York City ¹⁰	New York City; Los Angeles
Uruguay	Montevideo	Montevideo

⁹ 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 business center. Different definitions of urban are likely the reason for classifying Xinbei as larger than Taipei.

¹⁰ 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.

Economy	Selected City	Doing Business City
Uzbekistan	Tashkent	Tashkent
Vanuatu	Port Vila	Port Vila
Viet Nam	Ho Chi Minh City	Ho Chi Minh City
West Bank and Gaza	Ramallah ¹¹	Ramallah
Zambia	Lusaka	Lusaka
Zimbabwe	Harare	Harare

¹¹ 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 previous chapters on topics 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 shows the standard case where a single modal option emerges from the responses. However, the aggregation becomes more complex 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 depend 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 are 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 are 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 are 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 is 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 results return to 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 the 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, depending on the indicator, the score is produced by applying either the linear transformation method or 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 from WBES are considered continuous, even the binary ones. This is because the aggregated response at the economy-level 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 have 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 the experience of a typical firm in an economy, by removing distortions produced by outliers.

Like the continuous variables collected through expert questionnaires, the scores of the WBES indicators are produced by applying either a linear transformation or a normal cumulative density function (CDF) transformation to the economy aggregate, as detailed below.

3. Scoring of the Continuous Variables

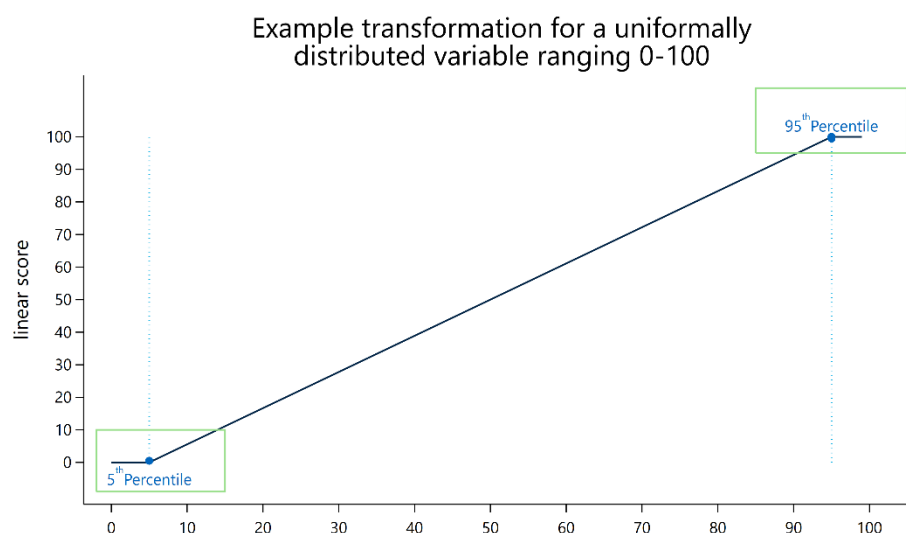
The task of scoring continuous, potentially unbounded variables into a bounded score with enough variance to incentivize reforms faces several challenges. The first is identifying a scoring range, i.e., the values before and after which an economy scores 0 or 100. It is desirable to have all indicators 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.

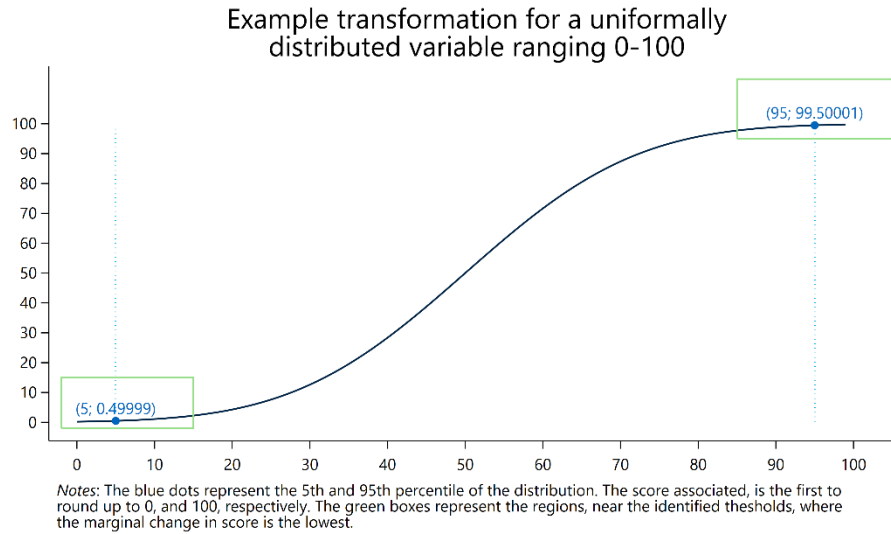
Ideally, the scoring range for an indicator is self-evident or well-defined in the literature. For instance, an economy evidently scores maximum points on our indicator on the share of female-managed firms that obtained a government contract once this reaches 50%. However, these cases are rare. For most B-READY indicators, there is not a single globally recognized worst- or best-practice. This implies the need to define empirical scoring thresholds using the data collected.

The sample of 164 economies for B-READY 2026 was selected to achieve representation of all regions and income groups. With a larger number of observations, the threshold—instead of being fixed to thresholds defined in previous reports—will evolve using the data collected in the current year.

The next step in scoring is to choose a transformation. Considering the expanded sample size and additional research on threshold values in this cycle, B-READY applies a linear transformation to generate normalized indicator scores for all but three indicators. This approach preserves linearity, ensuring that equal changes in performance correspond to equal changes in score.



For three indicators in two topics (Labor and Taxation)—due to the nature of variables used to construct them—B-READY continues to use a non-linear transformation: the normal CDF function. Firstly, this transformation 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 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 that are more than three standard deviations away 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 for Linear Transformation

To obtain the score through a linear transformation, once the lower and upper bounds are established as described above, the following formula is applied to each observation:

$$Score = 100 \times \left(\frac{Var_i - 5th\ percentile}{95th\ percentile - 5th\ percentile} \right)$$

In this formula, the 5th percentile represents the lower bound (worst performance) and the 95th percentile represents the upper bound (best performance), resulting in a standardized score ranging from 0 to 100. For indicators, where better performance is associated with lower values (i.e., the best practice corresponds to the lower bound), the transformation is inverted by computing a penalty, and the final score for an economy is obtained as $100 - computed\ value$.

Scoring Function for Non-Linear Transformation

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 used in the process of calculating economy-level indicators that contribute to the B-READY scores. It follows the structure of the replication program provided on [the WBES website](#) 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 101 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 101 WBES can be downloaded from the “combined data” tab, the file called “StandardizedNew-2006-2025-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) apply variable transformations to ensure compatibility across the WBES questionnaire versions which may vary across years, (iii) clean data to remove substantial extreme values and fix some discrepancies with the survey codebook that were not detected during the survey implementation, and (iv) apply the outlier routine. Each of these components is described in detail below. Please see the replication do-file that is publicly available on [the WBES website](#) for further details.

2.1 Handling of Follow-up Surveys

The surveys in five economies, namely Bangladesh, Madagascar, Pakistan, Peru, and Timor-Leste, were implemented as a follow-up to the baseline WBES which were completed shortly before finalizing the questions necessary for the B-READY report. In these economies, the questions that were part of the pre-

¹ In particular, these surveys are used: Angola2024, Armenia2024, Azerbaijan2024, Bahrain2024, Bangladesh2022, Barbados2023, Belgium2024, Benin2024, Bhutan2024, Bosnia and Herzegovina2023, Botswana2023, Bulgaria2023, Burkina Faso2024, Cabo Verde2024, Cambodia2023, Cameroon2024, Canada2024, Central African Republic2023, Chad2023, Colombia2023, Congo2024, Costa Rica2023, Cote d'Ivoire2023, Croatia2023, Cyprus2024, Czechia2024, DRC2024, Ecuador2024, El Salvador2023, Equatorial Guinea2024, Estonia2023, Eswatini2024, Gambia2023, Georgia2023, Ghana2023, Greece2023, Hong Kong SAR China2023, Hungary2023, Iceland2024, Indonesia2023, Ireland2024, Israel2024, Italy2024, Jamaica2024, Jordan2024, Kazakhstan2024, Korea Republic2024, Kyrgyz Republic2023, Lao PDR2024, Latvia2024, Lesotho2023, Madagascar2022, Malaysia2024, Mali2024, Malta2024, Mauritius2023, Mexico2023, Moldova2024, Montenegro2023, Morocco2023, Namibia2024, Nepal2023, New Zealand2023, North Macedonia2023, Pakistan2022, Papua New Guinea2024, Paraguay2023, Peru2023, Philippines2023, Poland2025, Portugal2023, Romania2023, Rwanda2023, Samoa2023, Senegal2024, Serbia2024, Seychelles2023, Sierra Leone2023, Singapore2023, Slovak Republic2023, Slovenia2024, South Sudan2024, Spain2024, Sweden2024, Taiwan China2024, Tajikistan2024, Tanzania2023, Timor-Leste2021, Togo2023, Tonga2024, Trinidad and Tobago2025, Tunisia2024, Turkiye2024, Turkmenistan2024, United Kingdom2024, United States2024, Uruguay2024, Uzbekistan2024, Vanuatu2023, Viet Nam2023, West Bank And Gaza2023.

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. During this re-contacting process, 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. 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 by the 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 Compatibility Across the WBES Questionnaire Versions

For the 2025 rollout of the WBES (i.e., for the B-READY 2026), the following survey questions were modified:

- k36: As a percentage of a typical transaction, how much does it cost to accept payments, using <answer from a previous question>? The options “above 0 but below 0.5%” and “costless” were added as special codes -5 and -6, respectively. This change allows additional granularity, as the WBES does not accept decimal responses. To ensure compatibility with earlier versions of the questionnaire, both of these special codes are assigned a value of 0.
- k40: As a percentage of a typical transaction, how much does it cost to make payments, using <answer from a previous question>? This question was modified in the same way as question k36, and the respective special codes are managed similarly.
- d35: The wording of this question changed, and it was also activated for retail firms, in addition to manufacturers and wholesalers. The change in wording was considered small enough to be compatible, but the responses from retail firms were removed to ensure alignment with the previous two rollouts. d33a/d33b and d43a/d43b: The question D.33 regarding the duration of exported goods clearing all border control agencies has been revised into two separate questions: (i) D.42, which asks whether exported goods must undergo checks before arriving at the point of exit, and (ii) D.43, which asks about the duration of those prior checks (with days and hours recorded in variables d43a and d43b, respectively). To maintain compatibility with previous rollouts, the overall duration variable is calculated by summing the duration recorded in variables d43a/d43b and d4a/d4b, with the latter measuring duration to clearing customs. If checks are not required before the good reach the point of exit (i.e., d42 is “No”), the duration for customs clearance is used. This adjustment is implemented in the section of the replication program where the combinations of variables are computed.

- d40a/d40b and d45a/d45b: The questions regarding the duration of border clearance for imported goods have been modified similarly to those about exported goods (d43a/d43b), and these changes are managed in the same way.

2.3 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 are removed.
- 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 are removed.
- variables n2a n2b n2l n2k g33 k31 c31 c33 c38 (please see the questionnaire for details behind each): the responses of zero are removed.
- 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 are removed.
- 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 are removed.
- 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 are removed.
- 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 are removed.
- d4a, d4b, d33a and d33b: Question d4 is as follows “In fiscal year [Insert last complete fiscal year], when this establishment exported goods directly, how many days did it take on average from the time this establishment’s goods arrived at their main point of exit (e.g., port, airport) until the time these goods cleared customs?”, taking separate values for days (d4a) and hours (d4b). Question d33 is as follows “In fiscal year [Insert last complete fiscal year], how many days did it take on average for these directly exported goods to be released by all border control agencies, including clearance procedures prior to arrival at the point of exit until the release of all goods? (Please include all clearance procedure times until the final release, including those times prior to arrival at the point of exit, not including transport time)”, taking separate values for days (d33a) and hours (d33b). Values when the reported clearance time for direct exports (d4a and d4b) exceeds the total duration of border clearances (d33a and d33b) are removed.
- d14a, d14b, d40a and d40b: Question d14 is as follows “When this establishment imported these material inputs or supplies [or finished goods and materials purchased to resell], 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 could be claimed from customs?”, taking separate values for days (d14a) and hours (d14b). Question d40 is as follows “In fiscal year [Insert last complete fiscal year], how long did it take on average for these directly imported material inputs and supplies [or finished goods and materials purchased to resell] to be released by all border control agencies, including clearance procedures prior to arrival at the point of entry until all material inputs and supplies were

released? (Please include all clearance procedure times until the release, including those times prior to arrival at the point of entry)”, taking separate values for days (d40a) and hours (d40b). Values when the reported clearance time for direct exports (d14a and d14b) exceeds the total duration of border clearances (d40a and d40b) are removed.

Furthermore, the data was cleaned as follows:

- One 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.
- 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 during a survey for some respondents. These entries 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 a survey for few observations. The corresponding empty values were turned into “don’t know.” Relatedly, when d40a was above 0 days, but d40b was still entered as “don’t know” even though the follow-up d40b should not have been activated, the corresponding “don’t know” entries were removed.
- 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.”

2.4 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 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 almost all cases, the “don’t know” responses are excluded from calculations. The exceptions include two trade indicators (tr18_u, tr24_u) and one labor indicator (wk27). In the case of trade indicators, when less than one day was reported but the exact number of hours was not known, the value of half-day is assigned (for questions d33 and d40, respectively). For the labor indicator, for backward consistency of the data, when less than one month is provided but the exact number of days is not known, the value of one is assigned for backward consistency

(questions 138a and 138b in the 2024 questionnaire, question 138 in the 2023 questionnaire). For additional information, please consult the questionnaires along with [the WBES Indicator Descriptions](#) document, publicly available on [the WBES methodology](#) page. Please see the replication program (Stata do-file) that is also publicly available on [the WBES methodology](#) page 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, and in22. Several indicators, namely t1, t7_ml, t9_ml, and t10, are used separately for the manufacturing and services sectors. 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*).² 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 program (Stata do-file) that is publicly available on [the WBES website](#).

² 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.