Procedures, time, cost and paid-in minimum capital to start a business do not present where the region’s economies stand today.

Where do the region’s economies stand today?

What the indicators measure

Case study assumptions

Comparing Business Regulation for Domestic Firms in 190 Economies
### Region Profile of East African Community (EAC)

**Doing Business 2018 Indicators**

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<td>Dealing with construction permits</td>
<td>Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system</td>
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<td>Registering property</td>
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<td>Paying taxes</td>
<td>Payments, time and total tax rate for a firm to comply with all tax regulations as well as post-filing processes</td>
</tr>
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<td>Trading across borders</td>
<td>Time and cost to export the product of comparative advantage and import auto parts</td>
</tr>
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<td>Enforcing contracts</td>
<td>Time and cost to resolve a commercial dispute and the quality of judicial processes</td>
</tr>
<tr>
<td>Resolving insolvency</td>
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</tr>
</tbody>
</table>
About Doing Business

The Doing Business project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The Doing Business project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. Doing Business also measures features of labor market regulation. Although Doing Business does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, Doing Business encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, Doing Business offers detailed subnational reports, which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that Doing Business has ranked.

The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year’s report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where Doing Business, also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

More about Doing Business (PDF, 5MB)
The Business Environment

For policy makers, knowing where their economy stands in the aggregate ranking on the ease of doing business is useful. Also useful is to know how it ranks compared with other economies in the region and compared with the regional average. Another perspective is provided by the regional average rankings on the topics included in the ease of doing business ranking and the distance to frontier scores.

How economies in East African Community (EAC) rank on the ease of doing business

Note: Economies are ranked on their ease of doing business, from 1–190. The rankings are determined by sorting the aggregate distance to frontier scores on 10 topics, each consisting of several indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2017. The distance to frontier (DTF) measure shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier.

Source: Doing Business database
Rankings on Doing Business topics - East African Community (EAC)

Regional average ranking (Scale: Rank 190 center, Rank 1 outer edge)
Source: Doing Business database.

Distance to frontier scores on Doing Business topics - East African Community (EAC)

(Scale: Score 0 center, Score 100 outer edge)
Note: Economies are ranked on their ease of doing business, from 1–190. The rankings are determined by sorting the aggregate distance to frontier scores on 10 topics, each consisting of several indicators, giving equal weight to each topic. The rankings for all economies are benchmarked to June 2017. The distance to frontier (DTF) measure shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. Source: Doing Business database.
Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate in economy's largest business city.

To make the data comparable across 190 economies, Doing Business uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.

The most recent round of data collection for the project was completed in June 2017. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procedures to legally start and operate a company (number)</strong></td>
<td>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</td>
</tr>
<tr>
<td>Pre-registration (for example, name verification or reservation, notarization)</td>
<td><strong>The business:</strong></td>
</tr>
<tr>
<td>Registration in economy's largest business city</td>
<td>- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</td>
</tr>
<tr>
<td>Post-registration (for example, social security registration, company seal)</td>
<td>- Operates in the economy's largest business city and the entire office space is approximately 929 square meters (10,000 square feet). For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>Obtaining approval from spouse to start business or leave home to register company</td>
<td>- Is 100% domestically owned and has five owners, none of whom is a legal entity; and has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.</td>
</tr>
<tr>
<td>Obtaining any gender-specific permission that can impact company registration, company operations and process of getting national identity card</td>
<td>- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.</td>
</tr>
<tr>
<td><strong>Time required to complete each procedure (calendar days)</strong></td>
<td>- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to 1 times income per capita.</td>
</tr>
<tr>
<td>Does not include time spent gathering information</td>
<td>- Does not qualify for investment incentives or any special benefits.</td>
</tr>
<tr>
<td>Each procedure starts on a separate day (2 procedures cannot start on the same day)</td>
<td>- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.</td>
</tr>
<tr>
<td>Procedures fully completed online are recorded as ½ day</td>
<td>- Has a company deed 10 pages long.</td>
</tr>
<tr>
<td>Procedure is considered completed once final document is received</td>
<td><strong>The owners:</strong></td>
</tr>
<tr>
<td>No prior contact with officials</td>
<td>- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.</td>
</tr>
<tr>
<td><strong>Cost required to complete each procedure (% of income per capita)</strong></td>
<td>- Are sane, competent, in good health and have no criminal record.</td>
</tr>
<tr>
<td>Official costs only, no bribes</td>
<td>- Are married and the marriage is monogamous and registered with the authorities.</td>
</tr>
<tr>
<td>No professional fees unless services required by law or commonly used in practice</td>
<td>- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</td>
</tr>
<tr>
<td><strong>Paid-in minimum capital (% of income per capita)</strong></td>
<td></td>
</tr>
<tr>
<td>Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</td>
<td></td>
</tr>
</tbody>
</table>
Starting a Business

Where do the region’s economies stand today?

How easy is it for entrepreneurs in economies in East African Community (EAC) to start a business? The global rankings of these economies on the ease of starting a business suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of starting a business

Source: Doing Business database.
Starting a Business

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show what it takes to start a business in each economy in the region: the number of procedures, the time, the cost and the paid-in minimum capital requirement. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

What it takes to start a business in economies in East African Community (EAC)

Procedure - Men (number)

Source: Doing Business database.
Starting a Business

Time - Men (days)

- Southern African Development Community (SADC): 30.6
- Sub-Saharan Africa (SSA): 24.0
- Middle East and North Africa (MENA): 18.6
- Regional Average: 17.0
- OECD High Income: 8.5
- Tanzania: 28.0
- Kenya: 25.0
- Uganda: 24.0
- Burundi: 4.0
- Rwanda: 4.0

Source: Doing Business database.
Starting a Business

Cost - Men (% of income per capita)

- Sub-Saharan Africa (SSA): 49.9
- Regional Average: 36.3
- Southern African Development Community (SADC): 25.5
- Middle East and North Africa (MENA): 18.8
- OECD High Income: 3.1
- Rwanda: 44.6
- Tanzania: 42.9
- Burundi: 33.9
- Uganda: 33.6
- Kenya: 26.3

Source: Doing Business database.
Starting a Business

Paid-in min. capital (% of income per capita)

Sub-Saharan Africa (SSA) 25.6
Middle East and North Africa (MENA) 9.9
OECD High Income 8.7
Southern African Development Community (SADC) 0.7
Regional Average 0.0
Burundi 0.0
Kenya 0.0
Rwanda 0.0
Tanzania 0.0
Uganda 0.0

Source: Doing Business database.
Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2017. See the methodology for more information.

What the indicators measure

**Procedures to legally build a warehouse (number)**
Submit all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
Submit all required notifications and receiving all necessary inspections
Obtain utility connections for water and sewerage
Registering and selling the warehouse after its completion

**Time required to complete each procedure (calendar days)**
Does not include time spent gathering information
Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
Procedure is considered completed once final document is received
No prior contact with officials

**Cost required to complete each procedure (% of warehouse value)**
Official costs only, no bribes

**Building quality control index (0-15)**
Sum of the scores of six component indices:
Quality of building regulations (0-2)
Quality control before construction (0-1)
Quality control during construction (0-3)
Quality control after construction (0-3)
Liability and insurance regimes (0-2)
Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

**The construction company (BuildCo):**
- Is a limited liability company (or its legal equivalent) and operates in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

**The warehouse:**
- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

**The water and sewerage connections:**
- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.
Dealing with Construction Permits

Where do the region’s economies stand today?

How easy it is for entrepreneurs in economies in East African Community (EAC) to legally build a warehouse? The global rankings of these economies on the ease of dealing with construction permits suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of dealing with construction permits

Source: Doing Business database.
Dealing with Construction Permits

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show what it takes to comply with formalities to build a warehouse in each economy in the region: the number of procedures, the time and the cost. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

What it takes to comply with formalities to build a warehouse in economies in East African Community (EAC)

Time (days)

Source: Doing Business database.
Dealing with Construction Permits

Cost (% of warehouse value)

- Sub-Saharan Africa (SSA): 9.9%
- Regional Average: 9.1%
- Southern African Development Community (SADC): 9.0%
- Middle East and North Africa (MENA): 4.3%
- OECD High Income: 1.6%
- Rwanda: 13.2%
- Burundi: 12.5%
- Uganda: 8.0%
- Tanzania: 6.6%
- Kenya: 5.0%

Source: Doing Business database.
Dealing with Construction Permits

Building quality control index (0-15)

- Middle East and North Africa (MENA): 11.8
- OECD High Income: 11.4
- Regional Average: 9.2
- Southern African Development Community (SADC): 8.6
- Sub-Saharan Africa (SSA): 8.0
- Rwanda: 14.0
- Tanzania: 12.0
- Kenya: 9.0
- Uganda: 8.0
- Burundi: 3.0

Source: Doing Business database.
Getting Electricity

This topic tracks the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. In addition to assessing efficiency of connection process, Reliability of supply and transparency of tariff index measures reliability of power supply and transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2017. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures to obtain an electricity connection (number)</td>
<td>To make the data comparable across economies, several assumptions are used.</td>
</tr>
<tr>
<td>Submitting all relevant documents and obtaining all necessary clearances and permits</td>
<td><strong>The warehouse:</strong></td>
</tr>
<tr>
<td>Completing all required notifications and receiving all necessary inspections</td>
<td>• Is owned by a local entrepreneur and is used for storage of goods.</td>
</tr>
<tr>
<td>Obtaining external installation works and possibly purchasing material for these works</td>
<td>• Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>Concluding any necessary supply contract and obtaining final supply</td>
<td>• Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.</td>
</tr>
<tr>
<td><strong>Time required to complete each procedure (calendar days)</strong></td>
<td>• Is a new construction and is being connected to electricity for the first time.</td>
</tr>
<tr>
<td>Is at least 1 calendar day</td>
<td>• Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).</td>
</tr>
<tr>
<td>Each procedure starts on a separate day</td>
<td><strong>The electricity connection:</strong></td>
</tr>
<tr>
<td>Does not include time spent gathering information</td>
<td>• Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).</td>
</tr>
<tr>
<td>Reflects the time spent in practice, with little follow-up and no prior contact with officials</td>
<td>• Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners’ private property because the warehouse has access to a road.</td>
</tr>
<tr>
<td><strong>Cost required to complete each procedure (% of income per capita)</strong></td>
<td>• Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer’s service panel or switchboard and the meter base.</td>
</tr>
<tr>
<td>Official costs only, no bribes</td>
<td><strong>The monthly consumption:</strong></td>
</tr>
<tr>
<td>Value added tax excluded</td>
<td>• It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.</td>
</tr>
<tr>
<td><strong>The reliability of supply and transparency of tariffs index (0-8)</strong></td>
<td>• If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.</td>
</tr>
<tr>
<td>Duration and frequency of power outages (0-3)</td>
<td>• Tariffs effective in March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.</td>
</tr>
<tr>
<td>Tools to monitor power outages (0-1)</td>
<td><strong>Price of electricity (cents per kilowatt-hour)</strong></td>
</tr>
<tr>
<td>Tools to restore power supply (0-1)</td>
<td><em>Price based on monthly bill for commercial warehouse in case study</em></td>
</tr>
<tr>
<td>Regulatory monitoring of utilities’ performance (0-1)</td>
<td><em>Note: Doing Business measures the price of electricity, but it is not included in the distance to frontier score nor the ranking on the ease of getting electricity.</em></td>
</tr>
<tr>
<td>Financial deterrents limiting outages (0-1)</td>
<td></td>
</tr>
</tbody>
</table>
Getting Electricity

Where do the region’s economies stand today?

How easy it is for entrepreneurs in economies in East African Community (EAC) to connect a warehouse to electricity? The global rankings of these economies on the ease of getting electricity suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

**How economies in East African Community (EAC) rank on the ease of getting electricity**

[Diagram showing rankings for Kenya, Tanzania, Rwanda, Uganda, Burundi, and Regional Average]

Source: Doing Business database.
Getting Electricity

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show what it takes to get a new electricity connection in each economy in the region: the number of procedures, the time and the cost. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

What it takes to get an electricity connection in economies in East African Community (EAC)

Procedures (number)

<table>
<thead>
<tr>
<th>Region</th>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern African Development Community (SADC)</td>
<td>5.5</td>
</tr>
<tr>
<td>Sub-Saharan Africa (SSA)</td>
<td>5.3</td>
</tr>
<tr>
<td>Middle East and North Africa (MENA)</td>
<td>4.8</td>
</tr>
<tr>
<td>OECD High Income</td>
<td>4.7</td>
</tr>
<tr>
<td>Regional Average</td>
<td>4.4</td>
</tr>
<tr>
<td>Uganda</td>
<td>6.0</td>
</tr>
<tr>
<td>Burundi</td>
<td>5.0</td>
</tr>
<tr>
<td>Rwanda</td>
<td>4.0</td>
</tr>
<tr>
<td>Tanzania</td>
<td>4.0</td>
</tr>
<tr>
<td>Kenya</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Source: Doing Business database.
Getting Electricity

Time (days)

- **Southern African Development Community (SADC)**: 121.3 days
- **Sub-Saharan Africa (SSA)**: 115.3 days
- **Regional Average**: 92.8 days
- **Middle East and North Africa (MENA)**: 81.4 days
- **OECD High Income**: 79.1 days
- **Burundi**: 158.0 days
- **Tanzania**: 109.0 days
- **Kenya**: 97.0 days
- **Uganda**: 66.0 days
- **Rwanda**: 34.0 days

Source: Doing Business database.
Getting Electricity

Cost (% of income per capita)

Source: Doing Business database.
What it takes to start a business in economies in East African Community (EAC)

Reliability of supply and transparency of tariff index (0-8)

- OECD High Income: 7.4
- Middle East and North Africa (MENA): 4.2
- Regional Average: 1.8
- Southern African Development Community (SADC): 1.3
- Sub-Saharan Africa (SSA): 0.9
- Tanzania: 5.0
- Kenya: 4.0
- Burundi: 0.0
- Rwanda: 0.0
- Uganda: 0.0

Source: Doing Business database.
Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in June 2017. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Procedures to legally transfer title on immovable property (number)</strong></td>
<td>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</td>
</tr>
<tr>
<td>Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</td>
<td><strong>The parties (buyer and seller):</strong></td>
</tr>
<tr>
<td>Registration procedures in the economy's largest business city.</td>
<td>- Are limited liability companies (or the legal equivalent).</td>
</tr>
<tr>
<td>Postregistration procedures (for example, filling title with municipality)</td>
<td>- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td><strong>Time required to complete each procedure (calendar days)</strong></td>
<td>- Are 100% domestically and privately owned.</td>
</tr>
<tr>
<td>Does not include time spent gathering information Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule Procedure is considered completed once final document is received No prior contact with officials</td>
<td>- Have 50 employees each, all of whom are nationals.</td>
</tr>
<tr>
<td><strong>Cost required to complete each procedure (% of property value)</strong></td>
<td>- Perform general commercial activities.</td>
</tr>
<tr>
<td>Official costs only (such as administrative fees, duties and taxes). Value Added Tax, Capital Gains Tax and illicit payments are excluded</td>
<td><strong>The property (fully owned by the seller):</strong></td>
</tr>
<tr>
<td><strong>Quality of land administration index (0-30)</strong></td>
<td>- Has a value of 50 times income per capita, which equals the sale price.</td>
</tr>
<tr>
<td>Reliability of infrastructure index (0-8) Transparency of information index (0-6) Geographic coverage index (0-8) Land dispute resolution index (0-8) Equal access to property rights index (-2-0)</td>
<td>- Is fully owned by the seller.</td>
</tr>
<tr>
<td>- Performs general industrial or commercial activities, such as the construction of a warehouse in case study</td>
<td>- Has no mortgages attached and has been under the same ownership for the past 10 years.</td>
</tr>
<tr>
<td>- Operates in the economy's largest business city and the entire office.</td>
<td>- Is registered in the land registry or cadastre, or both, and is free of title disputes.</td>
</tr>
<tr>
<td>- Will have a constant level of water demand and wastewater flow of approximately 929 square meters (10,000 square feet) that is 100% common among domestic firms is chosen. Information on the most expensive supplier.</td>
<td>- Is located in a periurban commercial zone, and no rezoning is required.</td>
</tr>
<tr>
<td>- Will be subject to renovations or additional construction following the purchase.</td>
<td>- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.</td>
</tr>
<tr>
<td>- Has no trees, natural water sources, natural reserves or historical monuments of any kind.</td>
<td>- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.</td>
</tr>
<tr>
<td>- Has no occupants, and no other party holds a legal interest in it.</td>
<td>- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.</td>
</tr>
</tbody>
</table>
Registering Property

Where do the region's economies stand today?

How easy it is for entrepreneurs in economies in East African Community (EAC) to transfer property? The global rankings of these economies on the ease of registering property suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of registering property

Rwanda (Rank 2)
Burundi (Rank 95)
Uganda (Rank 124)
Kenya (Rank 125)
Tanzania (Rank 142)
Regional Average (Rank 98)

Source: Doing Business database.
Registering Property

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show what it takes to complete a property transfer in each economy in the region: the number of procedures, the time and the cost. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

What it takes to register property in economies in East African Community (EAC)

Procedures (number)

Source: Doing Business database.
Registering Property

Time (days)

- **Sub-Saharan Africa (SSA)**: 59.3 days
- **Southern African Development Community (SADC)**: 53.4 days
- **Regional Average**: 40.0 days
- **Middle East and North Africa (MENA)**: 30.3 days
- **OECD High Income**: 22.3 days
- **Tanzania**: 67.0 days
- **Kenya**: 61.0 days
- **Uganda**: 42.0 days
- **Burundi**: 23.0 days
- **Rwanda**: 7.0 days

Source: Doing Business database.
Registering Property

Cost (% of property value)

- **Sub-Saharan Africa (SSA)**
  - **Average:** 7.8

- **Southern African Development Community (SADC)**
  - **Average:** 6.8

- **Middle East and North Africa (MENA)**
  - **Average:** 6.0

- **OECD High Income**
  - **Average:** 4.2

- **Regional Average**
  - **Average:** 3.5

- **Kenya**
  - **Average:** 6.0

- **Tanzania**
  - **Average:** 5.2

- **Burundi**
  - **Average:** 3.1

- **Uganda**
  - **Average:** 3.1

- **Rwanda**
  - **Average:** 0.1

Source: Doing Business database.
Registering Property

Quality of the land administration index (0-30)

Source: Doing Business database.
Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2017. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strength of legal rights index (0–12)</strong></td>
<td>Doing Business assesses the sharing of credit information and the legal rights of</td>
</tr>
<tr>
<td>Rights of borrowers and lenders through collateral laws (0-10)</td>
<td>borrowers and lenders with respect to secured transactions through 2 sets of indicators.</td>
</tr>
<tr>
<td>Protection of secured creditors’ rights through bankruptcy laws (0-2)</td>
<td>The depth of credit information index measures rules and practices affecting the</td>
</tr>
<tr>
<td><strong>Depth of credit information index (0–8)</strong></td>
<td>coverage, scope and accessibility of credit information available through a credit</td>
</tr>
<tr>
<td>Scope and accessibility of credit information distributed by</td>
<td>registry or a credit bureau. The strength of legal rights index measures the degree to</td>
</tr>
<tr>
<td>credit bureaus and credit registries (0-8)</td>
<td>which collateral and bankruptcy laws protect the rights of borrowers and lenders and</td>
</tr>
<tr>
<td><strong>Credit bureau coverage (% of adults)</strong></td>
<td>thus facilitate lending. For each economy it is first determined whether a unitary</td>
</tr>
<tr>
<td>Number of individuals and firms listed in largest credit bureau</td>
<td>secured transactions system exists. Then two case scenarios, case A and case B, are</td>
</tr>
<tr>
<td>as a percentage of adult population</td>
<td>used to determine how a nonpossessory security interest is created, publicized and</td>
</tr>
<tr>
<td><strong>Credit registry coverage (% of adults)</strong></td>
<td>enforced according to the law. Special emphasis is given to how the collateral registry</td>
</tr>
<tr>
<td>Number of individuals and firms listed in credit registry as a</td>
<td>operates (if registration of security interests is possible). The case scenarios</td>
</tr>
<tr>
<td>percentage of adult population</td>
<td>involve a secured borrower, company ABC, and a secured lender, BizBank.</td>
</tr>
</tbody>
</table>

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

**Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:**
- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy’s largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.
Getting Credit

Where do the region's economies stand today?

How well do the credit information systems and collateral and bankruptcy laws in economies in East African Community (EAC) facilitate access to credit? The global rankings of these economies on the ease of getting credit suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

**How economies in East African Community (EAC) rank on the ease of getting credit**

![Bar chart showing the ranking of economies in East African Community (EAC) on the ease of getting credit.](chart)

- **Rwanda (Rank 6)**: 90.00
- **Kenya (Rank 29)**: 75.00
- **Tanzania (Rank 55)**: 65.00
- **Uganda (Rank 55)**: 65.00
- **Burundi (Rank 177)**: 10.00
- **Regional Average (Rank 64)**: 61.00

Source: Doing Business database.
Getting Credit

Another way to assess how well regulations and institutions support lending and borrowing in the region is to see where the region stands in the distribution of scores across regions. The first figure highlights the score on the strength of legal rights index in East African Community (EAC) and comparator regions. The second figure shows the same thing for the depth of credit information index.

How strong are legal rights for borrowers and lenders

Strength of legal rights index (0-12)

Source: Doing Business database.
Getting Credit

Depth of credit information index (0-8)

- **OECD High Income**: 6.6
- **Regional Average**: 6.2
- **Southern African Development Community (SADC)**: 5.4
- **Middle East and North Africa (MENA)**: 4.8
- **Sub-Saharan Africa (SSA)**: 3.0
- **Kenya**: 8.0
- **Rwanda**: 8.0
- **Tanzania**: 8.0
- **Uganda**: 7.0
- **Burundi**: 0.0

Source: Doing Business database.
Protecting Minority Investors
This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2017. See the methodology for more information.

What the indicators measure

- **Extent of disclosure index** (0–10): Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions
- **Extent of director liability index** (0–10): Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)
- **Ease of shareholder suits index** (0–10): Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index** (0–10): Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices
- **Extent of shareholder rights index** (0–10): Shareholders’ rights and role in major corporate decisions
- **Extent of ownership and control index** (0–10): Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index** (0–10): Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index** (0–10): Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index** (0–10): Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

**The business (Buyer):**
- Is a publicly traded corporation listed on the economy’s most important stock exchange. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board (applicable to economies with a two-tier board system) on which 60% of the shareholder-elected members have been appointed by Mr. James, who is Buyer’s controlling shareholder and a member of Buyer’s board of directors.
- Has not adopted any bylaws or articles of association that differ from default minimum standards and does not follow any nonmandatory codes, principles, recommendations or guidelines relating to corporate governance.
- Is a manufacturing company with its own distribution network.

**The transaction involves the following details:**
- Mr. James owns 60% of Buyer and elected two directors to Buyer’s five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller’s unused fleet of trucks to expand Buyer’s distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer’s assets and is higher than the market value.
- The proposed transaction is part of the company’s ordinary course of business and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made (that is, the transaction is not fraudulent).
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the other parties that approved the transaction.
Protecting Minority Investors

Where do the region’s economies stand today?

How strong are investor protections against self-dealing in economies in East African Community (EAC)? The global rankings of these economies on the strength of investor protection index suggest an answer. While the indicator does not measure all aspects related to the protection of minority investors, a higher ranking does indicate that an economy’s regulations offer stronger investor protections against self-dealing in the areas measured.

**How economies in East African Community (EAC) rank on the ease of protecting minority investors**

<table>
<thead>
<tr>
<th>Economy</th>
<th>Rank</th>
<th>Distance to frontier score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rwanda</td>
<td>16</td>
<td>73.33</td>
</tr>
<tr>
<td>Kenya</td>
<td>62</td>
<td>58.33</td>
</tr>
<tr>
<td>Uganda</td>
<td>108</td>
<td>50.00</td>
</tr>
<tr>
<td>Tanzania</td>
<td>129</td>
<td>45.00</td>
</tr>
<tr>
<td>Burundi</td>
<td>132</td>
<td>43.33</td>
</tr>
<tr>
<td>Regional Average</td>
<td>89</td>
<td>54.00</td>
</tr>
</tbody>
</table>

Source: Doing Business database.
Protecting Minority Investors

The strength of minority investor protection index is the average of the extent of conflict of interest regulation index and the extent of shareholder governance index. The index ranges from 0 to 10, rounded to the nearest decimal place, with higher values indicating stronger minority investor protections. The following two figures highlight the scores on the various minority investor protection indices in East African Community (EAC). Comparing the scores across the region and with averages both for the region and for comparator regions can provide useful insights.

How extensive are conflict of interest regulations

Extent of conflict of interest regulation index (0-10)

Source: Doing Business database.
Protecting Minority Investors

Extent of shareholder governance index (0-10)

Source: Doing Business database.
Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes and contributions. The most recent round of data collection for the project was completed on June 30, 2017 covering for the Paying Taxes indicator calendar year 2016 (January 1, 2016 – December 31, 2016).

Last year (Doing Business 2017) the scope of data collection was expanded to better understand the overall tax environment in an economy. The questionnaire was expanded to include new questions on post-filing processes: VAT refund and tax audit. The data shows where post-filing processes and practices work efficiently and what drives the differences in the overall tax compliance cost across economies. The new section covers both the legal framework and the administrative burden on businesses to comply with post-filing processes. See the methodology for more information.

What the indicators measure

**Tax payments for a manufacturing company in 2016 (number per year adjusted for electronic and joint filing and payment)**

Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax)
Method and frequency of filing and payment

**Time required to comply with 3 major taxes (hours per year)**
Collecting information, computing tax payable
Completing tax return, filing with agencies
Arranging payment or withholding
Preparing separate tax accounting books, if required

**Total tax and contribution rate (% of profit before all taxes)**
Profit or corporate income tax
Social contributions, labor taxes paid by employer
Property and property transfer taxes
Dividend, capital gains, financial transactions taxes
Waste collection, vehicle, road and other taxes

**Postfiling Index**
Time to comply with a VAT refund
Time to receive a VAT refund
Time to comply with a corporate income tax audit
Time to complete a corporate income tax audit

Case study assumptions

Using a case scenario, Doing Business records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:
- TaxpayerCo is a medium-size business that started operations on January 1, 2015. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2016). Taxes and mandatory contributions are measured at all levels of government.

**The VAT refund process:**
- In June 2016, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2016.

**The corporate income tax audit process:**
- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.
Paying Taxes

Where do the region’s economies stand today?

What is the administrative burden of complying with taxes in economies in East African Community (EAC) — and how much do firms pay in taxes? The global rankings of these economies on the ease of paying taxes offer useful information for assessing the tax compliance burden for businesses. The average ranking of the region provides a useful benchmark.

How economies in East African Community (EAC) rank on the ease of paying taxes

Source: Doing Business database.
Paying Taxes

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show what it takes to comply with tax regulations in each economy in the region—the number of payments per year and the time required to prepare, and file and pay taxes the 3 major taxes (corporate income tax, VAT or sales tax and labor taxes and mandatory contributions)—as well as the total tax rate. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

**How easy is it to pay taxes in economies in East African Community (EAC) - and what are the total tax rates**

**Payments (number per year)**

- **Sub-Saharan Africa (SSA)**: 37.2
- **Southern African Development Community (SADC)**: 31.3
- **Regional Average**: 30.0
- **Middle East and North Africa (MENA)**: 17.9
- **OECD High Income**: 10.9

**Tanzania**: 60.0
- **Uganda**: 31.0
- **Kenya**: 26.0
- **Burundi**: 25.0
- **Rwanda**: 8.0

Source: Doing Business database.
Paying Taxes

Time (hours per year)

Source: Doing Business database.
Paying Taxes

Total tax and contribution rate (% of profit)

- Sub-Saharan Africa (SSA): 46.8
- OECD High Income: 40.1
- Regional Average: 38.0
- Middle East and North Africa (MENA): 32.5
- Southern African Development Community (SADC): 31.9
- Tanzania: 44.1
- Burundi: 41.5
- Kenya: 37.4
- Uganda: 33.7
- Rwanda: 33.2

Source: Doing Business database.
Paying Taxes

**Postfiling index (0-100)**

- **OECD High Income**: 83.5
- **Southern African Development Community (SADC)**: 65.9
- **Regional Average**: 58.7
- **Sub-Saharan Africa (SSA)**: 54.4
- **Middle East and North Africa (MENA)**: 50.6
- **Uganda**: 72.3
- **Tanzania**: 67.2
- **Rwanda**: 63.7
- **Kenya**: 62.0
- **Burundi**: 28.2

Source: Doing Business database.
Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2017. See the methodology for more information.

What the indicators measure

**Documentary compliance**

Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy

Obtaining, preparing and submitting documents required by destination economy and any transit economies

Covers all documents required by law and in practice, including electronic submissions of information as well as non-shipment-specific documents necessary to complete the trade

**Border compliance**

Customs clearance and inspections

Inspections by other agencies (if applied to more than 10% of shipments)

**Port or border handling**

Processing of documents during clearance, inspections and port or border handling.

**Domestic transport**

Loading and unloading of shipment at warehouse, dry port or border

Transport by most widely used mode between warehouse and terminal or dry port

Traffic delays and road police checks while shipment is en route

Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as 22×24=528 hours). If customs clearance takes 7.5 hours, the data are recorded as 7.5. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

**Assumptions of the case study:** - For all 190 economies covered by Doing Business, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. - It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be $50,000. - The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport, or land border crossing. - All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. - A port or border is a place (seaport, airport or land border crossing) where merchandise can enter or leave an economy. - Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.
Trading across Borders

Where do the region's economies stand today?

How easy is it for businesses in economies in East African Community (EAC) to export and import goods? The global rankings of these economies on the ease of trading across borders suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of trading across borders

Source: Doing Business database.

Trading across Borders
Trading across Borders

The indicators reported here are for trading a shipment of goods by the most widely used mode of transport (whether sea, land, air or some combination of these). The information on the time and cost to complete export and import is collected from local freight forwarders, customs brokers and traders. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

What it takes to trade across borders in economies in East African Community (EAC)

Time to export: Border compliance (hours)

Source: Doing Business database.
Trading across Borders

Cost to export: Border compliance (USD)

Source: Doing Business database.
Trading across Borders

Time to export: Documentary compliance (hours)

Source: Doing Business database.

Where do the region's economies stand today?

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

- Is a publicly traded corporation listed on the economy's most important business city of the exporting economy and travels to a warehouse in the business city of the destination economy (the customer). It places an order for the goods and pays for them. The seller is a large trading company with its own distribution network. The buyer is a large private company with its own distribution network.
- The buyer requests the delivery of 100 units of the good (a set of ABC’s movable assets). The first sale is from the seller in country A to seller in country B (through intermediaries). The first sale is final. The seller is the legal owner of the good. The good is a piece of machinery. The good is paid for in terms of the currency of the country of the seller (country A). The good is purchased at a market price that is calculated as 20% above the machine’s book value. The buyer is a large private company with its own distribution network. The machine is delivered FOB (free on board) freight carrier. The machine is delivered to the warehouse of the buyer. After the goods are delivered, the exporter receives the payment from the importer.

Using a case scenario, determine whether a unitary secured transactions system exists. Then determine whether the country is a owner. The good is paid for in terms of the currency of the country of the buyer (country B). The buyer is a large private company with its own distribution network. The machine is purchased at a market price that is calculated as 20% above the machine’s book value. The machine is delivered FOB (free on board) freight carrier. The machine is delivered to the warehouse of the buyer. After the goods are delivered, the exporter receives the payment from the importer.


data shows where post-ling processes and practices work efficiently and what drives the differences in the overall tax climate in East Africa. For more information on the calculation of the indicator, see methodology for more information.

Globally, the tax climate is poor. In 2016, it cost about 9% of GDP to pay taxes and contributions, and deal with tax administration and related issues. Using a case scenario, determine whether a unitary secured transactions system exists. Then determine whether the country is a owner. The good is paid for in terms of the currency of the country of the buyer (country B). The buyer is a large private company with its own distribution network. The machine is purchased at a market price that is calculated as 20% above the machine’s book value. The machine is delivered FOB (free on board) freight carrier. The machine is delivered to the warehouse of the buyer. After the goods are delivered, the exporter receives the payment from the importer.

Case study assumptions

The extent of governance safeguards protecting shareholders involves a number of factors, including the extent of minority shareholder protection, the strength of corporate governance and investor protection indices in East African Community (EAC). Comparing the scores across the region and with averages both for Sub-Saharan Africa (SSA) and the Middle East and North Africa (MENA) is instructive. On the basis of this comparison, the region’s economies stand today:

- Governance safeguards protecting shareholders
- Conflict of interest regulation index
- Extent of shareholder protection index
- Extent of conflict of interest regulation index
- Disclosure requirements for related-party transactions;
- Property and property transfer taxes
- Profit or corporate income tax
- Extent of shareholder governance index (0-10)
- Property and property transfer taxes
- Extent of shareholder governance index (0-10)
- Strength of legal rights index (0-12)
- Property and property transfer taxes
- Extent of shareholder governance index (0-10)
- Quality of the land administration index (0-30)
- Property and property transfer taxes
- Extent of shareholder governance index (0-10)


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Quality of the land administration index (0-30)

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- Property and property transfer taxes
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- Extent of shareholder governance index (0-10)
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- Extent of shareholder governance index (0-10)
- Strength of legal rights index (0-12)
- Property and property transfer taxes
- Extent of shareholder governance index (0-10)
- Quality of the land administration index (0-30)
- Property and property transfer taxes
- Extent of shareholder governance index (0-10)
Trading across Borders

Cost to export: Documentary compliance (USD)

- Southern African Development Community (SADC): 344.7 USD
- Middle East and North Africa (MENA): 243.6 USD
- Sub-Saharan Africa (SSA): 215.2 USD
- Regional Average: 165.6 USD
- OECD High Income: 35.5 USD
- Tanzania: 275.0 USD
- Kenya: 191.0 USD
- Burundi: 150.0 USD
- Rwanda: 110.0 USD
- Uganda: 102.0 USD

Source: Doing Business database.
Trading across Borders

Time to import: Border compliance (hours)

Source: Doing Business database.
Trading across Borders

Cost to import: Border compliance (USD)

Source: Doing Business database.
Trading across Borders

**Time to import: Documentary compliance (hours)**

- **Regional Average**: 133.2 hours
- **Sub-Saharan Africa (SSA)**: 103.0 hours
- **Middle East and North Africa (MENA)**: 94.5 hours
- **Southern African Development Community (SADC)**: 67.8 hours
- **OECD High Income**: 3.9 hours
- **Tanzania**: 240.0 hours
- **Burundi**: 180.0 hours
- **Uganda**: 138.0 hours
- **Kenya**: 60.0 hours
- **Rwanda**: 48.0 hours

Source: Doing Business database.
Trading across Borders

Cost to import: Documentary compliance (USD)

- Regional Average: 386.4
- Sub-Saharan Africa (SSA): 300.2
- Middle East and North Africa (MENA): 266.2
- Southern African Development Community (SADC): 219.1
- OECD High Income: 25.7
- Burundi: 1025.0
- Tanzania: 375.0
- Uganda: 298.0
- Rwanda: 121.0
- Kenya: 115.0

Source: Doing Business database.
Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in June 2017. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time required to enforce a contract through the courts (calendar days)</strong></td>
<td>The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</td>
</tr>
<tr>
<td>Time to file and serve the case</td>
<td>To make the data comparable across economies, Doing Business uses several assumptions about the case:</td>
</tr>
<tr>
<td>Time for trial and to obtain the judgment</td>
<td>- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</td>
</tr>
<tr>
<td>Time to enforce the judgment</td>
<td>- The buyer orders custom-made goods, then fails to pay.</td>
</tr>
<tr>
<td><strong>Cost required to enforce a contract through the courts (% of claim)</strong></td>
<td>- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.</td>
</tr>
<tr>
<td>Attorney fees</td>
<td>- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or $5,000.</td>
</tr>
<tr>
<td>Court fees</td>
<td>- The seller requests a pretrial attachment to secure the claim.</td>
</tr>
<tr>
<td>Enforcement fees</td>
<td>- The dispute on the quality of the goods requires an expert opinion.</td>
</tr>
<tr>
<td><strong>Quality of judicial processes index (0-18)</strong></td>
<td>- The judge decides in favor of the seller; there is no appeal.</td>
</tr>
<tr>
<td>Court structure and proceedings (-1-5)</td>
<td>- The seller enforces the judgment through a public sale of the buyer's movable assets.</td>
</tr>
<tr>
<td>Case management (0-6)</td>
<td></td>
</tr>
<tr>
<td>Court automation (0-4)</td>
<td></td>
</tr>
<tr>
<td>Alternative dispute resolution (0-3)</td>
<td></td>
</tr>
</tbody>
</table>
Enforcing Contracts

Where do the region’s economies stand today?

How efficient is the process of resolving a commercial dispute through the courts in economies in East African Community (EAC)? The global rankings of these economies on the ease of enforcing contracts suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark.

How economies in East African Community (EAC) rank on the ease of enforcing contracts

Source: Doing Business database.
Enforcing Contracts

The indicators underlying the rankings may also be revealing. Data collected by Doing Business show what it takes to enforce a contract through the courts in each economy in the region: the time, the cost and quality of judicial processes index. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

What it takes to enforce a contract through the courts in economies in East African Community (EAC)

Source: Doing Business database.
Enforcing Contracts

Cost (% of claim value)

- Southern African Development Community (SADC): 48.0
- Sub-Saharan Africa (SSA): 44.0
- Regional Average: 41.7
- Middle East and North Africa (MENA): 24.4
- OECD High Income: 21.6
- Rwanda: 82.7
- Kenya: 41.8
- Burundi: 38.6
- Uganda: 31.3
- Tanzania: 14.3

Source: Doing Business database.
Enforcing Contracts

Quality of judicial processes index (0-18)

- **OECD High Income**: 11.0
- **Regional Average**: 8.9
- **Southern African Development Community (SADC)**: 7.4
- **Sub-Saharan Africa (SSA)**: 6.5
- **Middle East and North Africa (MENA)**: 5.8
- **Rwanda**: 14.0
- **Kenya**: 9.0
- **Uganda**: 8.5
- **Burundi**: 7.0
- **Tanzania**: 6.0

Source: Doing Business database.
Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

The most recent round of data collection for the project was completed in June 2017. See the methodology for more information.

<table>
<thead>
<tr>
<th>What the indicators measure</th>
<th>Case study assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time required to recover debt (years)</strong></td>
<td>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</td>
</tr>
<tr>
<td>Measured in calendar years</td>
<td>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</td>
</tr>
<tr>
<td>Appeals and requests for extension are included</td>
<td>- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.</td>
</tr>
<tr>
<td><strong>Cost required to recover debt (% of debtor’s estate)</strong></td>
<td>- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel’s real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.</td>
</tr>
<tr>
<td>Measured as percentage of estate value</td>
<td>In addition, Doing Business evaluates the adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor’s assets, reorganization proceedings and creditor participation.</td>
</tr>
<tr>
<td>Court fees</td>
<td></td>
</tr>
<tr>
<td>Fees of insolvency administrators</td>
<td></td>
</tr>
<tr>
<td>Lawyers’ fees</td>
<td></td>
</tr>
<tr>
<td>Assessors’ and auctioneers’ fees</td>
<td></td>
</tr>
<tr>
<td>Other related fees</td>
<td></td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td></td>
</tr>
<tr>
<td>Whether business continues operating as a going concern or business assets are sold piecemeal</td>
<td></td>
</tr>
<tr>
<td><strong>Recovery rate for creditors</strong></td>
<td></td>
</tr>
<tr>
<td>Measures the cents on the dollar recovered by secured creditors</td>
<td></td>
</tr>
<tr>
<td>Outcome for the business (survival or not) determines the maximum value that can be recovered</td>
<td></td>
</tr>
<tr>
<td>Official costs of the insolvency proceedings are deducted</td>
<td></td>
</tr>
<tr>
<td>Depreciation of furniture is taken into account</td>
<td></td>
</tr>
<tr>
<td>Present value of debt recovered</td>
<td></td>
</tr>
<tr>
<td><strong>Strength of insolvency framework index (0-16)</strong></td>
<td></td>
</tr>
<tr>
<td>Sum of the scores of four component indices:</td>
<td></td>
</tr>
<tr>
<td>Commencement of proceedings index (0-3)</td>
<td></td>
</tr>
<tr>
<td>Management of debtor’s assets index (0-6)</td>
<td></td>
</tr>
<tr>
<td>Reorganization proceedings index (0-3)</td>
<td></td>
</tr>
<tr>
<td>Creditor participation index (0-4)</td>
<td></td>
</tr>
</tbody>
</table>
Resolving Insolvency

Where do the region’s economies stand today?

How efficient are insolvency proceedings in economies in East African Community (EAC)? The global rankings of these economies on the ease of resolving insolvency suggest an answer. The average ranking of the region and comparator regions provide a useful benchmark for assessing the efficiency of insolvency proceedings. Speed, low costs and continuation of viable businesses characterize the top performing economies.

How economies in East African Community (EAC) rank on the ease of resolving insolvency

Source: Doing Business database.
Resolving Insolvency

The indicators underlying the rankings may be more revealing. Data collected by Doing Business show the average recovery rate and the average strength of insolvency framework index. Comparing these indicators across the region and with averages both for the region and for comparator regions can provide useful insights.

How efficient is the insolvency process in economies in East African Community (EAC)

Recovery rate (cents on the dollar)

Source: Doing Business database.
Business Reforms

Starting a Business

In the year ending June 1, 2017, 137 economies implemented 283 total reforms across the different areas measured by Doing Business, an increase of over 20% from last year. Doing Business has recorded more than 2,900 regulatory reforms making it easier to do business since 2004. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are the reforms implemented in East African Community (EAC) since Doing Business 2008.

<table>
<thead>
<tr>
<th>DB Year</th>
<th>Economy</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB2018</td>
<td>Burundi</td>
<td>Burundi made starting a business more expensive by increasing the cost of registering a business.</td>
</tr>
<tr>
<td>DB2018</td>
<td>Kenya</td>
<td>Kenya made starting a business easier by merging procedures required to start-up and formally operate a business.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Uganda</td>
<td>Uganda made starting a business easier by eliminating the requirement that a commissioner of oaths must sign compliance declarations.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Rwanda</td>
<td>Rwanda made starting a business easier by improving the online registration one-stop shop and streamlining post-registration procedures.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Kenya</td>
<td>Kenya made starting a business easier by removing stamp duty fees required for the nominal capital, memorandum and articles of association. Kenya also eliminated requirements to sign compliance declarations before a commissioner of oaths. However, Kenya also made starting a business more expensive by introducing a flat fee for company incorporation.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Kenya</td>
<td>Kenya made starting a business easier by reducing the time it takes to assess and pay stamp duty.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Rwanda</td>
<td>Rwanda made starting a business easier by eliminating the need for new companies to open a bank account in order to register for VAT.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Uganda</td>
<td>Uganda made starting a business easier by introducing an online system for obtaining a trading license and by reducing business incorporation fees.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Tanzania</td>
<td>Tanzania made starting a business more difficult by increasing registration fees.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Rwanda</td>
<td>Rwanda made starting a business more difficult by requiring companies to buy an electronic billing machine from a certified supplier.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Burundi</td>
<td>Burundi made starting a business easier by allowing registration with the Ministry of Labor at the one-stop shop and by speeding up the process of obtaining the registration certificate.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Rwanda</td>
<td>Rwanda made starting a business easier by reducing the time required to obtain a registration certificate.</td>
</tr>
<tr>
<td>DB2013</td>
<td>Tanzania</td>
<td>Tanzania made starting a business easier by eliminating the requirement for inspections by health, town and land officers as a prerequisite for a business license.</td>
</tr>
<tr>
<td>DB2013</td>
<td>Burundi</td>
<td>Burundi made starting a business easier by eliminating the requirements to have company documents notarized, to publish information on new companies in a journal and to register new companies with the Ministry of Trade and Industry.</td>
</tr>
</tbody>
</table>
Rwanda made starting a business easier by reducing the business registration fees.

Uganda introduced changes that added time to the process of obtaining a business license, slowing business start-up. But it simplified registration for a tax identification number and for value added tax by introducing an online system.

Uganda made it more difficult to start a business by increasing the trade licensing fees.

Kenya eased business start-up by reducing the time it takes to get the memorandum and articles of association stamped, merging the tax and value added tax registration procedures and digitizing records at the registrar.

**Dealing with Construction Permits**

<table>
<thead>
<tr>
<th>DB Year</th>
<th>Economy</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DB2012</strong> Rwanda</td>
<td>Rwanda made starting a business easier by reducing the business registration fees.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2012</strong> Uganda</td>
<td>Uganda introduced changes that added time to the process of obtaining a business license, slowing business start-up. But it simplified registration for a tax identification number and for value added tax by introducing an online system.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2011</strong> Uganda</td>
<td>Uganda made it more difficult to start a business by increasing the trade licensing fees.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2011</strong> Kenya</td>
<td>Kenya eased business start-up by reducing the time it takes to get the memorandum and articles of association stamped, merging the tax and value added tax registration procedures and digitizing records at the registrar.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DB Year</th>
<th>Economy</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DB2018</strong> Kenya</td>
<td>Kenya made dealing with construction permits less expensive by eliminating fees for clearances from the National Environment Management Authority (NEMA) and the National Construction Authority.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2018</strong> Rwanda</td>
<td>Rwanda increased quality control during construction by introducing risk-based inspections.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2018</strong> Tanzania</td>
<td>Tanzania made dealing with construction permits easier by implementing a one-stop shop and streamlining the building permit process.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2017</strong> Rwanda</td>
<td>Rwanda made dealing with construction permits more cumbersome and expensive by introducing new requirements to obtain a building permit. It also strengthen the quality control index by implementing the qualifications required for architects and engineers.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2016</strong> Kenya</td>
<td>Kenya made dealing with construction permits more difficult by requiring an additional approval before issuance of the building permit and by increasing the costs for both water and sewerage connections.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2016</strong> Rwanda</td>
<td>Rwanda made dealing with construction permits easier by adopting a new building code and new urban planning regulations.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2015</strong> Rwanda</td>
<td>Rwanda made dealing with construction permits easier by eliminating the fee for obtaining a freehold title and by streamlining the process for obtaining an occupancy permit.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2015</strong> Kenya</td>
<td>Kenya made dealing with construction permits more costly by increasing the building permit fees.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2014</strong> Burundi</td>
<td>Burundi made dealing with construction permits easier by establishing a one-stop shop for obtaining building permits and utility connections.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2014</strong> Rwanda</td>
<td>Rwanda made dealing with construction permits easier and less costly by reducing the building permit fees, implementing an electronic platform for building permit applications and streamlining procedures.</td>
<td></td>
</tr>
<tr>
<td><strong>DB2013</strong> Tanzania</td>
<td>Tanzania made dealing with construction permits more expensive by increasing the cost to obtain a building permit.</td>
<td></td>
</tr>
</tbody>
</table>
Burundi made obtaining a construction permit easier by eliminating the requirement for a clearance from the Ministry of Health and reducing the cost of the geotechnical study.

Burundi made dealing with construction permits easier by reducing the cost to obtain a geotechnical study.

Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits.

### Getting Electricity

<table>
<thead>
<tr>
<th>DB Year</th>
<th>Economy</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB2018</td>
<td>Kenya</td>
<td>Kenya improved the reliability of electricity by investing in its distribution lines and transformers and by setting up a specialized squad to restore power when outages occur.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Kenya</td>
<td>Kenya streamlined the process of getting electricity by introducing the use of a geographic information system which eliminates the need to conduct a site visit, thereby reducing the time and interactions needed to obtain an electricity connection.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Kenya</td>
<td>The utility in Kenya reduced delays for new connections by enforcing service delivery timelines and hiring contractors for meter installation.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Uganda</td>
<td>The utility in Uganda reduced delays for new electricity connections by deploying more customer service engineers and reducing the time needed for the inspection and meter installation.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Rwanda</td>
<td>In Rwanda the electricity company made getting electricity less costly by eliminating several fees.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Burundi</td>
<td>Burundi made getting electricity easier by eliminating the electricity utility's monopoly on the sale of materials needed for new connections and by dropping the processing fee for new connections.</td>
</tr>
<tr>
<td>DB2013</td>
<td>Rwanda</td>
<td>Rwanda made getting electricity easier by reducing the cost of obtaining a new connection.</td>
</tr>
</tbody>
</table>

### Registering Property

<table>
<thead>
<tr>
<th>DB Year</th>
<th>Economy</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB2018</td>
<td>Rwanda</td>
<td>Rwanda made registering property easier by implementing online services to facilitate the registration of property transfers.</td>
</tr>
<tr>
<td>DB2018</td>
<td>Tanzania</td>
<td>Tanzania made registering property more expensive by increasing the land and property registration fee.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Rwanda</td>
<td>Rwanda made it easier to register property by introducing effective time limits and increasing the transparency of the land administration system.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Kenya</td>
<td>Kenya made Registering property easier by increasing the transparency at its land registry and cadastre.</td>
</tr>
</tbody>
</table>
Kenya made property transfers faster by improving electronic document management at the land registry and introducing a unified form for registration.

Burundi made transferring property easier by creating a one-stop shop for property registration.

Rwanda made transferring property easier by eliminating the requirement to obtain a tax clearance certificate and by implementing the web-based Land Administration Information System for processing land transactions.

Uganda made transferring property easier by eliminating the need to have instruments of land transfer physically embossed to certify payment of the stamp duty.

Uganda made transferring property more difficult by introducing a requirement for property purchasers to obtain an income tax certificate before registration, resulting in delays at the Uganda Revenue Authority and the Ministry of Finance. At the same time, Uganda made it easier by digitizing records at the title registry, increasing efficiency at the assessor’s office and making it possible for more banks to accept the stamp duty payment.

Burundi made property transfers faster by establishing a statutory time limit for processing property transfer requests at the land registry.

Rwanda made transferring property more expensive by enforcing the checking of the capital gains tax.

Uganda increased the efficiency of property transfers by establishing performance standards and recruiting more officials at the land office.

### Getting Credit

<table>
<thead>
<tr>
<th>DB Year</th>
<th>Economy</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB2018</td>
<td>Kenya</td>
<td>Kenya improved access to credit information by starting to distribute data from two utility companies.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Tanzania</td>
<td>The credit bureau in Tanzania expanded credit bureau borrower coverage and began to distribute credit data from retailers.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Kenya</td>
<td>Kenya improved access to credit information by passing legislation that allows the sharing of positive information and by expanding borrower coverage.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Rwanda</td>
<td>In Rwanda the credit bureau started to provide credit scores to banks and other financial institutions while the credit registry expanded borrower coverage, strengthening the credit reporting system.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Uganda</td>
<td>In Uganda the credit bureau expanded borrower coverage, improving access to credit information.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Tanzania</td>
<td>Tanzania improved access to credit information by creating credit bureaus.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Rwanda</td>
<td>Rwanda improved access to credit by establishing clear priority rules outside bankruptcy for secured creditors and establishing clear grounds for relief from a stay of enforcement actions by secured creditors during reorganization procedures.</td>
</tr>
<tr>
<td>DB Year</td>
<td>Economy</td>
<td>Reform</td>
</tr>
<tr>
<td>---------</td>
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</tr>
<tr>
<td>DB2015</td>
<td>Kenya</td>
<td>Rwanda improved its credit information system by passing legislation that allows the sharing of both positive and negative credit information and establishes guidelines for the treatment of historical data.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Rwanda</td>
<td>Rwanda strengthened its secured transactions system by providing more flexibility on the types of debts and obligations that can be secured through a collateral agreement.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Tanzania</td>
<td>Tanzania improved its credit information system through new regulations that provide for the licensing of credit reference bureaus and outline the functions of the credit reference data bank.</td>
</tr>
<tr>
<td>DB2012</td>
<td>Rwanda</td>
<td>In Rwanda the private credit bureau started to collect and distribute information from utility companies and also started to distribute more than 2 years of historical information, improving the credit information system.</td>
</tr>
<tr>
<td>DB2011</td>
<td>Uganda</td>
<td>Uganda enhanced access to credit by establishing a new private credit bureau.</td>
</tr>
<tr>
<td>DB2011</td>
<td>Rwanda</td>
<td>Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry.</td>
</tr>
</tbody>
</table>

### Protecting Minority Investors

<table>
<thead>
<tr>
<th>DB Year</th>
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</tr>
</thead>
<tbody>
<tr>
<td>DB2018</td>
<td>Rwanda</td>
<td>Rwanda strengthened minority investor protections by making it easier to sue directors, clarifying ownership and control structures and requiring greater corporate transparency.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Kenya</td>
<td>Kenya strengthened minority investor protections by clarifying ownership and control structures, by introducing greater requirements for disclosure of related-party transactions to the board of directors, by making it easier to sue directors in cases of prejudicial related-party transactions and by allowing the rescission of related-party transactions that are shown to harm the company.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Rwanda</td>
<td>Rwanda strengthened minority investor protections by introducing provisions allowing holders of 10% of a company's shares to call for an extraordinary meeting of shareholders, requiring holders of special classes of shares to vote on decisions affecting their shares, requiring board members to disclose information about their directorships and primary employment and requiring that audit reports for listed companies be published in a newspaper.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Rwanda</td>
<td>Rwanda strengthened investor protections through a new law allowing plaintiffs to cross-examine defendants and witnesses with prior approval of the questions by the court.</td>
</tr>
<tr>
<td>DB2012</td>
<td>Burundi</td>
<td>Burundi strengthened investor protections by introducing new requirements for the approval of transactions between interested parties, by requiring greater corporate disclosure to the board of directors and in the annual report and by making it easier to sue directors in cases of prejudicial transactions between interested parties.</td>
</tr>
</tbody>
</table>
### EAST AFRICAN COMMUNITY (EAC)

<table>
<thead>
<tr>
<th>DB Year</th>
<th>Economy</th>
<th>Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>DB2018</td>
<td>Kenya</td>
<td>Kenya made paying taxes easier by implementing an online platform, iTax, for filing and paying corporate income tax and the standards levy.</td>
</tr>
<tr>
<td>DB2018</td>
<td>Rwanda</td>
<td>Rwanda made paying taxes easier by establishing an online system for filing and paying taxes.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Uganda</td>
<td>Uganda made paying taxes easier by eliminating a requirement for tax returns to be submitted in paper copy following online submission. At the same time, Uganda increased the stamp duty for insurance contracts.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Burundi</td>
<td>Tanzania made paying taxes more complicated by increasing the frequency of filing of the skills Development Levy and more costly by introducing a workers’ compensation tariff paid by employers.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Rwanda</td>
<td>Rwanda made paying taxes more complicated by introducing a requirement that companies file and pay social security contributions monthly instead of quarterly.</td>
</tr>
<tr>
<td>DB2017</td>
<td>Burundi</td>
<td>Burundi made paying taxes easier by introducing a new tax return and eliminating the personalized VAT declaration form.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Rwanda</td>
<td>Rwanda made paying taxes easier for companies by introducing electronic filing and making its use compulsory.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Tanzania</td>
<td>Tanzania made paying taxes more complicated for companies by introducing an excise tax on money transfers. On the other hand, it made paying taxes less costly by reducing the rate of the skill and development levy.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Kenya</td>
<td>Kenya made paying taxes more costly for companies by increasing employers’ social security contribution rate.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Burundi</td>
<td>Burundi made paying taxes less costly for companies by reducing corporate income tax rate.</td>
</tr>
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<td>DB2014</td>
<td>Rwanda</td>
<td>Rwanda made paying taxes easier and less costly for companies by rolling out its electronic filing system to the majority of businesses and by reducing the property tax rate and business trading license fee.</td>
</tr>
<tr>
<td>DB2013</td>
<td>Kenya</td>
<td>Kenya made paying taxes faster for companies by enhancing electronic filing systems.</td>
</tr>
<tr>
<td>DB2012</td>
<td>Burundi</td>
<td>Burundi made paying taxes easier for companies by reducing the payment frequency for social security contributions from monthly to quarterly.</td>
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<tr>
<td>DB2012</td>
<td>Rwanda</td>
<td>Rwanda reduced the frequency of value added tax filings by companies from monthly to quarterly.</td>
</tr>
<tr>
<td>DB2011</td>
<td>Kenya</td>
<td>Kenya increased the administrative burden of paying taxes by requiring quarterly filing of payroll taxes.</td>
</tr>
<tr>
<td>DB2011</td>
<td>Burundi</td>
<td>Burundi made paying taxes simpler by replacing the transactions tax with a value added tax.</td>
</tr>
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### Trading across Borders

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Kenya reduced the time for import documentary compliance by utilizing its single window system, which allows for electronic submission of customs entries.

Uganda reduced the time for export documentary compliance and border compliance by allowing for electronic document submission and processing of certificates of origin and by further developing the Malaba One-Stop Border Post.

Uganda made trading across borders easier by constructing the Malaba One-Stop Border Post which reduced border compliance time for exports.

Rwanda made trading across borders easier by removing the mandatory preshipment inspection for imported products.

Rwanda increased the time and cost for documentary and border compliance for importing by making preshipment inspection mandatory for all imported products.

Tanzania reduced the time for both exporting and importing by implementing the Tanzania Customs Integrated System (TANCIS), an online system for downloading and processing customs documents.

Uganda made trading across borders easier by implementing the ASYCUDA World electronic system for the submission of export and import documents.

Tanzania made trading across borders easier by upgrading infrastructure at the port of Dar es Salaam.

Burundi made trading across borders easier by eliminating the requirement for a preshipment inspection clean report of findings.

Rwanda made trading across borders easier by introducing an electronic single-window system at the border.

Tanzania made importing more difficult by introducing a requirement to obtain a certificate of conformity before the imported goods are shipped.

Burundi reduced the time to trade across borders by enhancing its use of electronic data interchange systems, introducing a more efficient system for monitoring goods going through transit countries and improving border coordination with neighboring transit countries.

Tanzania made trading across borders faster by implementing the Pre-Arrival Declaration (PAD) system and electronic submission of customs declaration.

Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.

Kenya speeded up trade by implementing an electronic cargo tracking system and linking this system to the Kenya Revenue Authority's electronic data interchange system for customs clearance.

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### Economy

- **Tanzania** improved access to credit information by creating credit bureaus.
- **Kenya** made trading across borders faster by implementing the Pre-Arrival System.
- **Rwanda** reduced the frequency of value added tax filings by companies from six per year to one per six years.
- **Rwanda** increased quality control during construction by introducing risk-based audits.
- **Kenya** introduced a case management system that will help increase the efficiency and cost-effectiveness of court proceedings.
- **Tanzania** made registering property more expensive by increasing the land registration fee.
- **Burundi** amended its commercial code to establish foreclosure procedures.
- **Rwanda** made enforcing contracts easier by introducing an electronic case management system for judges and lawyers.

### Resolving Insolvency

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<td>DB2017</td>
<td>Kenya</td>
<td>Kenya made resolving insolvency easier by introducing a reorganization procedure, facilitating continuation of the debtor's business during insolvency proceedings and by introducing regulations for insolvency practitioners.</td>
</tr>
<tr>
<td>DB2016</td>
<td>Rwanda</td>
<td>Rwanda improved its insolvency system by introducing provisions on voidable transactions and the approval of reorganization plans and by establishing additional safeguards for creditors in reorganization proceedings.</td>
</tr>
<tr>
<td>DB2015</td>
<td>Uganda</td>
<td>Uganda made resolving insolvency easier by consolidating all provisions related to corporate insolvency in one law, establishing provisions on the administration of companies (reorganization), clarifying standards on the professional qualifications of insolvency practitioners and introducing provisions allowing the avoidance of undervalued transactions.</td>
</tr>
<tr>
<td>DB2014</td>
<td>Rwanda</td>
<td>Rwanda made resolving insolvency easier through a new law clarifying the standards for beginning insolvency proceedings; preventing the separation of the debtor's assets during reorganization proceedings; setting clear time limits for the submission of a reorganization plan; and implementing an automatic stay of creditors' enforcement actions.</td>
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<tr>
<td>DB2014</td>
<td>Tanzania</td>
<td>Tanzania made resolving insolvency easier through new rules clearly specifying the professional requirements and remuneration for insolvency practitioners, promoting reorganization proceedings and streamlining insolvency proceedings.</td>
</tr>
<tr>
<td>DB2013</td>
<td>Uganda</td>
<td>Uganda strengthened its insolvency process by clarifying rules on the creation of mortgages, establishing the duties of mortgagors and mortgagees, defining priority rules, providing remedies for mortgagors and mortgagees and establishing the powers of receivers.</td>
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<td>DB2012</td>
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<td>Burundi amended its commercial code to establish foreclosure procedures.</td>
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Doing Business 2018 is the 15th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the Doing Business series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.