

Malaysia In
Doing Business 2015
Going Beyond Efficiency



PEMUDAH

Pasukan Petugas Khas Pemudahcara Perniagaan
The Special Task Force To Facilitate Business

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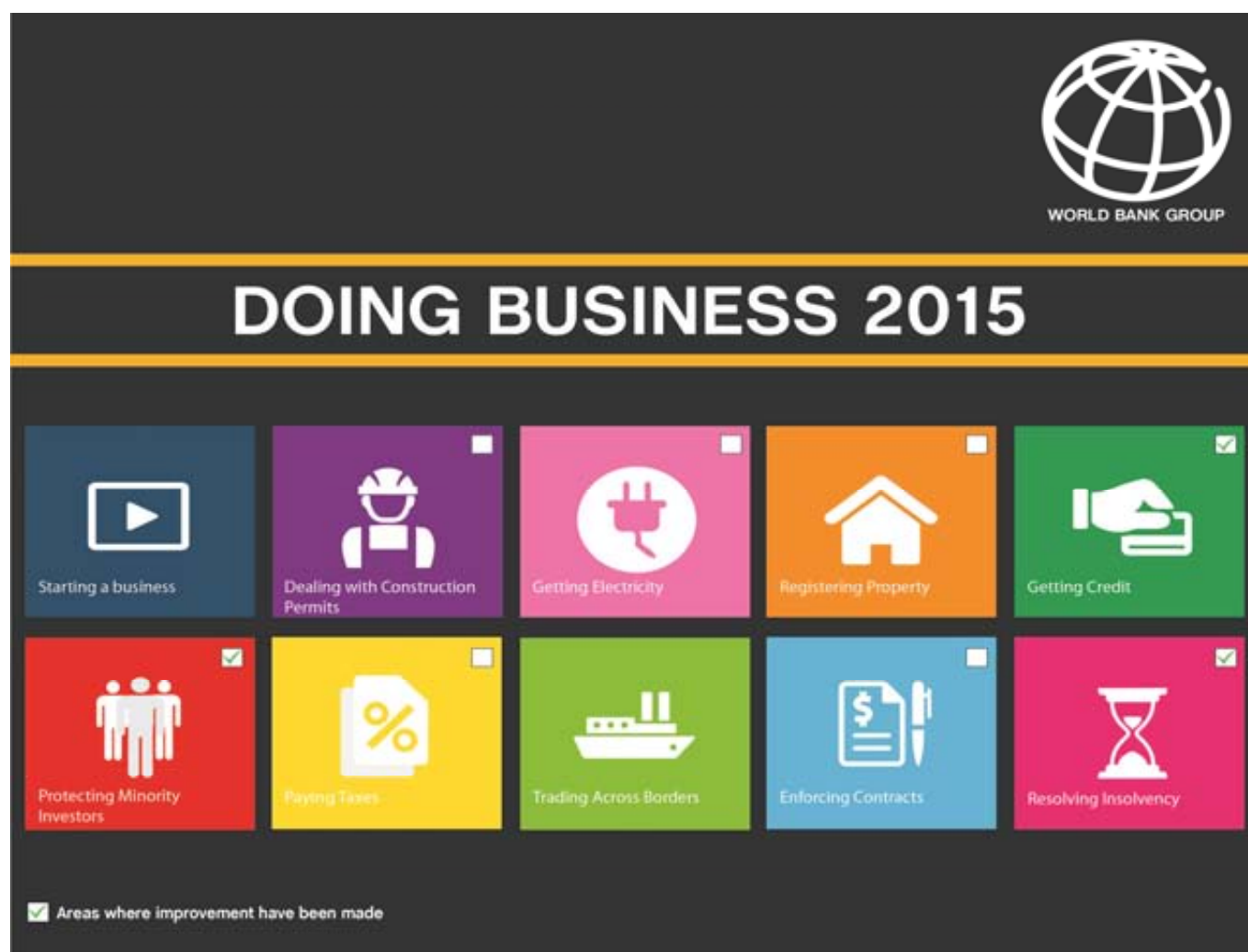
Revised as at 29th October 2014.
Source: Doing Business Database

DOING BUSINESS 2015

Going Beyond Efficiency

Overview

1. This year's *Doing Business* report launches a 2-year process of introducing important improvements in 8 of the 10 sets of *Doing Business* indicators namely: i) Dealing with Construction Permits; ii) Getting Electricity; iii) Registering Property; iv) Getting Credit; v) Protecting Minority Investors; vi) Paying Taxes; vii) Enforcing Contracts; and viii) Resolving Insolvency. These improvements provide a new conceptual framework in which the emphasis on the efficiency of regulation is complemented by an increased emphasis on its quality. In the area of dealing with construction permits, for example, *Doing Business* will measure the quality of building regulations and the qualifications of the people reviewing the building plans in addition to the efficiency of the process for completing all the formalities to build a warehouse.



2. With a few exceptions, the original *Doing Business* indicators focused mainly on measuring efficiency, such as recording the procedures, time and cost to start a business or to transfer property. As the project's importance grew, it became clear that there was a need to expand what was being measured to include more aspects of regulatory quality. Many of the improvements in methodology were inspired and informed by the report of the Independent Panel on *Doing Business* as well as by input from policy makers and data users. They also benefited from discussions at the *Doing Business* research conference held in Washington, DC, in February 2014.
3. *Doing Business* continues to focus on regulations that affect domestic small and medium-size enterprises, operating in the largest business city of an economy, across 10 areas. *Doing Business* also measures labor market regulation, which is not included in any of the aggregate measures.
4. The indicator sets for 3 of the 10 topics are being expanded in this year's report (Getting Credit, Protecting Minority Investors, Resolving Insolvency); those for 5 others will be expanded in next year's report (Dealing with Construction Permits, Getting Electricity, Registering Property, Paying Taxes and Enforcing Contracts).

Overview of Changes in Doing Business	Timeline of the Changes in Doing Business
<ul style="list-style-type: none"> ◆ This year's report and <i>Doing Business</i> 2016 are introducing changes in 8 of the 10 <i>Doing Business</i> indicator sets: dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, enforcing contracts and resolving insolvency. ◆ The improvements have 2 main goals. The first is to expand the focus of indicator sets that primarily measure the efficiency of a transaction or service to also cover aspects of the quality of that service. The second is to expand the focus of indicator sets that already measure some aspects of the quality of regulation to include recent good practices in the areas covered. ◆ Starting this year the ease of doing business ranking is based on the distance to frontier score. ◆ For the 11 economies with a population of more than 100 million, a second city has been added to the sample this year. 	Changes in Doing Business 2015
	Revision of the ranking calculation
	Expansion of the city sample in large economies
	Broadening of the scope of indicator sets
	<ul style="list-style-type: none"> • Getting credit
	<ul style="list-style-type: none"> • Protecting minority investors
	<ul style="list-style-type: none"> • Resolving insolvency
	Changes in Doing Business 2016
	Broadening of the scope of indicator sets
	<ul style="list-style-type: none"> • Registering property
	<ul style="list-style-type: none"> • Dealing with construction permits
	<ul style="list-style-type: none"> • Getting electricity
	<ul style="list-style-type: none"> • Paying taxes
	<ul style="list-style-type: none"> • Enforcing contracts
	Note: No changes are planned for starting a business or trading across borders. Minor updates in methodology are introduced in this year's report for dealing with construction permits, paying taxes and enforcing contracts, as explained in the data notes

5. In addition, while *Doing Business* continues to publish the ease of doing business ranking, this year's report introduces a change in the basis for the ranking, from the percentile rank to the distance to frontier score. The distance to frontier score benchmarks economies with respect to a measure of regulatory best practice showing the gap between each economy's performance and the best performance on each indicator.
6. This measure captures more information than the simple rankings previously used as the basis for the ease of doing business ranking because it shows not only how economies are ordered on their performance on the indicators but also how far apart they are. The distance to frontier score also provides an important complement to the ease of doing business ranking in analysing changes in an economy's business regulatory environment.



Starting A Business

Records and updates all procedures and information on new and existing companies and enables registered entities to comply with their obligations under the current regulatory framework, including those related to the company laws. It also empowers businesses to operate in the formal economy and to reap the benefits that come with formalisation.



Dealing with Construction Permits

Measures the procedures, time and cost to comply with the formalities to build a warehouse – including obtaining necessary licenses and permits, completing required notifications and inspections and obtaining utility connections.



Getting Electricity

Records all procedures required for a business to obtain a permanent electricity connection and supply for a standardised warehouse. These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the utility and other agencies and the external and final connection works.



Registering Property

Records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business.



Getting Credit

Measures the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the sharing of credit information.



Protecting Minority Investors

Measures the protection of minority investors from conflicts of interest through one set of indicators and shareholder's rights in corporate governance.



Paying Taxes

Records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as measures of the administrative burden of paying taxes and contributions.



Trading Across Borders

Measures the time and cost (excluding tariffs) associated with exporting and importing a standardised cargo of goods by sea transport. The time and cost necessary to complete every official procedure for exporting and importing the goods.



Enforcing Contracts

Measures the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts.



Resolving Insolvency

Studies the time, cost and outcome of insolvency proceedings involving domestic entities. This year it introduces a new measure, the strength of insolvency framework index, evaluating the adequacy and integrity of the legal framework applicable to liquidation and re-organisation proceedings.

HIGHLIGHTS OF MALAYSIA'S PERFORMANCE

In the new methodology for Doing Business 2015 adopted by the World Bank, Malaysia is ranked 18th out of 189 economies up two notches from 20th last year. This puts Malaysia amongst the world's top ten percent easiest to do business economies.

7. In its latest report, the International Finance Corporation of the World Bank ranked Malaysia among the top 20 countries where doing business is concerned. This is consistent with Malaysia's performance as ranked by other international organisations, such as the the Institute for Management Development (IMD) and the World Economic Forum (WEF), both of which placed Malaysia among the top 10 percentile for Business Efficiency (IMD World Competitiveness Yearbook 2014) and Business Sophistication (WEF Global Competitiveness Report 2014-2015). This reaffirms the country's consistently competitive performance globally.
8. This 2015 IFC World Bank Doing Business Report, which covers 189 countries, placed Malaysia (18th), ahead of Taiwan (19th), Switzerland (20th), Thailand (26th), The Netherlands (27th), and Japan (29th) (Table 1). Malaysia was ranked second in ASEAN and fourth in Asia after Singapore, Hong Kong and the Republic of Korea.
9. In its latest Doing Business Report, the IFC World Bank changed its methodology for analysing country performance. For comparative purposes the World Bank recalibrated the scores for the 2014 Report using the new methodology. In doing so, for 2014, Malaysia was ranked 20th among 189 economies. For the 2015 Report, our ranking improved to 18th position, among these same economies.
10. The ranking is now based on the "Distance To Frontier" (DTF) score rather than percentile rank. The "frontier" represents the best theoretical score (i.e.,100) observed on each of the Doing Business indicators. The DTF score shows the gap between an economy's performance and the best performance on each indicator. The World Bank is of the opinion that this methodology provides clarity on the improvements that countries need to make as they work on their competitiveness.

Table 1: Top 30 countries of the World Bank Doing Business 2015

DB2015 Rank	DB2014 Rank ¹	Economy	Performance	DB 2015 DTF Score	DB 2014 DTF Score ¹
1	1	Singapore	↓	88.27	88.30
2	2	New Zealand	↑	86.91	86.37
3	3	Hong Kong SAR, China	↑	84.97	84.45
4	4	Denmark	↑	84.20	84.07
5	5	Korea Rep.	↑	83.40	83.21
6	6	Norway	↑	82.40	82.17
7	7	United States	↑	81.98	81.96
8	9	United Kingdom	↑	80.96	80.75
9	8	Finland	↓	80.83	81.12
10	10	Australia	↓	80.66	80.70
11	12	Sweden	↑	80.60	80.20
12	11	Iceland	↓	80.27	80.47
13	17	Ireland	↑	80.07	78.24
14	13	Germany	↓	79.73	80.02
15	14	Georgia	↓	79.46	79.61
16	15	Canada	↓	79.09	79.12
17	16	Estonia	↑	78.84	78.54
18	20	Malaysia	↑	78.83	76.84
19	18	Taiwan, China	↑	78.73	77.62
20	22	Switzerland	↑	77.78	76.26
21	19	Austria	↑	77.42	77.10
22	25	United Arab Emirates	↑	76.81	75.08
23	21	Latvia	↑	76.73	76.59
24	24	Lithuania	↑	76.31	75.86
25	23	Portugal	↑	76.03	76.02
26	28	Thailand	↑	75.27	74.87
27	26	Netherlands	—	75.01	75.01
28	29	Mauritius	↑	74.81	74.37
29	27	Japan	↓	74.80	74.94
30	31	Macedonia, FYR	↑	74.11	72.67

Note:

¹The DB2014 rankings and distance to frontier scores reflect data revisions and methodology changes as used in DB2015.

* Malaysia's overall performance, vis-à-vis the Asia Pacific countries and BRICS, and Selected Asian Economies are shown in Appendices 1, 2, and 3.

11. The World Bank acknowledged that Malaysia used the findings from the Doing Business indicators as input into initiatives to improve the business environment. This is reflected in improvements in:

Starting a Business

- Time reduced from 6 to 5.5 days;
- Cost (% of income per capita) reduced from 7.6% to 7.2%.

Dealing with Construction Permits:

- Time reduced from 130 to 74 days;
- Procedures reduced from 15 to 13.

Getting Electricity

- Cost (% of income per capita) reduced from 49.1% to 46.3%.

Registering Property

- Time reduced from 14 to 13.5 days.

Resolving Insolvency

- Time reduced from 1.5 years to 1 year;
- Recovery rate (cents on the dollar) improved to 81.3 from 48.9.

12. These improvements reflect the initiatives undertaken by the Government through the Government Transformation and Economic Transformation Programmes, as well as the work undertaken by PEMUDAH (the joint public-private sector Task Force to Facilitate Business).
13. The ETP, GTP and PEMUDAH initiatives are inclusive of efforts by both the public and private sectors to identify and resolve operational inefficiencies and review procedures and regulations.
14. Specifically, PEMUDAH, established in 2007, drives collaboration to improve service delivery, facilitate the ease doing business in Malaysia, reduce costs and eliminate red tape. PEMUDAH uses the Doing Business Report as a basis for improving the business and investment environment. PEMUDAH works with various entities such as Kuala Lumpur City Hall (DBKL), Companies Commission of Malaysia (SSM), Inland Revenue Board (IRB), Jabatan Tanah dan Galian (JKPTG), Suruhanjaya Tenaga, Local Authorities, Bank Negara, MITI and MPC to further improve service delivery at the Federal and State levels.

Improvements include:

- the establishment of New Civil Court (NCvC) in Subordinate Court to allow cases registered to be disposed within nine months and for easy monitoring by Managing Judges;
- setting up of the Regulatory Impact Statement (RIS) Portal which serves as repository and reference source for all regulators;
- implementation of the OSC 3.0, a system which incorporates international good practices for regulating procedures and regulation for issuance of permits and licences by the local authorities;
- the introduction of e-Filing and e-Payment for sales tax to reduce the time taken to file and pay sales tax; and
- implementation of new Standard Operating Procedures (SOP) to improve the inspection systems for imports and exports and reduce time taken for Customs clearance processes.

15. Going forward, PEMUDAH will collaborate with the IFC World Bank to delve deeper into the areas for improvement, and work with the Government to substantially reduce costs and time as well as enhance service quality in Malaysia. This will ultimately make Malaysia a more attractive investment destination. Malaysia's performance in the ten areas of Doing Business 2015 is as shown in Table 2..

Table 2: Malaysia's Performance in the 10 Areas of Doing Business 2015

AREAS	DB2015		DB2014		CHANGE IN RANK		BEST PERFORMER GLOBALLY DB2015
	RANK	DTF SCORE	RANK	DTF SCORE			
Starting A Business	13	94.90	12	94.73		-1	New Zealand (99.96)
Dealing with Construction Permits	28	82.49	39	79.55		+11	Hong Kong SAR, China (95.53)
Getting Electricity	27	86.67	28	86.66		+1	Korea, Rep. (99.83)
Registering Property	75	71.16	74	71.18		-1	Georgia (99.88)
Getting Credit	23	70.00	19	70.00		-4	New Zealand (100.00)
Protecting Minority Investors	5	74.17	5	74.17		-	New Zealand (81.67)
Paying Taxes	32	83.95	31	84.07		-1	United Arab Emirates & Qatar (99.44)
Trading Across Borders	11	89.94	10	90.43		-1	Singapore (96.47)
Enforcing Contracts	29	69.39	30	69.39		+1	Singapore (89.54)
Resolving Insolvency	36	65.61	65	48.22		+29	Finland (93.85)



WORLD BANK GROUP

Malaysia Further Improves the Ease of Doing Business:

World Bank Report Ranks Country First Among Emerging East Asia Economies

Washington, D.C., October 29, 2014—A new World Bank Group report finds that Malaysia has continued to improve its business environment over the past year, landing the country among the top 20 economies worldwide and first among emerging economies in East Asia on the Ease of Doing Business.

The *Doing Business* report has introduced a number of methodological refinements this year. To better capture the quality of regulations, this year's report expands the data collected in three of the ten topics covered. Rankings are now based on the "distance to the frontier" measure. Economies are evaluated based on how close their business regulations are to the best global practices in each topic covered. A higher score indicates a more efficient business environment and stronger legal institutions. Finally, *Doing Business* now collects data for two cities in each economy with a population of more than 100 million.

Using this new methodology, Malaysia's standing on the ease of doing business ranking improved from 20th place in last year's *Doing Business* report to 18th place in this year's report. The higher ranking this year reflects improvements in dealing with construction permits, as the one stop shop for permits implemented in 2013 was responsible for further decreases in the time to obtain a development approval.


Doing Business 2015: Going Beyond Efficiency shows that since 2005, Malaysia has improved its business regulatory framework through 17 reforms in the areas measured by the report—compared with the global average of 12 reforms per economy in that period. Malaysia has therefore narrowed the gap with some of the best practices worldwide. In business incorporation, for example, Malaysia has undertaken a series of steps to ease the burden for local entrepreneurs, such as merging the company, tax, social security, and employment fund registrations at a registration one-stop shop in 2011. Efforts such as these have reduced the time required to start a business from 37 days in 2005 to less than 6 days today, less than in Ireland.

"Through an ambitious reform agenda, Malaysia has gradually improved the ease of doing business. This has benefited local entrepreneurs, who now have fewer regulatory hurdles to comply with and more resources to focus on their business," said Rita Ramalho, *Doing Business* lead author, World Bank Group. *"Malaysia's case also shows how the latest technologies can be used to improve the regulatory environment for businesses. Over the past five years, for example, the implementation of electronic systems has made it easier for businesses to pay taxes and execute contracts."*

The report finds that Malaysia ranks among the top five economies in East Asia and the Pacific in seven areas: protecting minority investors, trading across borders, starting a business, getting credit, enforcing contracts, paying taxes, and resolving insolvency. Challenges persist, though. For example, further adapting the legal framework to internationally recognized good practices in the area of insolvency would better protect entrepreneurs involved in insolvency procedures.

STARTING A BUSINESS

Records and updates all procedures and information on new and existing companies and enables registered entities to comply with their obligations under the current regulatory framework, including those related to the company laws. It also empowers businesses to operate in the formal economy and to reap the benefits that come with formalisation.

	Starting a Business (rank)	13
	DTF score for starting a business (0-100)	94.90
	Procedures (number)	3
	Time (days)	5.5
	Cost (% of income per capita)	7.2
	Paid-in minimum capital (% of income per capita)	0.0



STARTING A BUSINESS

Records and updates all procedures and information on new and existing companies and enables registered entities to comply with their obligations under the current regulatory framework, including those related to the company laws. It also empowers businesses to operate in the formal economy and to reap the benefits that come with formalisation.

Indicator	Malaysia DB 2015	Malaysia DB 2014	Best performer globally DB2015
Starting a Business	13 (94.90)	12 (94.73)	New Zealand (99.96)
Procedures (number)	3	3	Canada (1); New Zealand (1)
Time (days)	5.5	6.0	New Zealand (0.5)
Cost (% of income per capita)	7.2	7.6	Slovenia (0.0)
Paid-in minimum capital (% of income per capita)	0.0	0.0	Australia (0.0); Colombia (0.0)*

* One hundred and ten other economies also have minimum capital requirement of 0.0

16. Malaysia achieved a Distance To Frontier (DTF) score of 94.9 in Starting A Business and is ranked 13th position out of 189 economies in the Doing Business 2015. Among the indicators in Starting a Business that registered improvements include the number of days to start a business from 6 days to 5.5 days and cost reduced to 7.2 per cent of income per capita from 7.6 per cent.
17. Malaysia has made starting a business less costly by reducing company registration fees. The reduction of incorporation fee of RM3,000 to RM1,000 for companies with an authorised share capital of RM400,000 and extension of the minimum capital requirements under the Companies Act 1965 by Companies Commission of Malaysia (SSM) whereby a company does not need to have a minimum capital further strengthened public trust and investors' confidence.

18. Malaysia Corporate Identity Number (MyCoID) is provided to companies by the SSM for the purpose of registration, referrals and transactions with government agencies involved. Incorporation and registration with the government agencies involved, can be made simultaneously through the electronic MyCoID Gateway. This main initiative which allows businesses to start in just 1 day is the mandatory online incorporation through the portal MyCoID for Kuala Lumpur, Selangor and Negeri Sembilan.



***Standard identification number
of a business entity for use in
its interaction with
Government agencies***

19. In phase 2 of the MyCoID, the Government with SSM as the lead agency will enhance the existing concept beyond mere usage of a single corporate identity number. The potential of MyCoID will be maximised towards consolidating the process of incorporation in SSM and registration with the relevant agencies via the automated MyCoID system. Incorporation of a company and registration with the relevant agencies will be able to be carried out in a single touch point. The development of MyCoID system possesses strategic implications to the domestic business environment and the country as a whole as an international business destination.

20. A new dimension in carrying out business is the introduction of Limited Liability Partnership (LLP) which was introduced on 5th February 2013. The LLP offers a hybrid of characteristics between a conventional partnership and a company and provide businessmen the flexibility of internal arrangement in conducting business similar to a Conventional Partnership which is not required to adopt any particular accounting standard. However, the LLP is expected to prepare from time to time its accounting records which will give a true and fair view of the state of affairs of the LLP.

DEALING WITH CONSTRUCTION PERMITS

Measures the procedures, time and cost to comply with the formalities to build a warehouse – including obtaining necessary licenses and permits, completing required notifications and inspections and obtaining utility connections.

Dealing with Construction Permits (rank)

28

DTF score for dealing with construction permits (0-100)

82.49



Procedures (number)

13

Time (days)

74

Cost (% of warehouse value)

1.3



DEALING WITH CONSTRUCTION PERMITS

Measures the procedures, time and cost to comply with the formalities to build a warehouse – including obtaining necessary licenses and permits, completing required notifications and inspections and obtaining utility connections.

Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Dealing with Construction Permits	28 (82.49)	39 (79.55)	Hong Kong SAR, China (95.53)
Procedures (number)	13	13	Hong Kong SAR, China (5)
Time (days)	74	105	Singapore (26)
Cost (% of warehouse value)	1.3	1.3	Qatar (0.0)

21. Dealing with Construction Permits in Malaysia is ranked 28th out of 189 economies with a DTF score of 82.49. This achievement can be attributed to marked improvement in the number of days taken to obtain construction permits which has been reduced to 74 days from 105 days. However, the number of procedures and cost (% of warehouse value) remained at 13 and 1.3 per cent respectively.

22. The OSC 1 Submission has been designed since 2012 to improve the efficiency processes without compromising the quality and safety requirements for an economy's construction permit system. These improvements would definitely ease the process of doing business in Dealing with Construction Permits and attract more investors to invest in Kuala Lumpur and thus, create a more vibrant economy and enhance the city's competitiveness globally.

23. A new model, OSC 3.0, which was introduced in June 2014, integrates

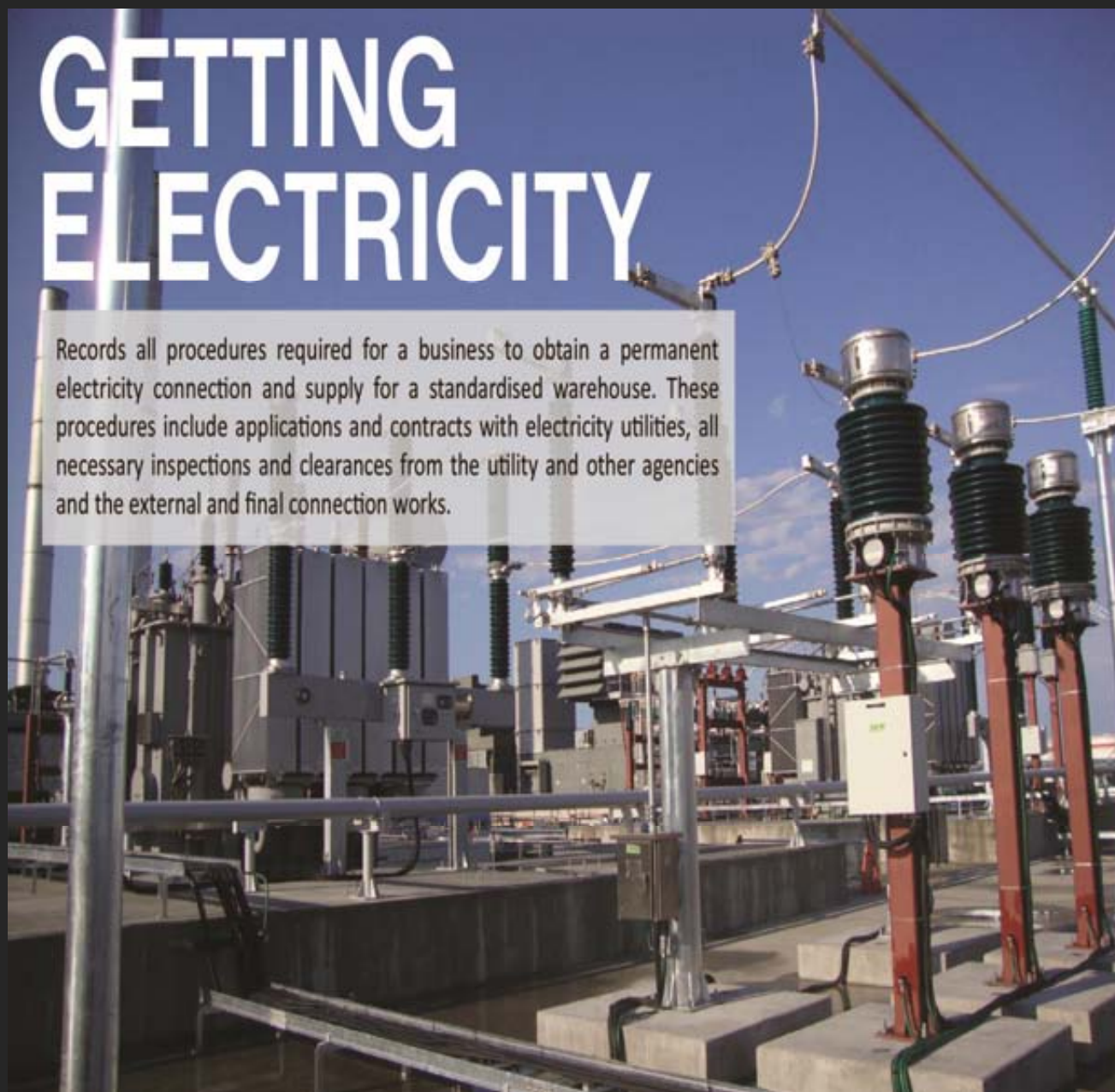
international good practices for regulating procedures and regulations for issuance of permits and licences by the local authorities. The six processes focused upon are data collection, consideration for approval, notification of commencement of building works, interim inspection, final inspection and certificate of fitness for occupation. The benefits of OSC 3.0 includes streamlined procedures and improved transparency on permitting requirements; enhanced efficiency of all parties involved; reduced compliance costs to investor, attracting more investment and increased employment opportunities.

24. KL TRAX was introduced as an online system to monitor construction permit applications from the date of submission until issuance of Certificate of Completion and Compliance (CCC) including updating and checking application status for both parties (local authority/agencies and private sectors). The benefits are the enhancing of productivity and performance with reduction in time taken, integration of all agencies and business on a single transparent platform and One-stop Non-stop service. These initiatives augur well and are in line with the World Bank's proposed expansion of indicator set in Dealing with Construction Permits in 2016 to measure good practices in construction regulations. The changes will address important issues facing the building community as shown below.



GETTING ELECTRICITY

Records all procedures required for a business to obtain a permanent electricity connection and supply for a standardised warehouse. These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the utility and other agencies and the external and final connection works.



Getting Electricity (rank)	27
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DTF score for getting electricity (0-100)	86.67
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Procedures (number)	5
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Time (days)	32
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Cost (% of income per capita)	46.3
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GETTING ELECTRICITY

Records all procedures required for a business to obtain a permanent electricity connection and supply for a standardised warehouse. These procedures include applications and contracts with electricity utilities, all necessary inspections and clearances from the utility and other agencies and the external and final connection works.

Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Getting Electricity	27 (86.67)	28 (86.66)	Korea, Rep. (99.83)
Procedures (number)	5	5	Germany (3); Korea. Rep. (3)*
Time (days)	32	32	Korea, Rep. (18)
Cost (% of income per capita)	46.3	49.1	Japan (0.0)

* In eleven other economies, it also takes only 3 procedures to get an electricity connection.

25. Getting Electricity in Malaysia is ranked 27th out of 189 economies with a DTF score of 86.67. The number of procedures and time taken to get electricity are maintained at 5 procedures and 32 days respectively while cost in terms of percentage of income per capita had been reduced to 46.3% from 49.1%.
26. Tenaga Nasional Berhad (TNB) with their transformation programme in 2013 made Getting Electricity in Malaysia easier by improving communication with contractors and introducing electronic document management systems managing resources by a risk-based approach.
27. TNB's involvement in early introduction of OSC 1 submission and OSC 3.0 for electricity connections had enabled its internal processes to be more efficient in reducing the time to get connection. Previously, owners had to complete 5 procedures and wait for 32 to 70 days for overhead and underground connections. With the new framework, only 3 procedures and 15 days are required for overhead connections, while underground connections would require an additional 14 days for excavation permit requirement.

28. The existing data set on Getting Electricity measures the efficiency of the process for obtaining an electricity connection for a standard warehouse as reflected in the procedures, time and cost required. While the efficiency of the connection process has proved to be a useful proxy for the overall efficiency of the electricity sector, these measures cover only a small part of the sector's performance. Beyond the complexity and high cost of getting an electricity connection, inadequate or unreliable power supply is also perceived as an important constraint on business activity, particularly in the developing world.
29. To offer a more complete view of the electricity sector, *Doing Business* will broaden the scope of the Getting Electricity indicators to include the reliability of the power supply. A new indicator will assess the reliability of electricity supply by measuring both the duration and the frequency of power outages.
30. The indicator will use the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI). SAIDI is the average total duration of outages over the course of a year for each customer served, while SAIFI is the average number of service interruptions experienced by a customer in a year.

2016: What will be added to Getting Electricity



Reliability of electricity supply

- Duration of power outages
- Frequency of power outages

REGISTERING PROPERTY

Records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business.

Registering Property (rank)		75
DTF score for registering property (0-100)		71.16
	Procedures (number)	8
	Time (days)	13.5
	Cost (% of property value)	3.3



REGISTERING PROPERTY

Records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business.

Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Registering Property	75 (71.16)	74 (71.18)	Georgia (99.88)
Procedures (number)	8	8	Georgia (1); Norway (1); Portugal (1); Sweden (1)
Time (days)	13.5	13.5	Georgia (1); New Zealand (1); Portugal (1)
Cost (% of property value)	3.3	3.3	Saudi Arabia (0.0)


31. Registering Property in Malaysia attained a DTF score of 71.16 in the DB 2015 with a rank of 75 out of 189 economies. Malaysia maintained its performance in all the indicators. The ability to register and transfer land ownership is central to most economic activities and therefore has to be efficiently and transparently conducted. For this reason, land administration reform was one of the priority areas for PEMUDAH, the Special Task Force to Facilitate Business.

32. A Focus Group was established to work with the Office of the Director General of Land and Mines to improve the service delivery of land administration in all states and district land offices. Another important initiative by the Land Office / Registry is to move towards simplified and standard forms for land related transactions. The revision to the National Land Code will also seek to improve and implement uniformed administrative procedures.

- [illegible]

GETTING CREDIT

Measures the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the sharing of credit information.

Getting Credit (rank)		23
DTF score for getting credit (0-100)		70.00
	Strength of legal right index (0-12)	7
	Depth of credit information index (0-8)	7
	Credit bureau coverage (% of adults)	78.6
	Credit registry coverage (% of adults)	56.2



GETTING CREDIT

Measures the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the sharing of credit information.

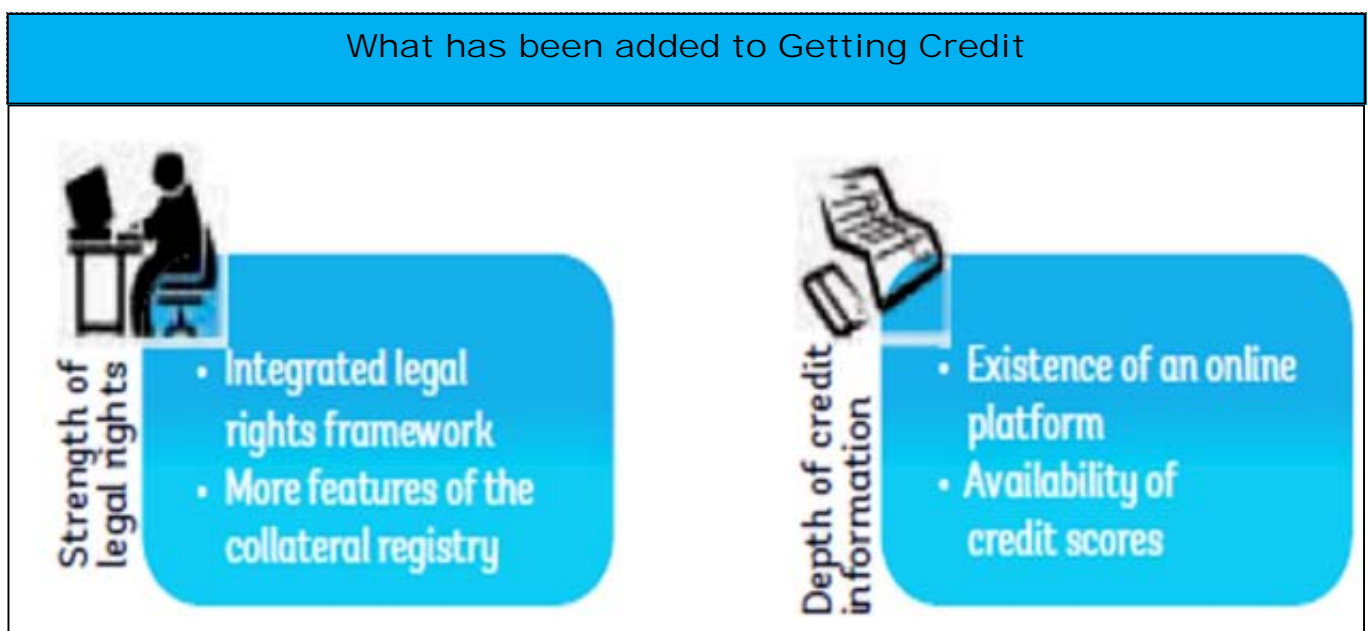
Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2105
Getting Credit	23 (70.00)	19 (70.00)	New Zealand (100.0)
Strength of legal rights index (0-12)	7	7	Colombia (12); Montenegro (12); New Zealand (12)
Depth of credit information index (0-8)	7	7	Ecuador (8); United Kingdom (8)*
Credit registry coverage (% of adults)	56.2	52.9	Portugal (100.00)
Credit bureau coverage (% of adults)	78.6	77.2	Canada (100.00)*

- Twenty-two other economies also scored 8 on the debt of credit information index
- Twenty-two other economies also scored 100.00 for credit bureau coverage

37. The Getting Credit indicators assess the legal rights of borrowers and lenders in secured transactions and the sharing of credit information. Measures compiled in the strength of legal rights index focus on whether collateral and bankruptcy laws include certain features that facilitate lending. Those combined in the depth of credit information index focus on the coverage, scope and accessibility of credit information available through credit bureaus and registries. Both sets of measures have been expanded this year to cover more good practices. Malaysia is ranked 23rd out of 189 economies with a DTF score of 70.00 with the expansion of measures in Getting Credit.

38. To promote prudent credit policies and professionalism among the financial institutions which include the adoption of best business practices in credit risk management, Bank Negara Malaysia (BNM) provides CCRIS to financial institutions so that they can make faster and better informed lending decisions.

39. Another form of a good credit information infrastructure is the Credit Bureau Malaysia (CBM) which was established to assist Small and Medium Enterprises (SMEs) to build credible credit records from transactions outside the regulated banking system such as transactions with suppliers and utility companies. With this credible credit record, SMEs that utilise the formal banking system for the first time will be able to more effectively obtain access to financing.
40. The measures for Getting Credit which has been expanded in this year's report include expanding the strength of legal rights index from 10 to 12 points, while the depth of credit information index has been expanded from 6 points to 8. In addition, because of the importance of coverage in assessing the effectiveness of a credit information system, only credit bureaus or registries that cover at least 5% of the adult population are being scored.
41. Points are awarded for having an integrated secured transactions system; a well functioning collateral registry; a system where credit information can be accessed through an online platform or through a system to system connection between financial institutions and credit information system. Another new point is awarded to economies where credit scores are available. Credit scores are considered more effective in predicting risk, improve market efficiency and provide more opportunities to obtain credit.



PROTECTING MINORITY INVESTORS

Measures the protection of minority investors from conflicts of interest through one set of indicators and shareholder's rights in corporate governance.



Protecting Minority Investors (rank)		5
DTF score for protecting minority investors (0-100)		74.17
	Extent of conflict of interest regulation index (0-10)	8.7
	Extent of shareholder governance index (0-10)	6.2
	Strength of minority investor protection index (0-10)	7.4



PROTECTING MINORITY INVESTORS

Measures the protection of minority investors from conflicts of interest through one set of indicators and shareholder's rights in corporate governance.

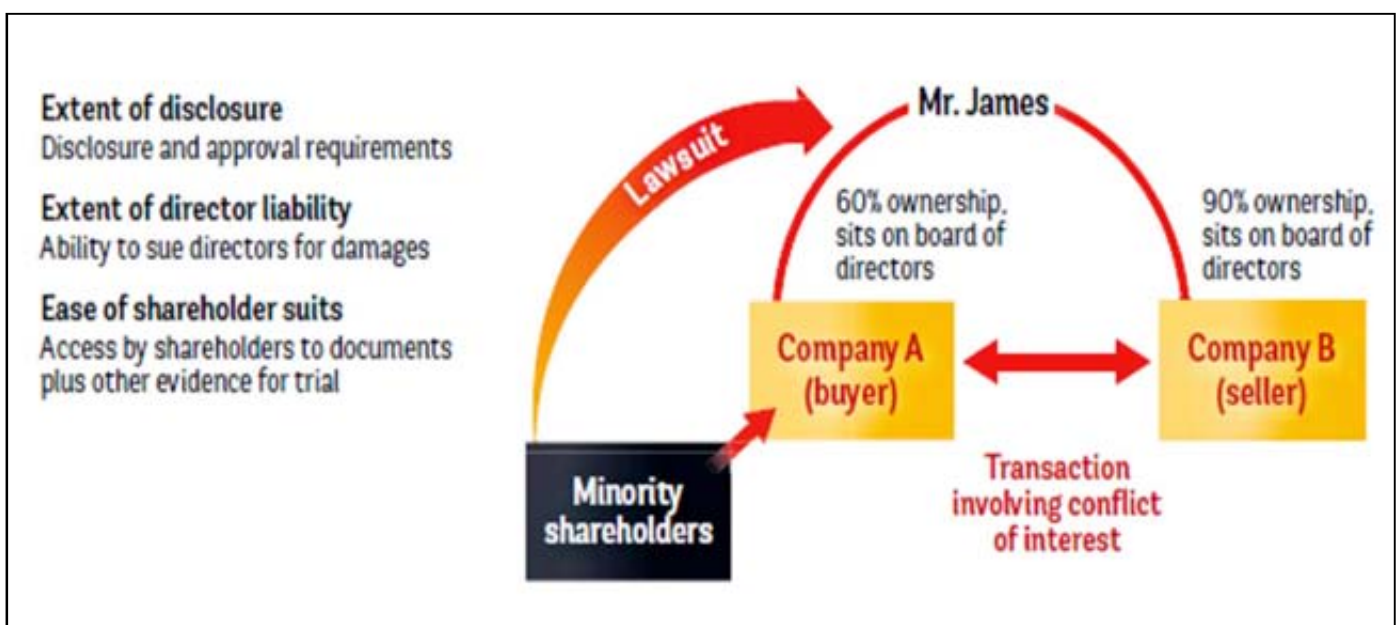
Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Protecting Minority Investors	5 (74.17)	5 (74.17)	New Zealand (81.67)
Extent of conflict of interest regulation index (0-10)	8.7	8.7	Singapore (9.3)
Extent of shareholder governance index (0-10)	6.2	6.2	France (7.8)
Strength of minority investor protection index (0-10)	7.4	7.4	New Zealand (8.2)

42. The Protecting Investors indicator set has been changed this year to Protecting Minority Investors to better reflect its scope which has been expanded. It is interesting to note that no economies have attained the frontier. According to DB 2015, Malaysia performed well in this area attaining 5th position out of 189 economies with a DTF score of 74.17. Malaysia's performance in protecting minority investors is encouraging recording scores of 8.7 for extent of conflict of interest regulation index, 7.4 for strength of minority investor protection index and 6.2 for extent of shareholder governance index.

43. The indicators have traditionally measured the strength of minority shareholder protection against directors' misuse of corporate assets for personal gain. This year a new indicator has been added to measure shareholders' rights in corporate governance beyond related-party transactions, following the internationally accepted good practices such as those proposed by the OECD Principles of Corporate Governance. The new indicator, the extent of shareholder governance index, encompasses a range of issues and data.

- 44.The government has engaged in ambitious reforms across the board which have led to increased liberalisation and more efficient regulations and have contributed to a strong enabling environment for business. Investors will also continue to benefit from a dynamic and rapidly integrating region as well as Malaysia's platform of liberal market-friendly policies and provision of business-friendly incentives for high technology, creative and value added sectors.
- 45.Protecting investors' environment would continuously be enhanced, largely governed by self-regulation, high standards of disclosure and due diligence as well as good corporate governance practices. Malaysia has strengthened its regional standing in corporate governance after recording higher scores in the biennial Corporate Governance Watch 2014 Report (CG Watch).
- 46.According to a report by the Asian Corporate Governance Association in collaboration with CLSA Asia-Pacific Markets, Malaysia achieved an overall score of 58% in 2014 compared to 49% in 2007 thereby maintaining its fourth rank in the region. The report drew attention to the sustained and concerted efforts by Malaysia in driving governance reforms which resulted in Malaysia becoming the only market among the Asia Pacific countries assessed that had consistently improved its scores in each of the last four surveys.

How well are minority shareholders protected from conflicts of interest?



PAYING TAXES

Records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as measures of the administrative burden of paying taxes and contributions.

Paying Taxes (rank)	32
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DTF score for paying taxes (0-100)	83.95
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Payments (number per year)	13
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Time (hours per year)	133
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Total tax rate (% of profit)	39.2
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PAYING TAXES

Records the taxes and mandatory contributions that a medium-size company must pay in a given year as well as measures of the administrative burden of paying taxes and contributions.

Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Paying Taxes	32 (83.95)	31 (84.07)	United Arab Emirates (99.44)
Payments (number per year)	13	13	Hong Kong SAR, China (3)
Time (hours per year)	133	133	Luxembourg (55)
Total tax rate (% of profit)	39.2	36.3	Singapore (18.4)

47. The Paying Taxes indicators measure the taxes and mandatory contributions that a medium-size company must pay in a given year as well as the administrative burden of paying taxes and contributions. The indicators now measure only the administrative burden associated with preparing, filing and paying 3 major tax categories (profit taxes, consumption taxes and labor taxes). But the post filing process involving tax audits, tax refunds and tax appeals, can also impose a substantial administrative burden on firms. Starting in Doing Business 2016, the paying taxes indicator set will therefore be expanded to include measures of the post filing process.
48. In addition, this year's report includes an important change in the methodology for the paying taxes indicators. The distance to frontier score for the total tax rate now enters the distance to frontier score for paying taxes in a non-linear fashion. As a result of this change, an increase in the total tax rate has a smaller impact on the distance to frontier score for paying taxes than previously for economies with a below-average total tax rate and a larger impact for economies with a very high total tax rate relative to the average. Malaysia is ranked 32nd out of 189 economies with a DTF score of 83.95.

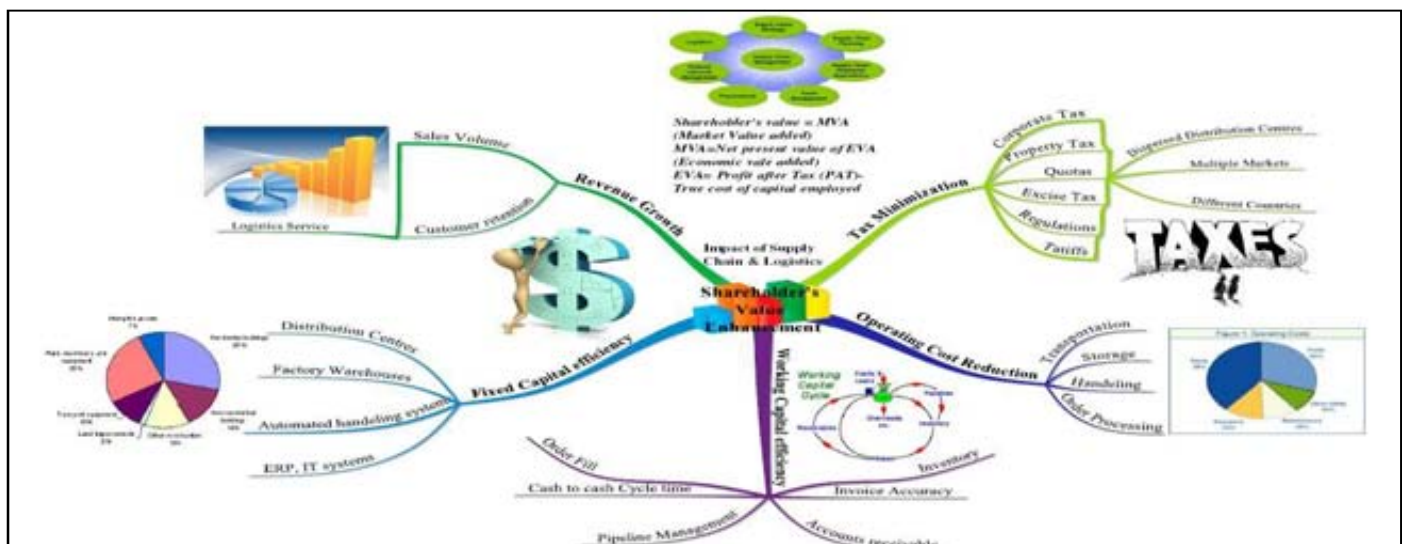
49. The on-going efficiency initiatives to improve Paying Taxes are the development of e-filing and e-payment for sales tax to reduce the time taken to file and pay sales tax. At the same time other initiatives undertaken to further improve the income tax system are:

- i. Simplification of tax returns for individuals (Forms B & BE);
- ii. Introduction of m-filing to enable tax payers to submit their tax returns via mobile devices; and
- iii. Consolidation of public ruling, first published in 2013, and meant to provide easy references to the public on certain topics such as Benefits in Kind and pre-requisite from Employment.

50. Among the achievements recorded for the year are:

- i. Amended Public Ruling being notified to the public and professional bodies via Inland Revenue Board (IRB) websites;
- ii. Introduced New Section 77A ITA 1967 for companies to submit tax returns through electronic transmission (e-Filing);
- iii. Introduced New Section 77C ITA 1967 which gives the option to taxpayers not to furnish tax returns if certain criteria are fulfilled; and
- iv. Issuance of guidelines on trading over the Internet (e-Commerce).


51. In the recent Budget 2015 announced by the Prime Minister on 10th October 2014 for the year of assessment 2016, Corporate Income Tax Rate will be reduced by 1% point from 25% to 24 % and Income Tax Rate for SME's will also be reduced by 1% point from 20% to 19%.



TRADING ACROSS BORDERS

Measures the time and cost (excluding tariffs) associated with exporting and importing a standardised cargo of goods by sea transport. The time and cost necessary to complete every official procedure for exporting and importing the goods.



Trading Across Borders (rank)		11
DTF score for trading across borders (0-100)		89.94
	Documents to export (number)	4
	Time to export (days)	11
	Cost to export (US\$ per container)	525
	Documents to import (number)	4
	Time to import (days)	8
	Cost to import (US\$ per container)	560



TRADING ACROSS BORDERS

Measures the time and cost (excluding tariffs) associated with exporting and importing a standardised cargo of goods by sea transport. The time and cost necessary to complete every official procedure for exporting and importing the goods.

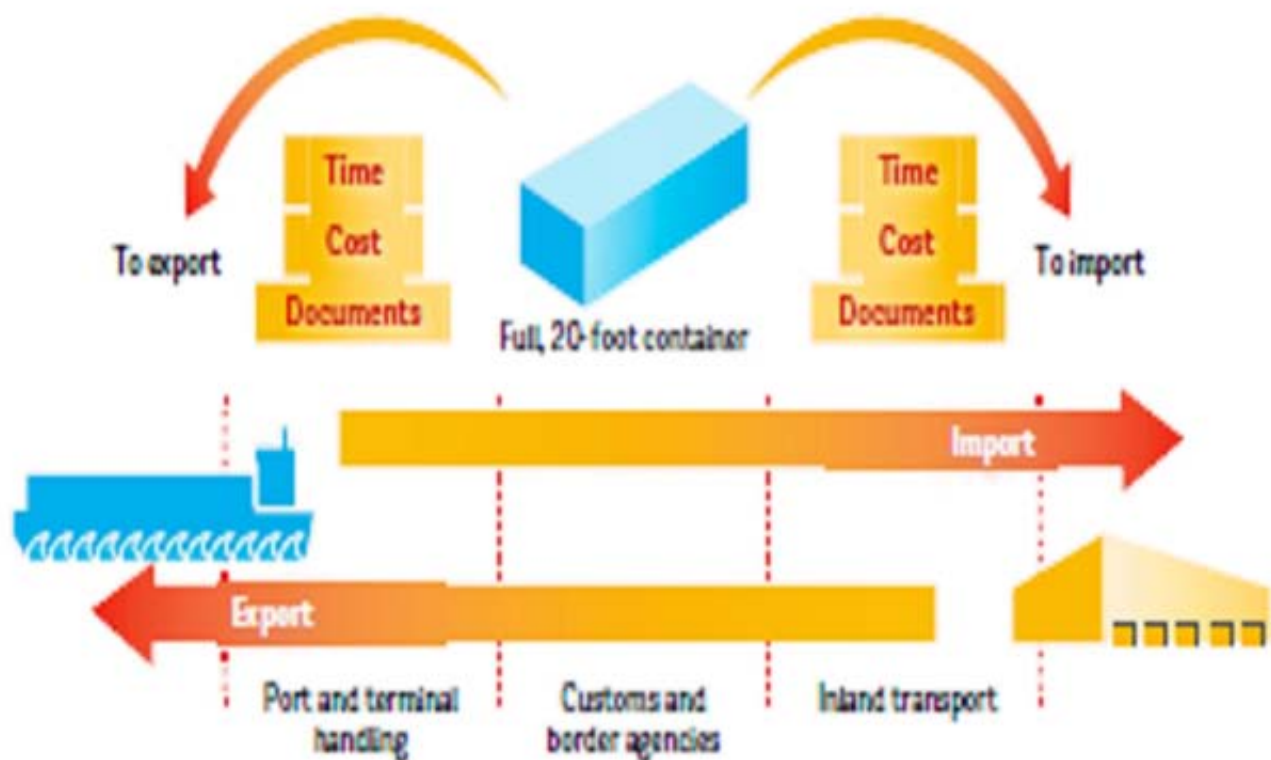
Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Trading Across Borders	11 (89.94)	10 (90.43)	Singapore (96.47)
Documents to export (number)	4	4	France (2); Ireland (2)
Time to export (days)	11	11	Denmark (6); Estonia (6); Singapore (6)
Cost to export (US\$ per container)	525	450	Timor-Leste (410)
Documents to import (number)	4	4	France (2); Ireland (2)
Time to import (days)	8	8	Singapore (4)
Cost to import (US\$ per container)	560	485	Singapore (440)

52. In the Doing Business 2015, Trading Across Borders in Malaysia is ranked 11th out of 189 economies with a DTF score of 89.94. The Royal Malaysian Customs Department (RMCD) has developed a new Standard Operating Procedure (SOP) to improve the inspection systems and to expedite the process of import and export. The new SOP has been implemented nationwide from 1st August 2014. A pilot project has been implemented at the North Port and Westport, from December 2013 to April 2014 and proposed for the new SOP to be implemented Nationwide. The expected outcomes includes reduction in time taken for customs clearance processes.

53. To further encourage trading across borders the Authorised Economic Operator (AEO) Programme, an initiative by RMCD allows companies which have fulfilled a set of criteria to enjoy benefits such as direct release from Customs control for importation, exportation and movement of goods; self-assessed declaration on import, export; and movement of goods periodically and deferred payment of duties/taxes via Electronic Fund Transfer (EFT).

54. The latest initiative by Customs, MPC and MAMPU, the Customer Centric Service Delivery (CCSD) aims to reduce regulatory burden with respect to Customs clearance and control and improve Customs service delivery and process capability. Improvement initiatives under the CCSD are clustered under six pillars to focus on regulatory burden, service delivery and process capability such as Establishing Working Parameters for Improvements, Strengthening Internal Relations and Coordination, Inter-Agency (Ministries) Collaborative Initiatives, Technique Enhancement and Capacity Building Programmes, Public Engagement and Public Relations Programme and Regional Engagement Programmes.
55. One of the outcomes of the CCSD initiative is the introduction of selectivity programme for trustworthy custom brokers/forwarding agents. This is a joint initiative between Customs and Universiti Utara Malaysia (UUM).

How much time, how many documents and what cost to export and import by sea transport?



ENFORCING CONTRACTS

Measures the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts.

Enforcing Contracts (rank)

29

DTF score for enforcing contracts (0-100)

69.39



Procedures (number)

29

Time (days)

425

Cost (% of claim)

37.3



ENFORCING CONTRACTS

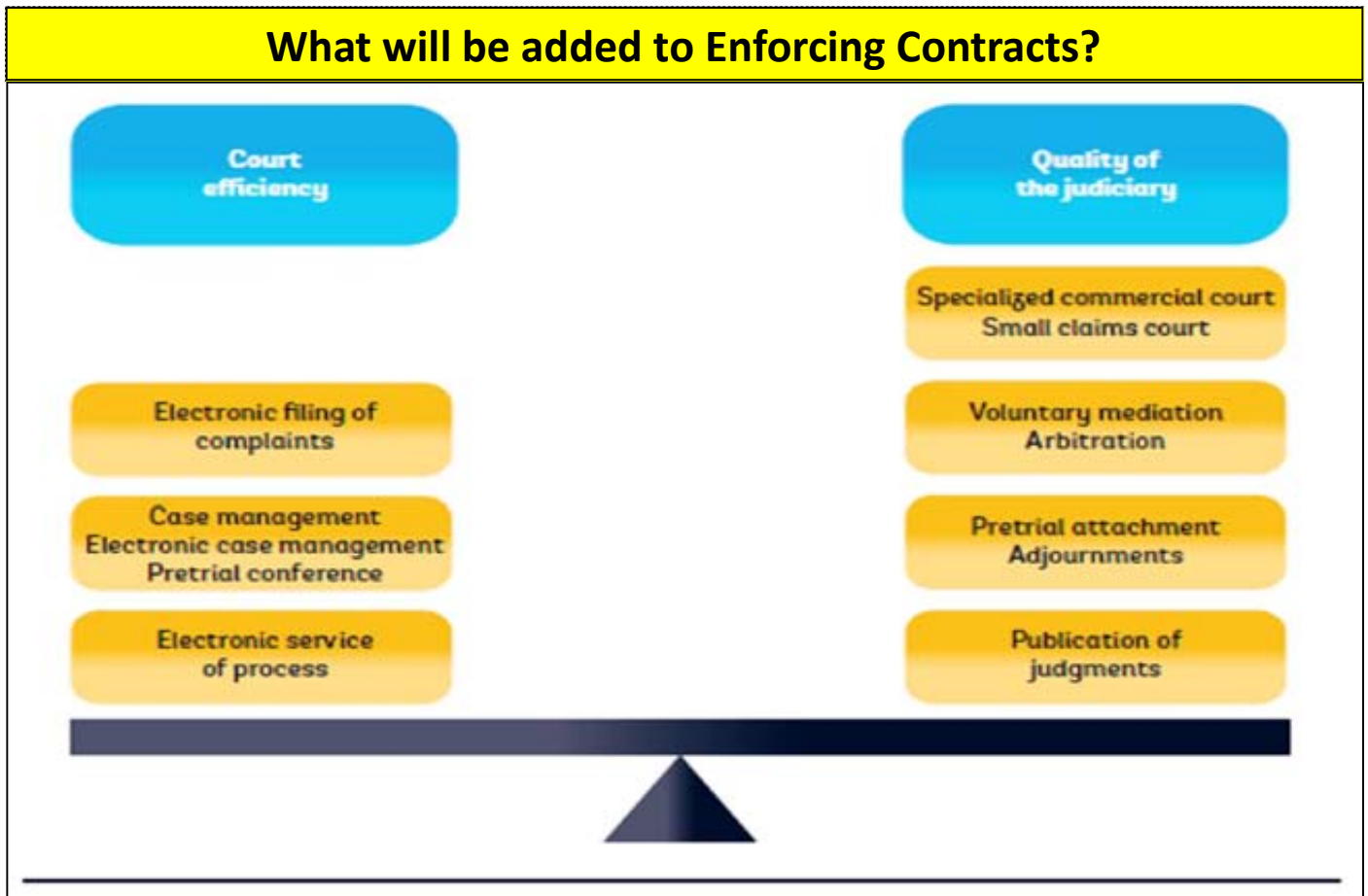
Measures the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts.

Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Enforcing Contracts	29 (69.39)	30 (69.39)	Singapore (89.54)
Time (days)	425	425	Singapore (150)
Cost (% of claim)	37.3	37.3	Iceland (9.0)
Procedures (number)	29	29	Singapore (21)

56. Malaysia is ranked 29th out of 189 economies for Enforcing Contracts with a DTF score 69.39. To address the issue of 425 days taken to enforce a contract, Malaysia has been implementing an ambitious upgrade of the computerisation system to reduce judicial delays. The Integrated Court Solution (ICS) comprised 8 systems that integrate seamlessly to form a consolidated solution.

57. ICS has dramatically shortened the waiting time on cases in the Courts where it has been implemented. ICS consists of the following systems: Case Management System (CMS); Community and Advocates Portal (CAP); Court Recording and Transcription System (CRT); e-registration & e-filing system; Court-Advocate Resource Engagement System (CARE); System Integration; Video Conferencing System (VCS); and File Tracking with RFID.

58. To ensure the speedy disposal of cases and for easy monitoring by the Managing Judges, the New Commercial Court (NCC) and New Civil Court (NCvC) were introduced. Cases registered in NCC and NCvC are expected to be disposed within 9 months at the Sessions Courts and 6 months at the Magistrate Courts from the day the summons is registered.




The enforcing contracts indicators measure the procedures, time and cost to resolve a commercial dispute between 2 firms. The indicators have focused on the efficiency of the commercial court system without directly addressing the quality of the judiciary or the judicial infrastructure. In *Doing Business 2016* the indicator set will be expanded to cover aspects of judicial quality and court infrastructure, focusing on well-established good practices that promote quality and efficiency in the commercial court system.

RESOLVING INSOLVENCY

Studies the time, cost and outcome of insolvency proceedings involving domestic entities. This year it introduces a new measure, the strength of insolvency framework index, evaluating the adequacy and integrity of the legal framework applicable to liquidation and reorganisation proceedings.



Resolving Insolvency (rank)		36
DTF score for resolving insolvency (0-100)		65.61
	Time (years)	1.0
	Cost (% of estate)	10
	Recovery rate (cents on the dollar)	81.3
	Strength of insolvency framework index (0-16)	7



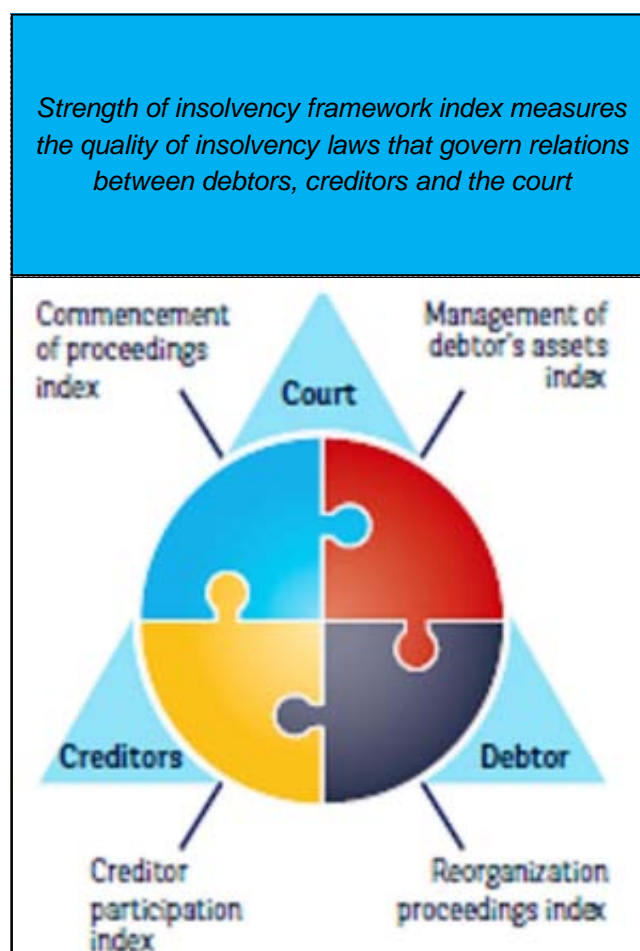
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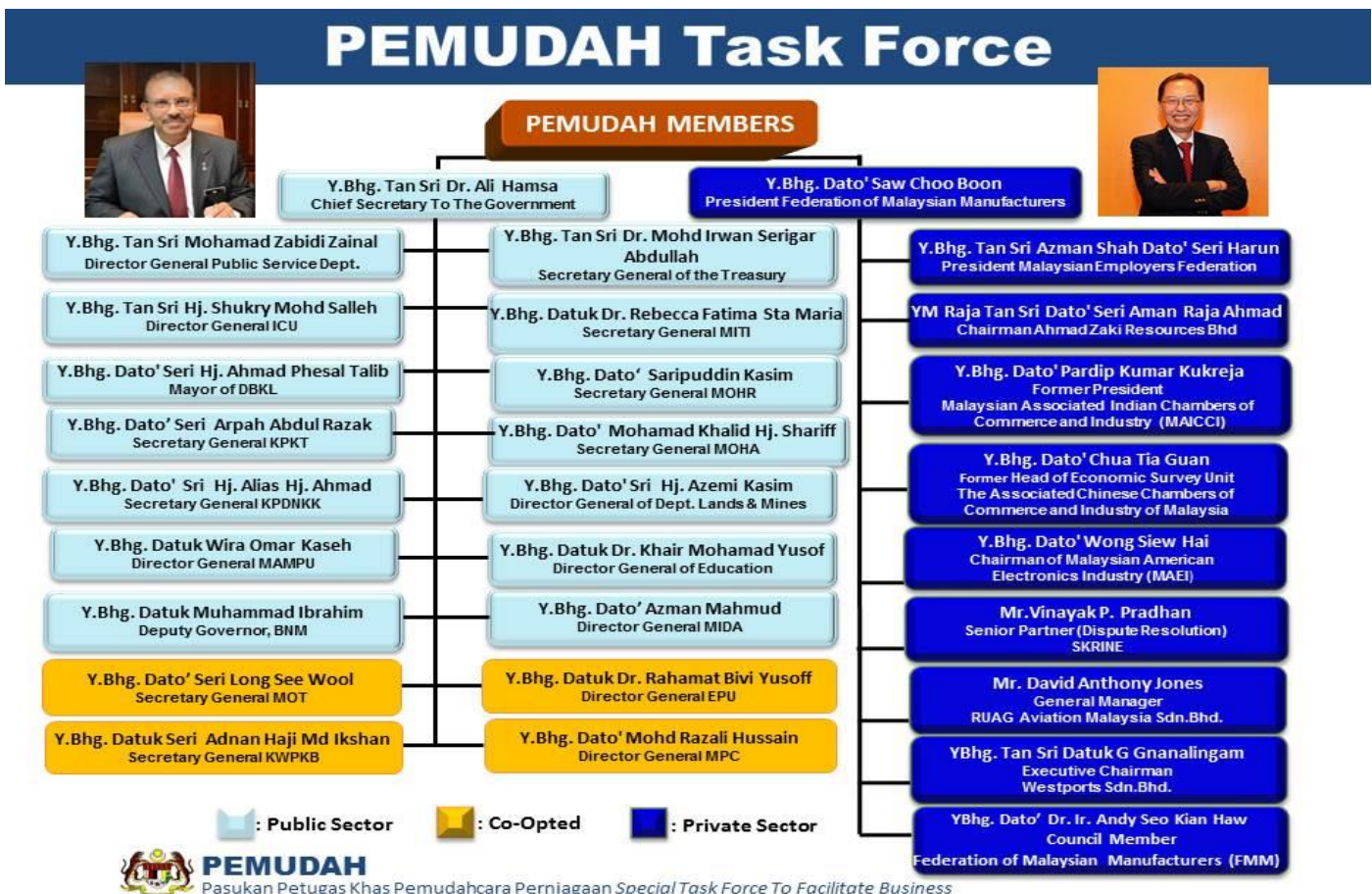
Indicator	Malaysia DB 2015	Malaysia DB 2014	Best Performer Globally DB2015
Resolving Insolvency	36 (65.61)	65 (48.22)	Finland (93.85)
Time (years)	1.0	-	Ireland (0.4)
Cost (% of estate)	10	10	Norway (1.0)
Recovery rate (cents on the dollar)	81.3	48.9	Japan (92.9)
Strength of insolvency framework index (0-16)	7	7	Germany (15.0)

59. The Resolving Insolvency indicators measure the time, cost and outcome of an insolvency process for a case study firm and the recovery rate for its secured creditors. The indicators have focused mainly on the efficiency of the bankruptcy court system. By measuring the outcome of the process that is, whether the firm continues to operate or not, the indicators were already assessing some dimensions of the quality of insolvency regulation. In this year's report, the indicators go further, by explicitly measuring the strength of the legal framework for insolvency.
60. Under the old methodology, the distance to frontier score for resolving insolvency was based only on the recovery rate, which measures the cents on the dollar recouped by secured creditors through insolvency proceedings. Under the new methodology, the score is based on both the recovery rate and the strength of insolvency framework index. Malaysia attained 36th position out of 189 economies for Resolving Insolvency with a DTF score of 65.61. A significant improvement was made in the recovery rate improving to 81.3 cents on the dollar from 48.9 cents in 2014.

61. Several trends and good practices have emerged over the years and many countries have implemented laws in order to have an efficient process by incorporating the international good practice standard on credit or rights and insolvency set by the World Bank and the United Nations Commission on International Trade Law (UNCITRAL). Most of the best practices include introducing specialised Courts, providing a legal framework for out-of-court workouts, giving opportunity to the creditors to involve in decision making, applying stringent rules to insolvency practitioners and applying the limited time period for insolvency procedures.
62. Under the proposed companies Bill 2014 new provisions had been introduced regarding Corporate Insolvency Law namely:
- Introduce Corporate Rescue Mechanisms in the form of Judicial Management (JM) and Corporate Voluntary Arrangement (CVA); and
 - As an alternative to winding up, liquidation and dissolution processes for financially troubled companies to be revitalised.
63. The introduction of the corporate rescue mechanisms of 'Judicial Management' and 'Corporate Voluntary Arrangement' will provide more avenues to resolve the insolvency rehabilitation process, where companies emerge as a going concern as opposed to being wound-up and sold off as piecemeal. The draft Companies Bill is currently being reviewed by the Attorney General's Chambers. It is expected to be tabled in Parliament at the end of 2014.



64. Since its inception in 2007, the Special Task Force to Facilitate Business (PEMUDAH) has successfully introduced many initiatives to enhance the business environment in Malaysia. The continuous collaboration between the public and private sectors, the hallmark of PEMUDAH, has brought numerous positive results as reflected in the numerous improvements made with regards to business processes, as well as enhancing the quality of the regulatory framework, primarily by simplifying rules and regulations.



65. Central to the success of PEMUDAH is its facilitating role specifically in driving collaboration to improve service delivery, reducing costs and eliminating red tape in Malaysia. PEMUDAH's commitment has been well rewarded as is shown in the continuous upward trend of Malaysia's status in many international ranking reports such as advancing six positions to 12th in the World Competitiveness Yearbook 2014, and improving by four notches to 20th position in the Global Competitiveness Report 2014-2015.

66. After 10 years, since its inception in 2005, this year's Doing Business Report (DB2015) has incorporated significant changes in methodology resulting in Malaysia's ranking position being recalibrated to 18th position out of 189 economies (DB2014:20th), thus placing the country among the top ten percent easiest countries to do business globally. As asserted by a World Bank expert, the apparent decline from 6th position as determined under the previous methodology, is not substantive deterioration in ranking per se but rather is a result of the significant change in the methodology. Nevertheless, with the exception of Georgia, Malaysia is placed among the top 20 performers together with developed OECD countries.
67. PEMUDAH, acclaimed locally and internationally for its public-private sector collaboration, will be steadfast in its commitment to enhance Malaysia's competitiveness and achieve the goal of a high income nation. Moving forward, the work for PEMUDAH is even more important as Malaysia charts a path towards substantially reducing cost and time as well as enhancing service quality. This will ultimately make Malaysia a more attractive investment destination.
68. There is a need to take cognisance of the Doing Business new methodology where changes had been made in three areas of Doing Business this year namely Getting Credit, Protecting Minority Investors and Resolving Insolvency whereas in 2016, another five areas of Doing Business will be affected by changes in Doing Business such as Registering Property, Dealing with Construction Permits, Getting Electricity, Paying Taxes and Enforcing Contracts.
69. The improvements made in the methodology are to expand the focus of indicator sets that primarily measure efficiency to also cover aspects of quality and to include benchmarks and best practices in the areas covered.

70. Proactive initiatives to accommodate these changes will be undertaken to ensure the ease of doing business is further facilitated:

















































- Continuous engagement sessions are to be held with respondents of Focus Groups and the business community to disseminate, discuss, and benefit from the new methodology introduced by the World Bank;
- Collaborate with the IFC World Bank to delve deeper into the areas for improvements, and work with the government to substantially reduce costs, time and enhance service quality for doing business in Malaysia;
- Identify and learn from the best practices of nearest-to-frontier best performing countries; and
- Strengthen cooperation with international and local experts to introduce more efficient and qualitative approaches based on the new methodology.

MALAYSIA		East Asia & Pacific		GNI per capita (US\$)	
Ease of doing business rank (1–189)	18	Overall distance to frontier (DTF) score (0–100)	78.83	Population (m)	29.7
Starting a business (rank)	13	Registering property (rank)	75	Trading across borders (rank)	11
DTF score for starting a business (0–100)	94.90	DTF score for registering property (0–100)	71.16	DTF score for trading across borders (0–100)	89.94
Procedures (number)	3	Procedures (number)	8	Documents to export (number)	4
Time (days)	5.5	Time (days)	13.5	Time to export (days)	11
Cost (% of income per capita)	7.2	Cost (% of property value)	3.3	Cost to export (US\$ per container)	525
Minimum capital (% of income per capita)	0.0			Documents to import (number)	4
		Getting credit (rank)	23	Time to import (days)	8
Dealing with construction permits (rank)	28	DTF score for getting credit (0–100)	70.00	Cost to import (US\$ per container)	590
DTF score for dealing with construction permits (0–100)	82.49	Strength of legal rights index (0–12)	7		
Procedures (number)	13	Depth of credit information index (0–6)	7	Enforcing contracts (rank)	29
Time (days)	74	Credit bureau coverage (% of adults)	78.6	DTF score for enforcing contracts (0–100)	69.39
Cost (% of warehouse value)	1.3	Credit registry coverage (% of adults)	68.2	Procedures (number)	20
Getting electricity (rank)	27	Protecting minority investors (rank)	5	Time (days)	425
DTF score for getting electricity (0–100)	86.67	DTF score for protecting minority investors (0–100)	74.17	Cost (% of claim)	37.3
Procedures (number)	6	Extent of conflict of interest regulation index (0–10)	8.7	Resolving insolvency (rank)	35
Time (days)	32	Extent of shareholder governance index (0–10)	6.2	DTF score for resolving insolvency (0–100)	65.61
Cost (% of income per capita)	46.3	Strength of minority investor protection index (0–10)	7.4	Time (years)	1.0
		Paying taxes (rank)	32	Cost (% of estate)	10
		DTF score for paying taxes (0–100)	83.95	Recovery rate (cents on the dollar)	81.3
		Payments (number per year)	13	Strength of insolvency framework index (0–18)	7
		Time (hours per year)	133		
		Total tax rate (% of profit)	39.2		

















































Changes in Doing Business 2015	World Bank's New Focus
Getting Credit	Strength of legal rights <ul style="list-style-type: none"> • Integrated legal rights framework • More features of the collateral registry Depth of credit information <ul style="list-style-type: none"> • Existence of an online platform • Availability of credit scores
Protecting Minority Investors	The new indicator, the extent of shareholder governance index, encompasses a range of issues and data: <ul style="list-style-type: none"> • Shareholder's rights and role in major corporate decisions • Governance structure • Transparency • Allocation of legal expenses
Resolving Insolvency	The Strength of Insolvency Framework Index: <ul style="list-style-type: none"> • Records whether debtors and creditors have the right to commence liquidation proceedings. • Tests what happens to the contracts of a debtor during insolvency proceedings. • Tests the approval process for a reorganisation plan. • Tests the extent to which creditors can participate in insolvency proceeding.
Changes in Doing Business 2016	World Bank's New Focus
Registering Property	The indicator set will be expanded to cover the reliability, transparency and geographic coverage of land administration systems as well as dispute resolution for land issues.
Dealing with Construction Permits	The indicator set will be expanded to measure good practices in construction regulation . Some of the new aspects that will be added to the indicator set: <ul style="list-style-type: none"> • Does the building code follow good practices? Is it easily accessible? • Who approves the design? How are inspections carried out before, during and after construction? • What qualifications are required for the professionals reviewing plans or conducting inspections? What are the rules on liability and insurance?
Getting Electricity	Broaden the scope of the getting electricity indicators to include the reliability of power supply: <ul style="list-style-type: none"> • Duration of power outages • Frequency of power outages
Paying Taxes	The post filing process involving tax audits, tax refunds and tax appeals , can also impose a substantial administrative burden on firms. The paying taxes indicator set will therefore be expanded to include measures of the post filing process.
Enforcing Contracts	The indicator set will be expanded to cover aspects of judicial quality and court infrastructure. Court Efficiency <ul style="list-style-type: none"> • Electronic filing of complaints • Case management, electronic case ,management, pretrial conference • Electronic service of process Quality of the judiciary <ul style="list-style-type: none"> • Specialized commercial court, small claims court • Voluntary mediation, arbitration • Pretrial attachment, adjournments • Publication of judgments

OVERALL RANKING ON DOING BUSINESS 2015

APPENDIX 1

Economy	Doing Business				
	2015		2014		Changes in Ranking
	Rank	DTF Score	Rank*	DTF Score*	
Singapore	1	88.27	1	88.30	
New Zealand	2	86.91	2	86.37	
Hong Kong SAR, China	3	84.97	3	84.45	
Denmark	4	84.20	4	84.07	
Korea, Rep.	5	83.40	5	83.21	
Norway	6	82.40	6	82.17	
United States	7	81.98	7	81.96	
United Kingdom	8	80.96	9	80.75	
Finland	9	80.83	8	81.12	
Australia	10	80.66	10	80.70	
Sweden	11	80.60	12	80.20	
Iceland	12	80.27	11	80.47	
Ireland	13	80.07	17	78.24	
Germany	14	79.73	13	80.02	
Georgia	15	79.46	14	79.61	
Canada	16	79.09	15	79.12	
Estonia	17	78.84	16	78.54	
Malaysia	18	78.83	20	76.84	
Taiwan, China	19	78.73	18	77.62	
Switzerland	20	77.78	22	76.26	
Austria	21	77.42	19	77.10	
United Arab Emirates	22	76.81	25	75.08	
Latvia	23	76.73	21	76.59	
Lithuania	24	76.31	24	75.86	
Portugal	25	76.03	23	76.02	
Thailand	26	75.27	28	74.87	
Netherlands	27	75.01	26	75.01	
Mauritius	28	74.81	29	74.37	
Japan	29	74.80	27	74.94	
Macedonia, FYR	30	74.11	31	72.67	
France	31	73.88	33	72.18	
Poland	32	73.56	30	73.36	
Spain	33	73.17	32	72.24	
Colombia	34	72.29	53	68.01	
Peru	35	72.11	34	72.03	
Montenegro	36	72.02	42	70.71	
Slovak Republic	37	71.83	35	71.73	
Bulgaria	38	71.80	36	71.72	
Mexico	39	71.53	43	70.63	
Israel	40	71.25	38	71.18	
Chile	41	71.24	39	71.15	
Belgium	42	71.11	40	71.11	
South Africa	43	71.08	37	71.60	
Czech Republic	44	70.95	47	69.75	
Armenia	45	70.60	49	69.31	
Rwanda	46	70.47	48	69.40	
Puerto Rico (U.S.)	47	70.35	41	70.84	
Romania	48	70.22	50	68.48	
Saudi Arabia	49	69.99	44	70.02	

OVERALL RANKING ON DOING BUSINESS 2015 (cont'd)

Economy	Doing Business				
	2015		2014		Changes in Ranking
	Rank	DTF Score	Rank*	DTF Score*	
Qatar	50	69.96	45	69.87	
Slovenia	51	69.87	46	69.84	
Panama	52	69.22	55	67.68	
Bahrain	53	69.00	53	68.01	
Hungary	54	68.80	58	66.82	
Turkey	55	68.66	51	68.39	
Italy	56	68.48	52	68.19	
Belarus	57	68.26	57	67.08	
Jamaica	58	67.79	85	62.20	
Luxembourg	59	67.60	59	66.62	
Tunisia	60	67.35	56	67.45	
Greece	61	66.70	65	64.99	
Russian Federation	62	66.66	64	65.04	
Moldova	63	66.60	82	62.81	
Cyprus	64	66.55	62	65.88	
Croatia	65	66.53	67	64.44	
Oman	66	66.39	60	66.37	
Samoa	67	66.17	61	66.23	
Albania	68	66.06	108	59.79	
Tonga	69	65.72	63	65.72	
Ghana	70	65.24	69	64.41	
Morocco	71	65.06	68	64.43	
Mongolia	72	65.02	70	64.35	
Guatemala	73	64.88	71	64.22	
Botswana	74	64.87	66	64.74	
Kosovo	75	64.76	81	63.00	
Vanuatu	76	64.60	75	63.62	
Kazakhstan	77	64.59	76	63.59	
Vietnam	78	64.42	72	64.11	
Trinidad and Tobago	79	64.24	91	61.87	
Azerbaijan	80	64.08	88	61.97	
Fiji	81	63.90	73	63.82	
Uruguay	82	63.89	74	63.77	
Costa Rica	83	63.67	78	63.08	
Dominican Republic	84	63.43	84	62.33	
Seychelles	85	63.16	87	62.05	
Kuwait	86	63.11	79	63.05	
Solomon Islands	87	63.08	97	61.06	
Namibia	88	62.81	80	63.04	
Antigua and Barbuda	89	62.64	83	62.61	
China	90	62.58	93	61.32	
Serbia	91	62.57	77	63.46	
Paraguay	92	62.50	92	61.61	
San Marino	93	62.44	89	61.93	
Malta	94	62.11	90	61.91	
Philippines	95	62.08	86	62.08	
Ukraine	96	61.52	112	59.21	
Bahamas, The	97	61.37	96	61.07	
Dominica	97	61.37	94	61.29	

OVERALL RANKING ON DOING BUSINESS 2015 (cont'd)

Economy	Doing Business				
	2015		2014		Changes in Ranking
	Rank	DTF Score	Rank*	DTF Score*	
Sri Lanka	99	61.36	105	60.01	↑
St. Lucia	100	61.35	95	61.08	↓
Brunei Darussalam	101	61.26	98	60.98	↓
Kyrgyz Republic	102	60.74	99	60.96	↓
St. Vincent and the Grenadines	103	60.66	101	60.65	↓
Honduras	104	60.61	100	60.83	↓
Lebanon	104	60.61	102	60.60	↓
Barbados	106	60.57	103	60.57	↓
Bosnia and Herzegovina	107	60.55	104	60.24	↓
Nepal	108	60.33	109	59.56	↑
El Salvador	109	59.93	106	59.90	↓
Swaziland	110	59.77	111	59.29	↑
Zambia	111	59.65	107	59.84	↓
Egypt, Arab Rep.	112	59.54	113	59.17	↑
Palau	113	59.50	110	59.50	↓
Indonesia	114	59.15	117	58.10	↑
Ecuador	115	58.88	115	58.30	→
Maldives	116	58.73	114	58.48	↓
Jordan	117	58.40	116	58.29	↓
Belize	118	58.14	119	57.96	↑
Nicaragua	119	58.09	126	56.87	↑
Brazil	120	58.01	123	57.39	↑
St. Kitts and Nevis	121	58.00	120	57.92	↓
Cabo Verde	122	57.94	118	58.03	↓
Guyana	123	57.83	121	57.79	↓
Argentina	124	57.48	124	57.29	→
Bhutan	125	57.47	122	57.53	↓
Grenada	126	57.35	125	56.94	↓
Mozambique	127	56.92	142	52.19	↑
Lesotho	128	56.64	128	55.98	→
Pakistan	128	56.64	127	56.41	↓
Iran, Islamic Rep.	130	56.51	132	55.52	↑
Tanzania	131	56.38	130	55.82	↓
Ethiopia	132	56.31	129	55.88	↓
Papua New Guinea	133	55.78	131	55.79	↓
Kiribati	134	55.48	133	55.23	↓
Cambodia	135	55.33	134	55.05	↓
Kenya	136	54.98	137	54.59	↑
Yemen, Rep.	137	54.84	135	54.89	↓
Gambia, The	138	54.81	144	51.76	↑
Marshall Islands	139	54.72	136	54.83	↓
Sierra Leone	140	54.58	140	52.78	→
Uzbekistan	141	54.26	149	50.02	↑
India	142	53.97	140	52.78	↓
West Bank and Gaza	143	53.62	139	53.00	↓
Gabon	144	53.43	138	53.95	↓
Micronesia, Fed. Sts.	145	53.07	145	51.02	→
Mali	146	52.59	143	52.06	↓
Côte d'Ivoire	147	52.26	158	48.90	↑

OVERALL RANKING ON DOING BUSINESS 2015 (cont'd)

Economy	Doing Business				
	2015		2014		Changes in Ranking
	Rank	DTF Score	Rank*	DTF Score*	
Lao PDR	148	51.45	155	49.10	↑
Togo	149	51.29	164	47.03	↑
Uganda	150	51.11	152	49.54	↑
Benin	151	51.10	167	46.61	↑
Burundi	152	51.07	150	49.94	↓
São Tomé and Príncipe	153	50.75	160	48.68	↑
Algeria	154	50.69	147	50.42	↓
Djibouti	155	50.48	154	49.35	↓
Iraq	156	50.36	146	50.79	↓
Bolivia	157	49.95	151	49.86	↓
Cameroon	158	49.85	148	50.35	↓
Comoros	159	49.56	156	49.02	↓
Sudan	160	49.55	153	49.48	↓
Senegal	161	49.37	171	46.09	↑
Suriname	162	49.29	159	48.88	↓
Madagascar	163	49.25	157	48.91	↓
Malawi	164	49.20	163	47.15	↓
Equatorial Guinea	165	49.01	162	47.74	↓
Tajikistan	166	48.57	177	43.32	↑
Burkina Faso	167	48.36	161	47.89	↓
Niger	168	47.63	165	46.91	↓
Guinea	169	47.42	169	46.54	→
Nigeria	170	47.33	175	43.72	↑
Zimbabwe	171	46.95	172	45.36	↑
Timor-Leste	172	46.89	174	44.31	↑
Bangladesh	173	46.84	170	46.38	↓
Liberia	174	46.61	168	46.56	↓
Syrian Arab Republic	175	46.51	165	46.91	↓
Mauritania	176	44.21	173	44.69	↓
Myanmar	177	43.55	178	42.19	↑
Congo, Rep.	178	43.29	179	41.83	↑
Guinea-Bissau	179	43.21	176	43.55	↓
Haiti	180	42.18	181	41.46	↑
Angola	181	41.85	180	41.66	↓
Venezuela, RB	182	41.41	183	40.37	↑
Afghanistan	183	41.16	182	41.21	↓
Congo, Dem. Rep.	184	40.60	184	38.38	→
Chad	185	37.25	185	35.57	→
South Sudan	186	35.72	187	34.10	↑
Central African Republic	187	34.47	186	35.19	↓
Libya	188	33.35	188	33.36	→
Eritrea	189	33.16	189	32.72	→

*The DB2015 rankings and distance to frontier scores reflects data revisions and methodology changes.

RANKING ON DOING BUSINESS 2015: ASIA-PACIFIC COUNTRIES

Economy	DB 2015		DB2014	
	Rank	DTF Score	Rank	DTF Score
Singapore	1	88.27	1	88.30
New Zealand	2	86.91	2	86.37
Hong Kong SAR, China	3	84.97	3	84.45
Korea, Republic	4	83.40	4	83.21
Australia	5	80.66	5	80.70
Malaysia	6	78.83	7	76.84
Taiwan, China	7	78.73	6	77.62
Thailand	8	75.27	9	74.87
Japan	9	74.80	8	74.94
Mongolia	10	65.02	10	64.35
Kazakhstan	11	64.59	12	63.59
Vietnam	12	64.42	11	64.11
Azerbaijan	13	64.08	14	61.97
China	14	62.58	15	61.32
Philippines	15	62.08	13	62.08
Sri Lanka	16	61.36	18	60.01
Brunei Darussalam	17	61.26	16	60.98
Kyrgyz Republic	18	60.74	17	60.96
Nepal	19	60.33	19	59.56
Indonesia	20	59.15	20	58.10
Bhutan	21	57.47	21	57.53
Pakistan	22	56.64	22	56.41
Cambodia	23	55.33	23	55.05
India	24	53.97	24	52.78
Lao PDR	25	51.45	25	49.10
Tajikistan	26	48.57	28	43.32
Timor-Leste	27	46.89	27	44.31
Bangladesh	28	46.84	26	46.38
Myanmar	29	43.55	29	42.19

RANKING ON DOING BUSINESS 2015: COMPARISON WITH BRICS ECONOMIES

Economy	DB2015 Rank	DB 2015 DTF Score	DB2014 Rank	DB 2014 DTF Score	Changes in Ranking
Malaysia	18	78.83	20	76.84	↑
South Africa	43	71.08	37	71.6	↓
Russian Federation	62	66.66	64	65.04	↑
China	90	62.58	93	61.32	↑
Brazil	120	58.01	123	57.39	↑
India	142	53.97	140	52.78	↓

DOING BUSINESS INDICATORS FOR MALAYSIA AND SELECTED ASIAN COUNTRIES

INDICATOR	Malaysia DB 2015	Malaysia DB 2014	DB 2015							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best Performer Globally DB2015
Starting a Business (rank)	13	12	128	83	75	15	17	8	6	New Zealand (99.96)
DTF score for starting a business (0-100)	94.90	94.73	77.43	86.21	87.98	94.39	94.36	96.38	96.48	-
Procedures (number)	3	3	11	8	4	3	3	3	3	New Zealand (1); Canada (1)
Time (days)	5.5	6.0	31.4	10.7	27.5	10	4	2.5	2.5	New Zealand (0.5)
Cost (% of income per capita)	7.2	7.6	0.9	7.5	6.6	2.2	14.5	1.4	0.6	Slovenia (0.0)
Paid-in minimum capital (% of income per capita)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Australia (0.0); Columbia(0.0) ^a
Dealing with Construction Permits (rank)	28	39	179	83	6	11	12	1	2	Hong Kong SAR, China (95.53)
DTF score for dealing with construction permits (0-100)	82.49	79.55	43.75	73.30	88.77	86.20	85.89	95.53	92.84	-
Procedures (number)	13	13	22	12	7	10	10	5	10	Hong Kong SAR, China (5)
Time (days)	74	105	244.3	197	113	93	29	66	26	Singapore (26)
Cost (% of warehouse value)	1.3	1.3	7.6	0.6	0.1	0.4	4.3	0.4	0.3	Qatar (0.0)
Getting Electricity (rank)	27	28	124	28	12	2	1	13	11	Korea, Rep. (99.83)
DTF score for getting electricity (0-100)	86.67	86.66	66.35	86.51	91.71	98.94	99.83	91.54	92.45	-
Procedures (number)	5	5	5.5	3.4	4	3	3	4	4	Germany (3); Korea, Rep. (3) ^b
Time (days)	32	32	143.2	97.7	35	24	18	38	31	Korea, Rep. (18)
Cost (% of income per capita)	46.3	49.1	459.4	0.0	66.1	45.7	41.1	1.4	26.3	Japan (0.0)

INDICATOR	Malaysia DB 2015	Malaysia DB 2014	DB 2015							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best Performer Globally DB2015
Registering Property (rank)	75	74	37	73	28	40	79	96	24	Georgia (99.88)
DTF score for registering property (0-100)	71.16	71.18	80.67	71.33	83.04	80.19	70.99	66.19	84.78	-
Procedures (number)	8	8	4	6	2	3	7	5	4	Georgia (1); Norway (1); Portugal (1); Sweden (1)
Time (days)	13.5	13.5	19.4	13	2	4	7	35.5	4.5	Georgia (1); New Zealand (1); Portugal (1)
Cost (% of property value)	3.3	3.3	3.6	5.8	6.3	6.2	5.1	7.7	2.8	Saudi Arabia (0.0)
Getting Credit (rank)	23	19	71	71	89	52	36	23	17	New Zealand (100.00)
DTF score for getting credit (0-100)	70.00	70.00	50.00	50.00	45.00	60.00	65.00	70.00	75.00	-
Strength of legal rights index (0-12)	7	7	4	4	3	4	5	7	8	Colombia (12); Montenegro (12); New Zealand (12)
Depth of credit information index (0-8)	7	7	6	6	6	8	8	7	7	Ecuador (8);United Kingdom (8) ^c
Credit bureau coverage (% of adults)	78.6	77.2	0.0	100.0	52.7	87.9	100.0	96.1	50.8	Canada (100)
Credit registry coverage (% of adults)	56.2	52.9	33.2	0.0	0.0	0.0	0.0	0.0	0.0	Portugal (100)
Protecting Minority Investors (rank)	5	5	132	35	25	30	21	2	3	New Zealand (81.67)
DTF score for protecting minority investors (0-100)	74.17	74.17	45.00	62.50	65.83	64.17	66.67	80.83	80.00	-
Extent of conflict of interest regulation index (0-10)	8.7	8.7	5.0	7.0	7.7	6.7	7.0	9.0	9.3	Singapore (9.3)
Extent of shareholder governance index (0-10)	6.2	6.2	4.0	5.5	5.5	6.2	6.3	7.2	6.7	France (7.8)
Strength of minority investor protection index (0-10)	7.4	7.4	4.5	6.3	6.6	6.4	6.7	8.1	8.0	New Zealand (8.2)

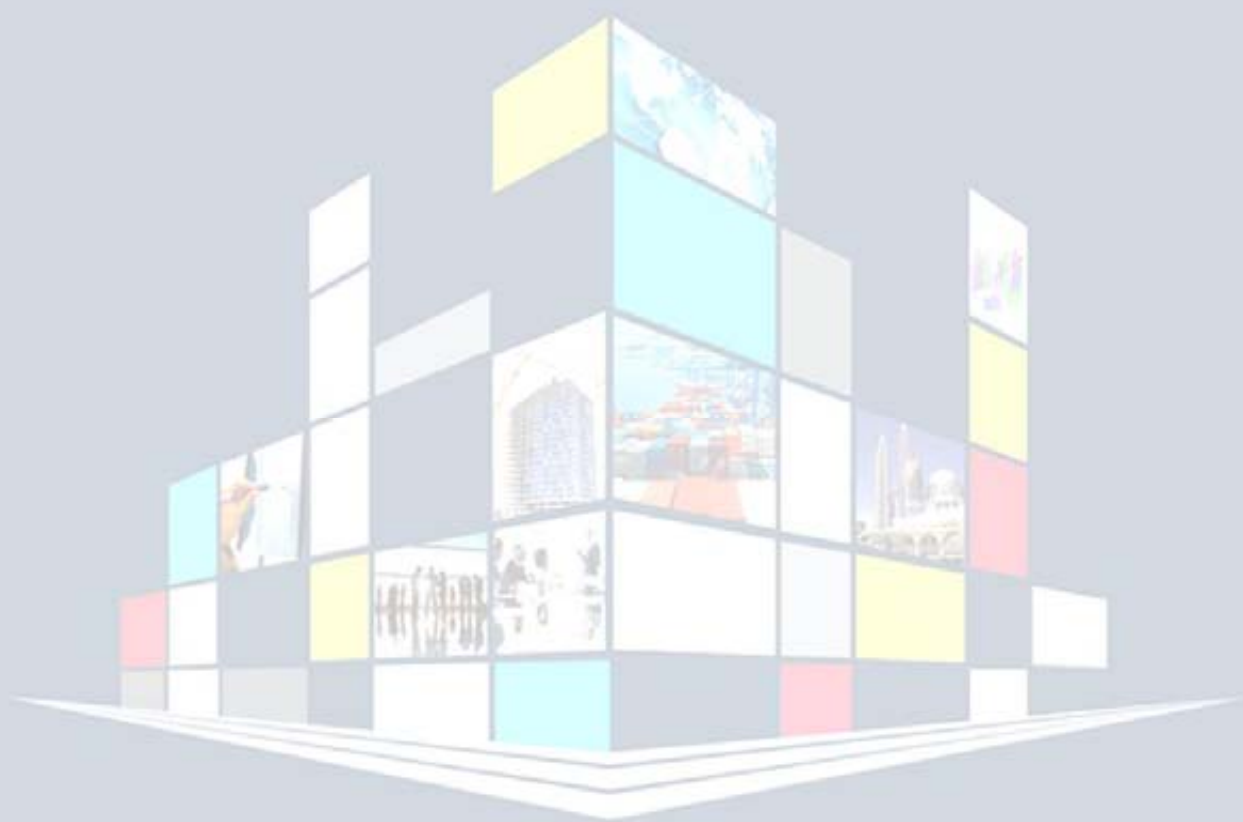
INDICATOR	Malaysia DB 2015	Malaysia DB 2014	DB 2015							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best Performer Globally DB2015
Paying Taxes (rank)	32	31	120	122	62	37	25	4	5	United Arab Emirates & Qatar (99.44)
DTF score for paying taxes (0-100)	83.95	84.07	67.44	67.19	77.99	82.90	86.09	98.51	97.19	-
Payments (number per year)	13	13	7	14	22	11	10	3	5	Hong Kong SAR, China(3); Saudi Arabia (3)
Time (hours per year)	133	133	261	330	264	221	187	78	82	Luxembourg (55)
Total tax rate (% of profit)	39.2	36.32	64.6	51.3	26.9	34.2	32.4	22.8	18.4	Singapore (18.4)
Trading Across Borders (rank)	11	10	98	20	36	32	3	2	1	Singapore (96.47)
DTF score for trading across borders (0-100)	89.94	90.43	71.68	87.23	83.57	84.38	93.45	95.36	96.47	-
Documents to export (number)	4	4	8	3	5	5	3	3	3	Ireland (2); France (2)
Time to export (days)	11	11	21	11	14	10	8	6	6	Singapore (6); Denmark (6);
Cost to export (US\$ per container)	525	450	823	829.3	595	655	670	590	460	Timor – Leste(410)
Documents to import (number)	4	4	5	5	5	6	3	3	3	Ireland (2); France (2)
Time to import (days)	8	8	24	11	13	10	7	5	4	Singapore (4)
Cost to import (US\$ per container)	560	485	800	1,021.3	760	720	695	565	440	Singapore (440)

INDICATOR	Malaysia DB 2015	Malaysia DB 2014	DB 2015							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best Performer Globally DB2015
Enforcing Contracts (rank)	29	30	35	26	25	93	4	6	1	Singapore (89.54)
DTF score for enforcing contracts (0-100)	69.39	69.39	68.21	69.95	70.05	57.75	81.71	80.32	89.54	-
Procedures (number)	29	29	37	32	36	45	32	26	21	Singapore (21)
Time (days)	425	425	452.8	360	440	510	230	360	150	Singapore (150)
Cost (% of claim)	37.3	37.3	16.2	32.2	15.0	17.7	10.3	21.2	25.8	Iceland (9.0)
Resolving Insolvency (rank)	36	65	53	2	45	18	5	25	19	Finland (93.85)
DTF score for resolving insolvency (0-100)	65.61	48.22	55.31	93.74	58.73	78.41	90.06	75.06	77.94	-
Time (years)	1.0	-	1.7	0.6	2.7	1.9	1.5	0.8	0.8	Ireland (0.4)
Cost (% of estate)	10	10	22	3.5	36	4	3.5	5	3	Norway (1.0)
Recovery rate (cents on the dollar)	81.3	48.9	36.0	92.9	42.3	81.8	83.1	87.2	89.7	Japan (92.9)
Strength of insolvency framework index (0-16)	7	7	11.5	14	11.5	11	14.5	9	9.5	Germany (15)

Note:

- One hundred and ten other economies also have a minimum capital requirement of 0.0
- In 11 other economies it also takes only 3 procedures to get an electricity connection
- Twenty-two other economies also score 8 on the depth of credit information index

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