

Malaysia In Doing Business 2013

2007 2012 2011
2005 2004
2008 2006 2010 2013



PEMUDAH

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

CONTENTS

Overview	2
Methodology	3
Highlights of Malaysia's Performance	7
Starting a Business	10
Dealing with Construction Permits	11
Getting Electricity	13
Registering Property	15
Getting Credit	16
Protecting Investors	17
Paying Taxes	18
Trading Across Borders	19
Enforcing Contracts	21
Resolving Insolvency	22
Way Forward	24

Appendices

1. Doing Business Indicators for Malaysia and Selected Asian Countries	26
2. Rankings on the Ease of Doing Business 2013	30
3. Rankings on the Ease of Doing Business 2013: Asia-Pacific Countries	35
4. Ranking on the Ease of Doing Business 2013: ASEAN Countries	35
5. The 10 Economies Improving the Most Across 3 or More Areas Measured by Doing Business in 2011/2012	36
6. Good Practices Around the World	37

DOING BUSINESS 2013

Overview

1. The Doing Business 2013 is the tenth in a series of annual reports published by the World Bank (WB) and the International Financial Corporation (IFC) investigating the regulations that enhance business activity and those that constrain it. Doing Business presents quantitative indicators on business regulations and the protection of property rights that can be compared across 185 economies. Regulations affecting 11 stages of the life of a business measured are:

- i. Starting a Business**
- ii. Dealing with Construction Permits**
- iii. Getting Electricity**
- iv. Registering Property**
- v. Getting Credit**
- vi. Protecting Investors**
- vii. Paying Taxes**
- viii. Trading Across Borders**
- ix. Enforcing Contracts**
- x. Resolving Insolvency**
- xi. Employing Workers***

(* The Employing Workers data are not included in this year's ranking on the ease of doing business pending further progress on research in this area.)

2. The indicators presented and analysed in Doing Business measure business regulations and the protection of property rights and their effect on businesses, especially small and

medium-size domestic firms. The indicators used to measure the relevant areas are:



- i. The number of procedures to start a business or to register and transfer commercial property (those that are mandated by law or regulations);
- ii. Time includes the days when actions take place and the waiting period between action;
- iii. Costs (official costs of court procedures, including legal fees and other administrative fees);
- iv. Other indicators such as recovery rate, hiring and firing indices, strength of legal rights index, credit information index and documents for export.






METHODOLOGY





3. The tenth edition of Doing Business Report 2013 seeks to measure business regulations for domestic firms objectively by focusing on well-defined transactions, laws and institutions rather than generic, perception-based questions on the business environment. It presents quantitative indicators on the regulations that apply to firms at different stages of their life cycle. This year's report covers 11 topics and 185 economies.
4. Doing Business captures several important dimensions of the regulatory environment as they apply to local firms. It provides quantitative measures of regulations for Starting a Business, Dealing with Construction Permits, Getting Electricity, Registering Property, Getting Credit, Protecting Investors, Paying Taxes, Trading Across Borders, Enforcing Contracts and Resolving

Insolvency. Pending further progress on research in the area of employing workers, this year's report does not present rankings of economies in this area.

5. Thus the economies that rank highest on the ease of doing business are not those where there is no regulation - but those where governments have managed to create rules that facilitate interactions in the marketplace without needlessly hindering the development of the private sector. In essence, Doing Business is about smart business regulations, not necessarily fewer regulations.
6. The Doing Business 2013 ranks 185 economies based on 11 areas of regulatory reforms aimed at improving the ease of doing business as follows:

<p>Starting a Business</p> 	<p>Records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.</p>
<p>Dealing with Construction Permits</p> 	<p>Records all procedures required for a business in the construction industry to build a standardised warehouse. These procedures include submitting all relevant project-specific documents (for example, building plans and site maps) to the authorities; obtaining all necessary clearances, licenses, permits and certificates; completing all required notifications; and receiving all necessary inspections. <i>Doing Business</i> also records procedures for obtaining connections for water, sewerage and a fixed telephone landline.</p>

<p>Getting Electricity</p> 	<p>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.</p>
<p>Registering Property</p> 	<p>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.</p>
<p>Getting Credit</p> 	<p>Measures the legal rights of borrowers and lenders with respect to secured transactions through one set of indicators and the sharing of credit information through another.</p>
<p>Protecting Investors</p> 	<p>Measures the strength of minority shareholder protections against directors' misuse of corporate assets for personal gain. The indicators distinguish 3 dimensions of investor protections: transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and shareholders' ability to sue officers and directors for misconduct (ease of shareholder suits index).</p>
<p>Paying Taxes</p> 	<p>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.</p>

Trading Across Borders 	<p>Measures the time and cost (excluding tariffs) associated with exporting and importing a standardised cargo of goods by ocean transport. The time and cost necessary to complete every official procedure for exporting and importing the goods.</p>
Enforcing Contracts 	<p>Indicators on enforcing contracts measure 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.</p>
Resolving Insolvency 	<p>Studies the time, cost and outcome of insolvency proceedings involving domestic entities.</p>
Employing Workers* 	<p>Measures flexibility in the regulation of employment, specifically as it affects the hiring and redundancy of workers and the rigidity of working hours.</p>

Note: * Pending further progress on research in the area of employing workers, this year's report does not present rankings of economies in this area.

HIGHLIGHTS OF MALAYSIA'S PERFORMANCE

Malaysia achieved Top 12th position in World Bank's Doing Business Report 2013

7. In the recently released Doing Business (DB) Report 2013 by the World Bank, **Malaysia improved its ranking to 12th position among 185 countries**, moving up six notches from 18th in 2012. Malaysia is ahead of Sweden (13th), Taiwan (16th), Thailand (18th), Germany (20th), Saudi Arabia (22nd), Japan (24th) and Switzerland (28th).
8. The twenty countries representing the top ten per cent of 185 countries which are easiest to do business are shown in Table 1.

**Table 1: Top 20 Countries of the World Bank Doing Business
2013**

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Singapore	1	1	1
Hong Kong SAR, China	2	2	2
New Zealand	3	3	3
United States	4	4	4
Denmark	5	5	5
Norway	6	6	7
United Kingdom	7	7	6
Korea, Republic	8	8	15
Georgia	9	16	17
Australia	10	15	11
Finland	11	11	14
Malaysia	12	18	23
Sweden	13	14	9
Iceland	14	9	13
Ireland	15	10	8
Taiwan, China	16	25	24
Canada	17	13	12
Thailand	18	17	16
Mauritius	19	23	21
Germany	20	19	19

9. **Malaysia continues to be the top country for Getting Credit and 4th for Protecting Investors.** Other areas which had improved include Paying Taxes moving up 26 places to 15th position this year; Registering Property also by 26 places to 33rd position; Getting Electricity by 31 places to 28th position; Trading Across Borders by 18 places to 11th position; and Dealing with Construction Permits by 17 places to 96th position.
10. The World Bank has acknowledged **Malaysia as among the top ten reformers within the APEC region** that made the most progress toward the frontier in regulatory practices. Malaysia was also cited by the World Bank for establishing the Regulatory Reform Committee at the inter-ministerial level. The World Bank also identified **good practices** from **Malaysia** as follows:
- **Offering cadastre information online** under Registering Property;
 - **Distributing data on loans below 1% of income per capita** under Getting Credit;
 - **Defining clear duties for directors** in case of related-party transactions under Protecting Investors; and
 - **Allowing electronic filing of complaints** under Enforcing Contracts.
11. Malaysia improved its performance in 5 areas of doing business, maintained two areas and marginal declines were registered in the other 3 areas as shown in Table 2.

**Table 2: Malaysia's Performance In the 10 Areas of
Doing Business 2013**

<u>Indicator</u>	<u>Rank 2013</u>	<u>Rank 2012</u> <u>(Published)</u>	<u>Rank 2012</u> <u>(Revised)*</u>
OVERALL	12	18	14
Starting a Business	54	50	42
Dealing with Construction Permits	96	113	116
Getting Electricity	28	59	27
Registering Property	33	59	62
Getting Credit	1	1	1
Protecting Investors	4	4	4
Paying Taxes	15	41	25
Trading Across Borders	11	29	12
Enforcing Contracts	33	31	31
Resolving Insolvency	49	47	48

** Note: All Doing Business 2012 rankings have been recalculated to reflect changes to the methodology and revisions of data due to new information.*

STARTING A BUSINESS



Records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.

12. Malaysia recorded 54th position in **Starting A Business** compared to 50th in DB2012. Among the efficiency improvements undertaken was the development of the **MyCoID Gateway System (MGS)** which enables services to be transacted online. The **Malaysian Corporate Identity Number (MyCoID)**, a **unique company incorporation number** for registering and dealing with relevant Government agencies to start a business to **save time, reduce bureaucratic red tape and improve efficiency of the process.**
13. On-going improvements to Starting a Business include the use of **e-Stamping** which allows the Memorandum & Articles of Association (M&A) to be lodged via the **MyCoID portal**, without any requirement for system integration. A limited liability partnership, which is an alternative business vehicle has been introduced by the Companies Commission of Malaysia, through the **Limited Liability Partnerships Act 2012** intended to provide more choices for businessmen and entrepreneurs in structuring and carrying out their business operations to be more competitive. The new entity requires simpler procedures for formation and registration, maintenance and dissolutions

compared to a company which **resulted in lower administrative and compliance costs.**

14. Where is **starting a business** easiest - and where most difficult?

Easiest	Rank	Most Difficult	Rank
New Zealand	1	Côte d' Ivoire	176
Australia	2	Iraq	177
Canada	3	Suriname	178
Singapore	4	West Bank and Gaza	179
Macedonia, FYR	5	Congo, Rep.	180
Hong Kong SAR, China	6	Chad	181
Georgia	7	Equatorial Guinea	182
Rwanda	8	Eritrea	183
Belarus	9	Haiti	183
Ireland	10	Djibouti	185

Note: Rankings are the average of the economy's rankings on the procedures, time, cost and paid-in minimum capital for starting a business. Economies shown with the same number are tied in the ranking.

Source: *Doing Business* database.

DEALING WITH CONSTRUCTION PERMITS



Records all procedures required for a business in the construction industry to build a standardised warehouse. These procedures include submitting all relevant project-specific documents (for example, building plans and site maps) to the authorities; obtaining all necessary clearances, licenses, permits and certificates; completing all required notifications; and receiving all necessary inspections. *Doing Business* also records procedures for obtaining connections for water, sewerage and a fixed telephone landline.

15. Malaysia registered marked improvement in its ranking to 96th position (DB2012:113rd). It was noted by the World Bank that Malaysia had made **Dealing with Construction Permits** faster by improving the **one stop centre** for approval of new development proposals until the building is connected to utilities.

The coordination between the local authority Kuala Lumpur City Hall (DBKL) in-house technical departments and external technical agencies managed to reduce time taken to process the development proposal.

16. The Focus Group in Dealing with Construction Permits (FGDCP) has conducted a thorough study to identify regulatory and non-regulatory options that are able to reduce burdens placed by the regulators to business community in construction permits. The introduction of **OSC1 Submission**, a special lane to get faster approval will now require only 10 procedures and take 100 days to process the permits compared to 37 procedures which required 260 days.
17. The initiative to map existing baseline of submission has been expanded to 13 capital cities and 2 cities under the Ministry of Federal Territories and Urban Wellbeing namely Putrajaya and Labuan to help other local authorities and regulators to identify best practices and quick wins by reducing procedures and time to process the development proposal. The expansion has created a new wave of change in dealing with the construction permits landscape in Malaysia.

18. Where is **dealing with construction permits** easiest - and where most difficult?

Easiest	Rank	Most Difficult	Rank
Hong Kong SAR, China	1	Montenegro	176
Singapore	2	Azerbaijan	177
Georgia	3	Russian Federation	178
Marshall Islands	4	Serbia	179
St. Vincent and the Grenadines	5	Tajikistan	180
New Zealand	6	China	181
Bahrain	7	India	182
Denmark	8	Ukraine	183
Taiwan, China	9	Albania ^a	185
Grenada	10	Eritrea ^a	185

Note: Rankings are the average of the economy's rankings on the procedures, time and cost to comply with formalities to build a warehouse.

a. Albania and Eritrea are both "no practice" economies with barriers preventing private builders from legally obtaining a building permit. They are tied in the ranking.

Source: *Doing Business* database.

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.

19. **Getting Electricity** improved the most by 31 places at 28th position (DB2012:59th). Extensive discussions had been held to improve electricity connections in Malaysia by engaging electricity supply companies, electrical professionals and regulatory agencies to review and reduce procedures and costs as well as to shorten timelines that electricity consumers had to undergo in order to obtain electricity connections and also to **benchmark**

against the best practices aimed at achieving implementable solutions for the improvement of electricity connections. This has led to a reduction in number of procedures from 6 to 5, number of days from 51 to 46 and cost (% of income per capita) from 95.5 to 53.9.

20. Where is **getting electricity** easiest - and where most difficult?

Easiest	Rank	Most Difficult	Rank
Iceland	1	Sierra Leone	176
Germany	2	Kyrgyz Republic	177
Korea, Rep.	3	Nigeria	178
Hong Kong SAR, China	4	Malawi	179
Singapore	5	Senegal	180
Taiwan, China	6	Tajikistan	181
United Arab Emirates	7	Guinea-Bissau	182
Switzerland	8	Madagascar	183
Sweden	9	Russian Federation	184
Thailand	10	Bangladesh	185

Note: Rankings are the average of the economy's rankings on the procedures, time and cost to get an electricity connection.

Source: *Doing Business* database.

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.

21. Malaysia had substantially reduced the number of days it takes to **register property** transfers to 14 days from 48 days. This has contributed to its significantly improved ranking at 33rd position (DB2012:59th). Efficiency improvement initiatives have led to registration of a standard property within one day. The implementation of the **Biometric System** has reduced fraud and forgery in property registration as well as the **Standard Computerised Land Registration System (SPBT)** known as **myForm** in all land offices has minimised the time taken for data entry by counter clerks.

22. Where is **registering property** easiest - and where most difficult?

Easiest	Rank	Most Difficult	Rank
Georgia	1	Belgium	176
New Zealand	2	Trinidad and Tobago	177
Belarus	3	Liberia	178
Armenia	4	Bahamas, The	179
Lithuania	5	Guinea-Bissau	180
Denmark	6	Eritrea	181
Norway	7	Nigeria	182
Slovak Republic	8	Marshall Islands	185
Azerbaijan	9	Micronesia, Fed. Sts.	185
Iceland	9	Timor-Leste	185

Note: Rankings are the average of the economy's rankings on the procedures, time and cost to register property. Economies shown with the same number are tied in the ranking.

Source: Doing Business database.

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 through another.

23. Globally, Malaysia is the top country among 185 economies on the ease of **Getting Credit**, and has been maintaining its 1st position consecutively for the last 5 years. Rankings are based on the sum of the strength of legal rights index and the depth of credit information index. This reflects on how well the credit information system and collateral and laws in Malaysia support lending and borrowing.

24. Where is **getting credit** easiest - and where most difficult?

Easiest	Rank	Most Difficult	Rank
Malaysia	1	Congo, Dem. Rep.	176
South Africa	1	Iraq	176
United Kingdom	1	Malta	176
Australia	4	Syrian Arab Republic	176
Georgia	4	Djibouti	180
Hong Kong SAR, China	4	Eritrea	180
Latvia	4	Madagascar	180
Montenegro	4	Sao Tome and Principe	180
New Zealand	4	Tajikistan	180
Poland	4 ^a	Palau	185

Note: Rankings on the ease of getting credit are based on the sum of the strength of legal rights index and the depth of credit information index.

Economies shown with the same number are tied in the ranking.

a. The United States is also tied in the ranking at 4.

Source: Doing Business database.

PROTECTING INVESTORS



Measures the strength of minority shareholder protections against directors' misuse of corporate assets for personal gain. The indicators distinguish 3 dimensions of investor protections: transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and shareholders' ability to sue officers and directors for misconduct (ease of shareholder suits index).

25. Malaysia continues to be among the top five in **Protecting Investors**, maintaining its 4th rank since 2007. The Government had reintroduced an incentive for acquisition of foreign companies for their high-technology, which would offer Malaysian-owned companies a “leapfrogging” approach to move up the value chain or diversify into new areas. Under this incentive, the company – which must be 60 per cent Malaysian owned is eligible for annual deduction of 20 per cent of the acquisition cost for five years.

26. Where are **investors most protected** – and where least?

Most Protected	Rank	Least Protected	Rank
New Zealand	1	Haiti	176
Singapore	2	Gambia, The	177
Hong Kong SAR, China	3	Guinea	177
Canada	4	Micronesia, Fed. Sts.	177
Malaysia	4	Palau	177
Colombia	6	Djibouti	181
Ireland	6	Venezuela, RB	181
Israel	6	Suriname	183
United States	6	Lao PDR	184
United Kingdom	10	Afghanistan	185

Note: Rankings are based on the strength of investor protection index. Economies shown with the same number are tied in the ranking.

Source: Doing Business database

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.

27. Standardising and simplifying tax administration procedures and incorporating various global best practices had resulted in Malaysia's significant improvement in **Paying Taxes** which improved 26 notches to 15th (DB2012:41st). Improvements in Paying Taxes include the **reduction in time** taken to file and make payment for labour taxes: EFP, SOCSO and HRDF. The total tax rate which is the total amount of **taxes payable by businesses as a percent of profit had also been reduced** to 24.5% from 34.0% last year.
28. Policy initiatives to improve the income tax system included option for individuals with a single source of employment income not to file tax, enforced compensation for late refund of taxes; and Reduced time frame from six years to five years within which a tax audit can be carried out. In addition, tax payers can file their tax returns with their smart phones using the **m-Filing application**. For fast and efficient payment of sales tax and tax returns, an **online payment system** will be implemented in the Custom's website.

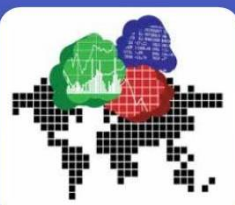
29. Where is **paying taxes** easiest – and where most difficult?

Easiest	Rank	Most Difficult	Rank
United Arab Emirates	1	Cameroon	176
Qatar	2	Mauritania	177
Saudi Arabia	3	Senegal	178
Hong Kong SAR, China	4	Gambia, The	179
Singapore	5	Bolivia	180
Ireland	6	Central African Republic	181
Bahrain	7	Congo, Rep.	182
Canada	8	Guinea	183
Kiribati	9	Chad	184
Oman	10	Venezuela, RB	185

Note: Rankings are the average of the economy's rankings on the number of payments, time and total tax rate, with a threshold imposed on the total tax rate.

Source: Doing Business database

TRADING ACROSS BORDERS



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

30. Malaysia was ranked 11th (DB2012:29th) among 185 countries in the areas of **Trading Across Borders**. Various initiatives had been undertaken, including **streamlining and standardising the import and export process flows** for nine types of trade activities. The nine types of trade activities developed as standard process flows are Full Container Load; Lesser Container Load; Transshipment; ZB form; Barter Trade; Roll on and Roll Off; Break Bulk Cargo; Liquid Bulk Cargo; and Dry Bulk Cargo. To simplify

and expedite the export process, **export documents have been combined through integrated data management**. Currently, a project is being undertaken to **improve the efficiency of logistics stakeholders using six sigma tools**.

31. Where is **trading across borders** easiest – and where most difficult?

Easiest	Rank	Most Difficult	Rank
Singapore	1	Niger	176
Hong Kong SAR, China	2	Burundi	177
Korea, Rep.	3	Afghanistan	178
Denmark	4	Iraq	179
United Arab Emirates	5	Chad	180
Finland	6	Congo, Rep.	181
Estonia	7	Central African Republic	182
Sweden	8	Kazakhstan	182
Panama	9	Tajikistan	184
Israel	10	Uzbekistan	185

Note: Rankings are the average of the economy's rankings on the documents, time and cost required to export and import. Economies shown with the same number are tied in the ranking.
Source: *Doing Business* database

ENFORCING CONTRACTS



Indicators on enforcing contracts measure 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.

32. Malaysia's performance in **Enforcing Contracts** maintained its position among the top 20%, ranked 33rd (DB2012:31st). **Enhancement of the Judicial System** with more judges and computerisation has been implemented. Among the improvements through computerisation are **e-Filing** system to allow registration and submission of digital forms by lawyers without their presence; **Court Management System (CMS)**- Quicker Data Management for better tracking and analysis; **Queue Management System (QMS)** – a queue system that expedites the queue and individual tracking of documents; and **Court Recording and Transcription System (CRT)** – a system that allows all court proceedings to be recorded or viewed digitally online without the need for carbon transcripts.
33. Among the initiatives introduced is the launch of the “**Malaysian Rules of Court 2012 - An Annotation**” which combines procedures of the Lower Courts and High Courts resulting in one set of rules that is applicable for the filing of civil cases in the Subordinate Court and the High Court nationwide. It is important to note that through this merger existing rules had undergone significant changes. A **Court's Guide Book is also to be**

published aimed to educate the public and to serve as quick reference for information on litigation process at the Courts.

34. Where is **enforcing contracts** easiest - and where most difficult?

Easiest	Rank	Most Difficult	Rank
Luxembourg	1	Syrian Arab Republic	176
Korea, Rep.	2	Central African Republic	177
Iceland	3	Benin	178
Norway	4	Honduras	179
Germany	5	Suriname	180
United States	6	São Tomé and Príncipe	181
Austria	7	Bangladesh	182
France	8	Angola	183
Finland	9	India	184
Hong Kong SAR, China	10	Timor-Leste	185

Note: Rankings are the average of the economy's rankings on the procedures, time and cost to resolve a commercial dispute through the courts.

Source: *Doing Business* database

RESOLVING INSOLVENCY



Studies the time, cost and outcome of insolvency proceedings involving domestic entities.

35. Malaysia was ranked 49th (DB2012:47th) in **Resolving Insolvency**. An **Insolvency Draft Bill** has been drafted to **consolidate existing legislations** into a **single legislation** and introduce **new provisions** to boost reforms and enhance the insolvency process. The Malaysia Department of Insolvency

(MDI) has undertaken a project to **clear** the amount of **backlog court cases** and **outstanding winding-up cases**.

36. **Creating a single insolvency law** by consolidating existing legislations into one new insolvency law and introducing new provisions in reforming the insolvency landscape are among the on-going initiatives for Resolving Insolvency. Continuous efforts are also being enhanced to simplify further the process for closing a business and publication of Asset Search Directory to assist liquidators in tracing assets for liquidation processes.

37. Where is **resolving insolvency** easiest - and where most difficult?

Recovery Rate			
Easiest		Most Difficult	
Japan	92.8	Angola	8.0
Singapore	91.3	Venezuela, RB	6.4
Norway	90.8	São Tomé and Príncipe	5.2
Canada	90.7	Philippines	4.9
Finland	89.7	Micronesia, Fed. Sts.	3.4
Netherlands	88.8	Rwanda	3.1
Belgium	88.7	Congo, Dem. Rep.	1.6
United Kingdom	88.6	Zimbabwe	0.1
Ireland	87.5	Central African Republic	0.0
Denmark	87.1	Eritrea	0.0 ^a

Note: Rankings are based on the recovery rate; how many cents on the dollar creditors recover from an insolvent firm as calculated by *Doing Business*.

a. Sixteen economies have a recovery rate of 0, including 14 “no practice” economies.

Source: *Doing Business* database.

WAY FORWARD

38. Malaysia's initiatives in facilitating businesses through modernising business licensing where the Special Taskforce to Facilitate Business (PEMUDAH) works with ministries and agencies have resulted in better procedural reforms. PEMUDAH will continue to undertake initiatives to improve the business environment. These include business process re-engineering in various licensing processes and procedures; implementation of web-based e-payment facilities for online payments nationwide; and fine tuning the one-stop centre approval processes for building plans. Indeed PEMUDAH will continue to leverage on public-private sector engagement and collaboration to provide input for other relevant policy issues that impact not only the business environment but also citizenry and national development goals.
39. We can expect to see improvements in our rankings as continuous efforts are being carried out to facilitate business in all areas, specifically in the areas of Dealing with Construction Permits, Starting a Business, Enforcing Contracts and Resolving Insolvency. Among the on-going measures for Dealing with Construction Permits at the sub-national level include, enhancing One Stop Centres (OSCs) at the local authorities as a single coordinating point for all technical agencies to speed up development approvals.
40. In the area of Enforcing Contracts, initiatives include the launch of the "Malaysian Rules of Court 2012 - An Annotation" which

combines procedures of the Lower Courts and High Courts resulting in one set of rules that is applicable for the filing of civil cases in the Subordinate Court and the High Court nationwide. It is important to note that through this merger existing rules had undergone significant changes. A Court's Guide Book is also to be published aimed to educate the public and to serve as quick reference for information on litigation process at the Courts. Creating a single insolvency law by consolidating existing legislations into one new insolvency law and introducing new provisions in reforming the insolvency landscape are among the on-going initiatives for Resolving Insolvency. Continuous efforts are also being enhanced to simplify further the process for closing a business and publication of Asset Search Directory to assist liquidators in tracing assets for liquidation processes.

41. Moving forward Malaysia remains committed to be among the top ten nations in ease of doing business and a high-income economy. Challenges undoubtedly remain with new competitors constantly emerging and economic uncertainties globally. It is apparent that more needs to be done in the shortest time possible if we are to stay ahead. PEMUDAH will continue to be a catalyst to bring about change to enhance Malaysia's competitiveness. Efforts by this public-private sector collaboration will be directed at finding more ways to provide a conducive and facilitative business environment; regulatory review to facilitate business on regulatory changes and new regulations; ensure greater transparency, accountability and efficiency of the public sector; promote service liberalisation, develop, attract and retain talent; and improve the service level of the private sector.

DOING BUSINESS INDICATORS FOR MALAYSIA AND SELECTED ASIAN COUNTRIES

Indicator	Malaysia DB2013	Malaysia DB2012	DB 2013							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Starting a Business (rank)	54	50	151	114	85	16	24	6	4	New Zealand (1)
Procedures (number)	3	4	13	8	4	3	5	3	3	Canada (1)*
Time (days)	6	6	33	23	29	10	7	3	3	New Zealand (1)
Cost (% of income per capita)	15.1	16.4	2.1	7.5	6.7	2.4	14.6	1.9	0.6	Denmark (0.2)
Paid-in Min. Capital (% of income per capita)	0.0	0.0	85.7	0.0	0.0	0.0	0.0	0.0	0.0	Chad (289)
Dealing with Construction Permits (rank)	96	113	181	72	16	9	26	1	2	Hong Kong SAR, China (1)
Procedures (number)	37	22	28	14	8	11	11	6	11	Hong Kong SAR, China (6)
Time (days)	140	260	270	193	157	94	29	67	26	Singapore (26)*
Cost (% of income per capita)	17.5	7.1	375.3	28.5	9.2	16.3	127.2	16.3	16.7	Qatar (1.1)
Getting Electricity (rank)	28	59	114	27	10	6	3	4	5	Germany (2)
Procedures (number)	5	6	5	3	4	4	4	4	4	Germany (3)*
Time (days)	46	51	145	105	35	24	28	41	36	Germany (17)
Cost (% of income per capita)	53.9	95.5	547	0.0	75.3	50.4	33.3	1.6	28.6	Japan (0.0)

Indicator	Malaysia DB2013	Malaysia DB2012	DB 2013							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Registering Property (rank)	33	59	44	64	26	32	75	60	36	New Zealand (2)
Procedures (number)	5	5	4	6	2	3	7	5	5	Portugal (1)*
Time (days)	14	48	29	14	2	5	11	36	21	Portugal (1)
Cost (% of property value)	3.3	3.3	3.6	5.8	6.3	6.2	5.1	4.0	2.9	Saudi Arabia (0.0)
Getting Credit (rank)	1	1	70	23	70	70	12	4	12	United Kingdom, Malaysia, South Africa (1)
Strength of legal rights index (0-10)	10	10	6	7	5	5	8	10	10	Australia (10)*
Depth of credit information index (0-6)	6	6	4	6	5	5	6	5	4	Japan (6)*
Public registry coverage (% of adults)	56.1	49.4	27.7	0.0	0.0	0.0	0.0	0.0	0.0	Portugal (90.7)
Private bureau coverage (% of adults)	81.8	83.4	0.0	100	44.1	94.1	100.0	89.4	58.3	New Zealand (100.0)*
Protecting Investors (rank)	4	4	100	19	13	32	49	3	2	New Zealand (1)
Extent of disclosure index (0-10)	10	10	10	7	10	9	7	10	10	Singapore (10)*
Extent of director liability index (0-10)	9	9	1	6	7	5	4	8	9	Singapore (9)*
Ease of shareholder suits index (0-10)	7	7	4	8	6	5	7	9	9	New Zealand (10)*

Indicator	Malaysia DB2013	Malaysia DB2012	DB 2013							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Strength of investor protection index (0-10)	8.7	8.7	5.0	7.0	7.7	6.3	6	9.0	9.3	New Zealand (9.7)
Paying Taxes (rank)	15	41	122	127	96	54	30	4	5	Hong Kong SAR, China (4)
Payments (number per year)	13	13	7	14	22	12	10	3	5	Hong Kong SAR, China (3)
Time (hours per year)	133	133	338	330	264	221	207	78	82	Luxembourg (59)
Total tax rate (% of profit)	24.5	34.0	63.7	50	37.6	34.8	29.8	23.0	27.6	Brunei Darussalam (16.8)
Trading Across Borders (rank)	11	29	68	19	20	23	3	2	1	Singapore (1)
Documents to export (number)	5	6	8	3	5	6	3	4	4	France (2)
Time to export (days)	11	17	21	10	14	10	7	5	5	Denmark (5)*
Cost to export (US\$ per container)	435	450	580	880	585	655	665	575	456	Malaysia (435)
Documents to import (number)	6	7	5	5	5	6	3	4	4	France (2)
Time to import (days)	8	14	24	11	13	10	7	5	4	Singapore (4)
Cost to import (US\$ per container)	420	435	615	970	750	720	695	565	439	Malaysia (420)
Enforcing Contracts (rank)	33	31	19	35	23	90	2	10	12	Luxembourg (1)
Time (days)	425	425	406	360	440	510	230	360	150	Singapore (150)

Indicator	Malaysia DB2013	Malaysia DB2012	DB 2013							
			China	Japan	Thailand	Taiwan, China	Korea, Rep.	Hong Kong SAR, China	Singapore	Best performer globally
Cost (% of claim)	27.5	27.5	11.1	32.2	15	17.7	10.3	21.2	25.8	Luxembourg (9.7)
Procedures (number)	29	29	37	30	36	45	33	27	21	Ireland & Singapore (21)
Resolving Insolvency (rank)	49	47	82	1	58	15	14	17	2	Japan (1)
Time (years)	1.5	1.5	1.7	0.6	2.7	1.9	1.5	1.1	0.8	Ireland (0.4)
Cost (% of estate)	15	15	22	4	36	4	4	9	1	Singapore (1)*
Recovery rate (cents on the dollar)	44.7	44.6	36.7	92.8	42.7	81.8	81.8	81.2	91.3	Japan (92.8)

Note:* Two or more economies share the top ranking on this indicator. A number shown in place of an economy's name indicates the number of economies that share the top ranking on the indicator. For a list of these economies, refer the Doing Business website (<http://www.doingbusiness.org>).

RANKINGS ON THE EASE OF DOING BUSINESS 2013

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Singapore	1	1	1
Hong Kong SAR, China	2	2	2
New Zealand	3	3	3
United States	4	4	4
Denmark	5	5	5
Norway	6	6	7
United Kingdom	7	7	6
Korea, Republic	8	8	15
Georgia	9	16	17
Australia	10	15	11
Finland	11	11	14
Malaysia	12	18	23
Sweden	13	14	9
Iceland	14	9	13
Ireland	15	10	8
Taiwan, China	16	25	24
Canada	17	13	12
Thailand	18	17	16
Mauritius	19	23	21
Germany	20	19	19
Estonia	21	24	18
Saudi Arabia	22	12	10
Macedonia, FYR	23	22	34
Japan	24	20	20
Latvia	25	21	31
United Arab Emirates	26	33	35
Lithuania	27	27	25
Switzerland	28	26	22
Austria	29	32	28
Portugal	30	30	30
Netherlands	31	31	29
Armenia	32	55	61
Belgium	33	28	27
France	34	29	26
Slovenia	35	37	37
Cyprus	36	40	49
Chile	37	39	41
Israel	38	34	32
South Africa	39	35	36
Qatar	40	36	38
Puerto Rico (U.S.)	41	43	42
Bahrain	42	38	33

RANKINGS ON THE EASE OF DOING BUSINESS 2013 (continued)

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Peru	43	41	39
Spain	44	44	45
Colombia	45	42	47
Slovak Republic	46	48	43
Oman	47	49	53
Mexico	48	53	54
Kazakhstan	49	47	58
Tunisia	50	46	40
Montenegro	51	56	56
Rwanda	52	45	50
St. Lucia	53	52	48
Hungary	54	51	46
Poland	55	62	59
Luxembourg	56	50	44
Samoa	57	60	55
Belarus	58	69	91
Botswana	59	54	52
Fiji	60	77	72
Panama	61	61	63
Tonga	62	58	62
Antigua and Barbuda	63	57	51
Ghana	64	63	60
Czech Republic	65	64	70
Bulgaria	66	59	57
Azerbaijan	67	66	69
Dominica	68	65	64
Trinidad and Tobago	69	68	76
Kyrgyz Republic	70	70	67
Turkey	71	71	73
Romania	72	72	65
Italy	73	87	83
Seychelles	74	103	109
St. Vincent and the Grenadines	75	75	66
Mongolia	76	86	89
Bahamas, The	77	85	82
Greece	78	100	101
Brunei Darussalam	79	83	86
Vanuatu	80	76	75
Sri Lanka	81	89	98
Kuwait	82	67	71
Moldova	83	81	99
Croatia	84	80	79

RANKINGS ON THE EASE OF DOING BUSINESS 2013 (continued)

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Albania	85	82	77
Serbia	86	92	88
Namibia	87	78	74
Barbados*	88	-	-
Uruguay	89	90	107
Jamaica	90	88	85
China	91	91	87
Solomon Islands	92	74	81
Guatemala	93	97	93
Zambia	94	84	80
Maldives	95	79	78
St. Kitts and Nevis	96	95	84
Morocco	97	94	115
Kosovo	98	117	117
Vietnam	99	98	90
Grenada	100	73	68
Marshall Islands	101	106	102
Malta*	102	-	-
Paraguay	103	102	100
Papua New Guinea	104	101	97
Belize	105	93	92
Jordan	106	96	95
Pakistan	107	105	96
Nepal	108	107	110
Egypt, Arab Rep.	109	110	108
Costa Rica	110	121	121
Palau	111	116	116
Russian Federation	112	120	124
El Salvador	113	112	112
Guyana	114	114	113
Lebanon	115	104	103
Dominican Republic	116	108	105
Kiribati	117	115	111
Yemen, Rep.	118	99	94
Nicaragua	119	118	122
Uganda	120	123	119
Kenya	121	109	106
Cape Verde	122	119	129
Swaziland	123	124	123
Argentina	124	113	114
Honduras	125	128	130
Bosnia and Herzegovina	126	125	127
Ethiopia	127	111	104
Indonesia	128	129	126

RANKINGS ON THE EASE OF DOING BUSINESS 2013 (continued)

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Bangladesh	129	122	118
Brazil	130	126	120
Nigeria	131	133	133
India	132	132	139
Cambodia	133	138	138
Tanzania	134	127	125
West Bank and Gaza	135	131	128
Lesotho	136	143	142
Ukraine	137	152	149
Philippines	138	136	134
Ecuador	139	130	131
Sierra Leone	140	141	150
Tajikistan	141	147	152
Madagascar	142	137	144
Sudan	143	135	135
Syrian Arab Republic	144	134	136
Iran, Islamic Rep.	145	144	140
Mozambique	146	139	132
Gambia, The	147	149	145
Bhutan	148	142	146
Liberia	149	151	155
Micronesia, Fed. Sts.	150	140	137
Mali	151	146	148
Algeria	152	148	143
Burkina Faso	153	150	151
Uzbekistan	154	166	164
Bolivia	155	153	147
Togo	156	162	158
Malawi	157	145	141
Comoros	158	157	156
Burundi	159	169	177
São Tomé and Príncipe	160	163	174
Cameroon	161	161	165
Equatorial Guinea	162	155	161
Lao PDR	163	165	163
Suriname	164	158	153
Iraq	165	164	159
Senegal	166	154	157
Mauritania	167	159	162
Afghanistan	168	160	154
Timor-Leste	169	168	169
Gabon	170	156	160
Djibouti	171	170	167
Angola	172	172	171
Zimbabwe	173	171	168

RANKINGS ON THE EASE OF DOING BUSINESS 2013 (continued)

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Haiti	174	174	166
Benin	175	175	173
Niger	176	173	172
Cote d' Ivoire	177	167	170
Guinea	178	179	179
Guinea-Bissau	179	176	181
Venezuela, RB	180	177	175
Congo, Dem. Rep.	181	178	176
Eritrea	182	180	183
Congo, Rep.	183	181	180
Chad	184	183	182
Central African Republic	185	182	183

*New Entrant

**RANKINGS ON THE EASE OF DOING BUSINESS 2013
ASIA – PACIFIC COUNTRIES**

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Singapore	1	1	1
Hong Kong SAR, China	2	2	2
New Zealand	3	3	3
Korea, Republic	8	8	15
Australia	10	15	11
Malaysia	12	18	23
Taiwan, China	16	25	24
Thailand	18	17	16
Japan	24	20	20
Kyrgyz Republic	70	70	67
Mongolia	76	86	89
Brunei Darussalam	79	83	86
Sri Lanka	81	89	98
China	91	91	87
Vietnam	99	98	90
Pakistan	107	105	96
Nepal	108	107	110
Indonesia	128	129	126
Bangladesh	129	122	118
India	132	132	139
Cambodia	133	138	138
Philippines	138	136	134

**RANKINGS ON THE EASE OF DOING BUSINESS 2013
ASEAN COUNTRIES**

Economy	Ease of Doing Business (Rank)		
	2013	2012	2011
Singapore	1	1	1
Malaysia	12	18	23
Thailand	18	17	16
Brunei Darussalam	79	83	86
Vietnam	99	98	90
Indonesia	128	129	126
Cambodia	133	138	138
Philippines	138	136	134

**THE 10 ECONOMIES IMPROVING THE MOST ACROSS 3 OR MORE AREAS
MEASURED BY DOING BUSINESS IN 2011/ 2012**

Economy	Rank	(1) Starting a business	(2) Dealing with construction permits	(3) Getting electricity	(4) Registering property	(5) Getting credit
Poland	55				✓	
Sri Lanka	81	✓			✓	✓
Ukraine	137	✓			✓	
Uzbekistan	154	✓				✓
Burundi	159	✓	✓		✓	
Costa Rica	110	✓	✓			✓
Mongolia	76	✓				✓
Greece	78		✓			
Serbia	86	✓				
Kazakhstan	49	✓				✓

Economy	Rank	(6) Protecting investors	(7) Paying taxes	(8) Trading across borders	(9) Enforcing contracts	(10) Resolving insolvency
Poland	55		✓		✓	✓
Sri Lanka	81			✓		
Ukraine	137		✓			
Uzbekistan	154			✓		✓
Burundi	159			✓		
Costa Rica	110		✓			
Mongolia	76	✓				
Greece	78	✓				✓
Serbia	86					✓
Kazakhstan	49					✓

GOOD PRACTICES AROUND THE WORLD

TOPIC	PRACTICES	ECONOMIES ^a	EXAMPLES
Making it easy to start a business	Putting procedures online	106	Hong Kong SAR, China; FYR Macedonia; New Zealand; Peru; Singapore
	Having no minimum capital requirement	91	Kazakhstan; Kenya; Kosovo; Madagascar; Mexico; Mongolia; Morocco; Portugal; Rwanda; Serbia; United Arab Emirates; United Kingdom
	Having a one-stop shop	88	Bahrain; Burkina Faso; Georgia; Republic of Korea; Peru; Vietnam
Making it easy to deal with construction permits	Having comprehensive building rules	135	Croatia; Kenya; New Zealand; Republic of Yemen
	Using risk-based building approvals	86	Armenia; Germany; Mauritius; Singapore
	Having a one-stop shop	31	Bahrain; Chile; Hong Kong SAR, China; Rwanda
Making it easy to obtain an electricity connection	Streamlining approval processes (utility obtains excavation permit or right of way if required)	104 ^b	Armenia; Austria; Benin; Cambodia; Czech Republic; Panama
	Providing transparent connection costs and processes	103	France; Germany; Ireland; Netherlands; Trinidad and Tobago
	Reducing the financial burden of security deposits for new connections	96	Argentina; Austria; Kyrgyz Republic; Latvia; Mozambique; Nepal
	Ensuring the safety of internal wiring by regulating the electrical profession rather than the connection process	40	Denmark; Germany; Iceland; Japan
Making it easy to register property	Using an electronic database for encumbrances	108	Jamaica; Sweden; United Kingdom
	Offering cadastre information online	50	Denmark; Lithuania; Malaysia
	Offering expedited procedures	16	Azerbaijan; Bulgaria; Georgia
	Setting fixed transfer fees	10	New Zealand; Russian Federation; Rwanda
Making it easy to get credit	Legal rights		
	Allowing out-of-court enforcement	122	Australia; India; Nepal; Peru; Russian Federation; Serbia; Sri Lanka
	Allowing a general description of collateral	92	Cambodia; Canada; Guatemala; Nigeria; Romania; Rwanda; Singapore
	Maintaining a unified registry	67	Bosnia and Herzegovina; Ghana; Honduras; Marshall Islands; Mexico; Montenegro; New Zealand
	Credit information		
	Distributing data on loans below 1% of income per capita	123	Brazil; Bulgaria; Germany; Kenya; Malaysia; Sri Lanka; Tunisia
	Distributing both positive and negative credit information	105	China; Croatia; India; Italy; Jordan; Panama; South Africa
	Distributing credit information from retailers, trade creditors or utilities as well as financial institutions	55	Fiji; Lithuania; Nicaragua; Rwanda; Saudi Arabia; Spain
Protecting investors	Allowing rescission of prejudicial related-party transactions ^c	73	Brazil; Mauritius; Rwanda; United States
	Regulating approval of related-party transactions	60	Albania; France; United Kingdom
	Requiring detailed disclosure	53	Hong Kong SAR, China; New Zealand; Singapore
	Allowing access to all corporate documents during the trial	46	Chile; Ireland; Israel
	Requiring external review of related-party transactions	43	Australia; Arab Republic of Egypt; Sweden
	Allowing access to all corporate documents before the trial	30	Japan; Sweden; Tajikistan
	Defining clear duties for directors	28	Colombia; Malaysia; Mexico; United States
Making it easy to pay taxes	Allowing self-assessment	156	Argentina; Canada; China; Rwanda; Sri Lanka; Turkey
	Allowing electronic filing and payment	74	Australia; Colombia; India; Lithuania; Malta; Mauritius; Tunisia
	Having one tax per tax base	48	FYR Macedonia; Namibia; Paraguay; United Kingdom
Making it easy to trade across borders ^d	Allowing electronic submission and processing	149 ^e	Belize; Chile; Estonia; Pakistan; Turkey
	Using risk-based inspections	133	Morocco; Nigeria; Palau; Vietnam
	Providing a single window	71 ^f	Colombia; Ghana; Republic of Korea; Singapore
Making it easy to enforce contracts	Making all judgments in commercial cases by first-instance courts publicly available in practice	121 ^g	Chile; Iceland; Nigeria; Russian Federation; Uruguay
	Maintaining specialized commercial court, division or judge	82	Burkina Faso; France; Liberia; Poland; Sierra Leone; Singapore
	Allowing electronic filing of complaints	19	Brazil; Republic of Korea; Malaysia; Rwanda; Saudi Arabia
Making it easy to resolve insolvency	Allowing creditors' committees a say in insolvency proceeding decisions	109	Australia; Bulgaria; Philippines; United States; Uzbekistan
	Requiring professional or academic qualifications for insolvency administrators by law	107	Armenia; Belarus; Colombia; Namibia; Poland; United Kingdom
	Specifying time limits for the majority of insolvency procedures	94	Albania; Italy; Japan; Republic of Korea; Lesotho
	Providing a legal framework for out-of-court workouts	82	Argentina; Hong Kong SAR, China; Latvia; Philippines; Romania

a. Among 185 economies surveyed, unless otherwise specified.

b. Among 151 economies surveyed.

c. Rescission is the right of parties involved in a contract to return to a state identical to that before they entered into the agreement.

d. Among 181 economies surveyed.

e. Thirty-one have a full electronic data interchange system, 118 a partial one.

f. Eighteen have a single-window system that links all relevant government agencies, 53 a system that does so partially.

g. Among 184 economies surveyed.

Source: *Doing Business database; for starting a business, also World Bank (2009b)*.

