

Doing Business 2011

Thailand

**Making
a Difference for
Entrepreneurs**

COMPARING BUSINESS REGULATION IN 183 ECONOMIES



© 2011 The International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington, DC 20433
Telephone 202-473-1000
Internet www.worldbank.org

All rights reserved.
1 2 3 4 08 07 06 05

A copublication of The World Bank and the International Finance Corporation.

This volume is a product of the staff of the World Bank Group. The findings, interpretations and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work.

Rights and Permissions

The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone 978-750-8400; fax 978-750-4470; Internet www.copyright.com.

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax 202-522-2422; e-mail pubrights@worldbank.org.

Additional copies of *Doing Business 2011: Making a Difference for Entrepreneurs*, *Doing Business 2010: Reforming through Difficult Times*, *Doing Business 2009*, *Doing Business 2008*, *Doing Business 2007: How to Reform*, *Doing Business in 2006: Creating Jobs*, *Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulations* may be purchased at www.doingbusiness.org.

ISBN: 978-0-8213-7960-8
E-ISBN: 978-0-8213-8630-9
DOI: 10.1596/978-0-8213-7960-8
ISSN: 1729-2638

Library of Congress Cataloging-in-Publication data has been applied for.
Printed in the United States

Current features

News on the *Doing Business* project

<http://www.doingbusiness.org>

Rankings

How economies rank-from 1 to 183

<http://www.doingbusiness.org/rankings/>

Business reformers

Short summaries of DB2011 business reforms, lists of reformers since DB2004 and a ranking simulation tool

<http://www.doingbusiness.org/reforms/>

Historical data

Customized data sets since DB2004

<http://www.doingbusiness.org/custom-query/>

Methodology and research

The methodologies and research papers underlying *Doing Business*

<http://www.doingbusiness.org/Methodology/>

Download reports

Access to *Doing Business* reports as well as subnational and regional reports, reform case studies and customized country and regional profiles

<http://www.doingbusiness.org/reports/>

Subnational and regional projects

Differences in business regulations at the subnational and regional level

<http://www.doingbusiness.org/subnational-reports/>

Law library

Online collection of business laws and regulations relating to business and gender issues

<http://www.doingbusiness.org/law-library/>

<http://wbl.worldbank.org/>

Contributors

More than 8,200 specialists in 183 economies who participate in *Doing Business*

<http://www.doingbusiness.org/contributors/Doing-Business/>

Business Planet

Interactive map on the ease of doing business

<http://rru.worldbank.org/businessplanet>

Contents

Introduction
and Aggregate Rankings

5 - Year Measure of
Cumulative Change

Starting a Business

Dealing with
Construction Permits

Registering Property

Getting Credit

Protecting Investors

Paying Taxes

Trading Across Borders

Enforcing Contracts

Closing a Business

Doing Business 2011
Business Reforms



Introduction

Doing Business 2011: Making a Difference for Entrepreneurs is the eighth in a series of annual reports investigating 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 183 economies, from Afghanistan to Zimbabwe, over time.

A set of regulations affecting 9 stages of a business's life are measured: starting a business, dealing with construction permits, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2011* are current as of June 1, 2010*. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The *Doing Business* methodology has limitations. Other areas important to business such as an economy's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions or the underlying strength of institutions, are not studied directly by *Doing Business*. To make the data comparable across economies, the indicators refer to a specific type of business, generally a local limited liability company operating in the largest business city. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policymakers in designing reform.

The data set covers 183 economies: 46 in Sub-Saharan Africa, 32 in Latin America and the Caribbean, 25 in Eastern Europe and Central Asia, 24 in East Asia and Pacific, 18 in the Middle East and North Africa and 8 in South Asia, as well as 30 OECD high-income economies.

The following pages present the summary *Doing Business* indicators for Thailand. The data used for this economy profile come from the *Doing Business* database and are summarized in graphs. These graphs allow a comparison of the economies in each region not only with one another but also with the "good practice" economy for each indicator.

The good-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other countries. These good-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 10.

More information is available in the full report. *Doing Business 2011: Making a Difference for Entrepreneurs* presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the *Doing Business* website (www.doingbusiness.org).

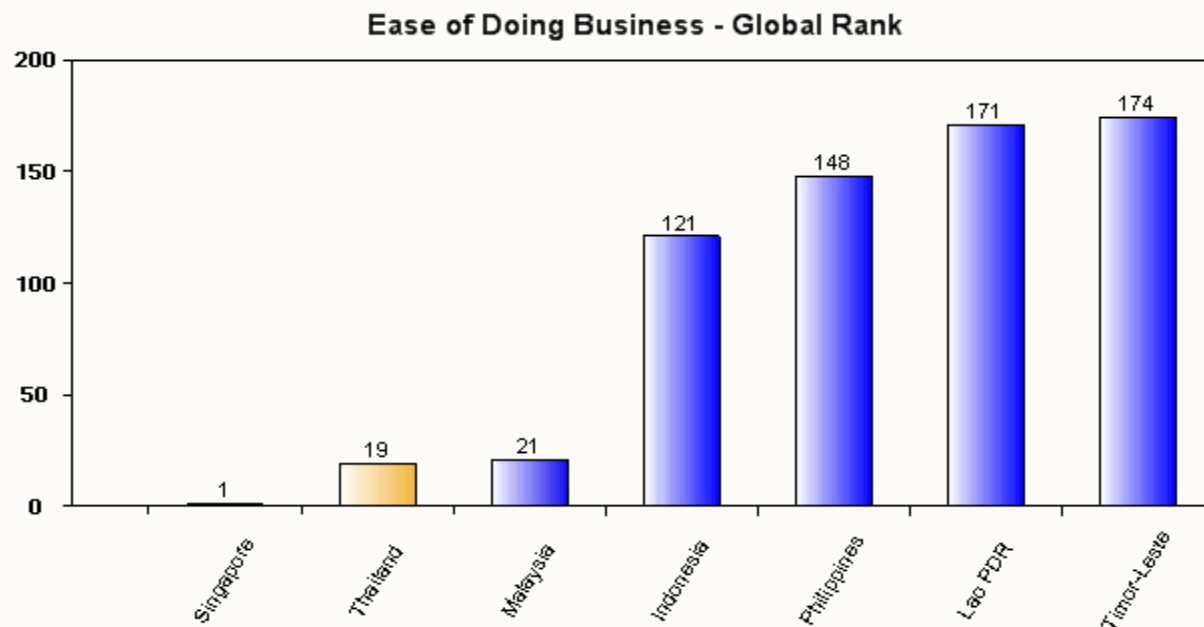
* Except for the Paying Taxes indicator, which covers the period January to December of 2009.

Note: *Doing Business 2010* data and rankings have been recalculated to reflect changes to the methodology.

Economy Rankings - Ease of Doing Business

Thailand is ranked 19 out of 183 economies. Singapore is the top ranked economy in the Ease of Doing Business.

Thailand - Compared to global good practice economy as well as selected economies:



Thailand's ranking in Doing Business 2011

Rank	Doing Business 2011
Ease of Doing Business	19
Starting a Business	95
Dealing with Construction Permits	12
Registering Property	19
Getting Credit	72
Protecting Investors	12
Paying Taxes	91
Trading Across Borders	12
Enforcing Contracts	25
Closing a Business	46

Summary of Indicators - Thailand

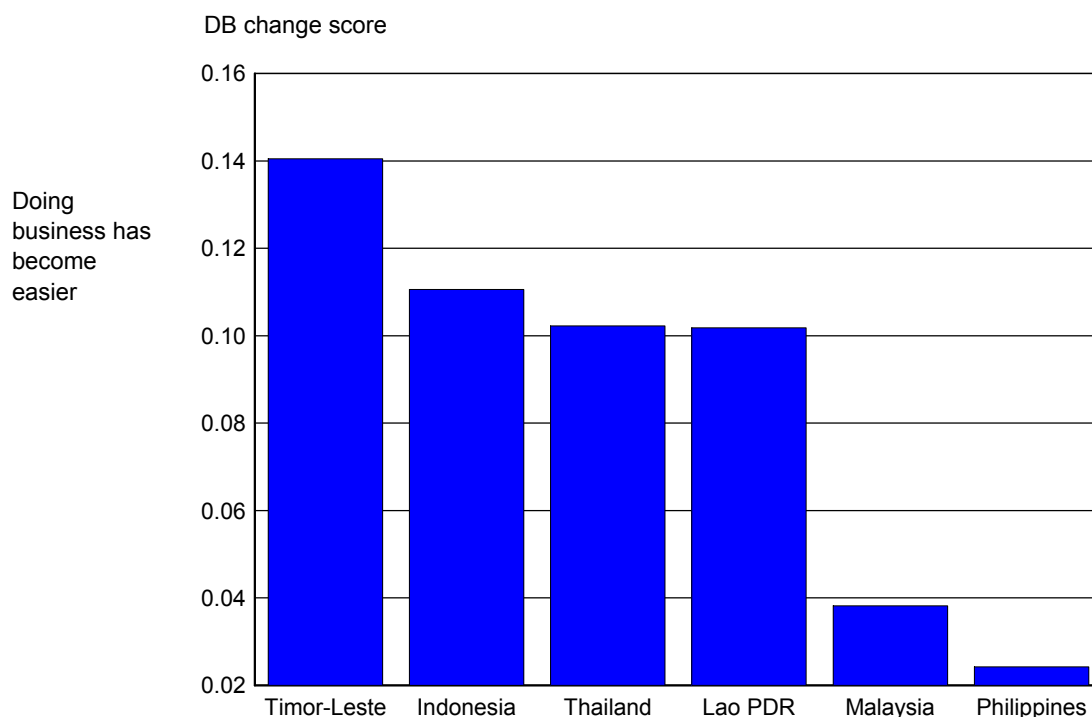
Starting a Business	Procedures (number)	7
	Time (days)	32
	Cost (% of income per capita)	5.6
	Paid-in Min. Capital (% of income per capita)	0.0
Dealing with Construction Permits	Procedures (number)	11
	Time (days)	156
	Cost (% of income per capita)	9.5
Registering Property	Procedures (number)	2
	Time (days)	2
	Cost (% of property value)	4.3
Getting Credit	Strength of legal rights index (0-10)	4
	Depth of credit information index (0-6)	5
	Public registry coverage (% of adults)	0.0
	Private bureau coverage (% of adults)	35.7
Protecting Investors	Extent of disclosure index (0-10)	10
	Extent of director liability index (0-10)	7
	Ease of shareholder suits index (0-10)	6
	Strength of investor protection index (0-10)	7.7
Paying Taxes	Payments (number per year)	23
	Time (hours per year)	264
	Profit tax (%)	28.9
	Labor tax and contributions (%)	5.7
	Other taxes (%)	2.8
	Total tax rate (% profit)	37.4
Trading Across Borders	Documents to export (number)	4
	Time to export (days)	14
	Cost to export (US\$ per container)	625
	Documents to import (number)	3
	Time to import (days)	13
	Cost to import (US\$ per container)	795 ₃

Enforcing Contracts	Procedures (number)	36
	Time (days)	479
	Cost (% of claim)	12.3
Closing a Business	Recovery rate (cents on the dollar)	43.5
	Time (years)	2.7
	Cost (% of estate)	36

The 5-year measure of cumulative change illustrates how the business regulatory environment has changed in 174 economies* from *Doing Business 2006* to *Doing Business 2011*. Instead of highlighting which economies currently have the most business friendly environment, this new approach shows the extent to which an economy's regulatory environment for business has changed compared with 5 years ago.

This snapshot reflects all cumulative changes in an economy's business regulation as measured by the *Doing Business* indicators -- such as a reduction in the time to start a business thanks to a one-stop shop or an increase in the strength of investor protection index thanks to new stock exchange rules that tighten disclosure requirements for related-party transactions.

This figure shows the distribution of cumulative change across the 9 indicators and time between *Doing Business 2006* and *Doing Business 2011*.



Note: This year's DB change score ranges from -0.1 to 0.54. More details on how the DB change score is constructed can be found in the methodology section of the website.

* Bahrain, The Bahamas, Brunei, Cyprus, Kosovo, Liberia, Luxembourg, Montenegro and Qatar do not feature in the new metric because they were included in the *Doing Business* report in years subsequent to the *Doing Business 2005* report and hence, 5 years of data are not yet available.

Many economies have undertaken reforms to smooth the starting a business process in stages—and often as part of a larger regulatory reform program. A number of studies have shown that among the benefits of streamlining the process to start a business have been greater firm satisfaction and savings and more registered businesses, financial resources and job opportunities. Economies with higher entry costs are associated with a larger informal sector and a smaller number of legally registered firms.

Some reform outcomes

In Egypt reductions of the minimum capital requirement in 2007 and 2008 led to an increase of more than 30% in the number of limited liability companies.

In Portugal creation of One-Stop Shop in 2006 and 2007 resulted in a reduction of time to start a business from 54 days to 5. In 2007 and 2008 new business registrations were up by 60% compared with 2006.

In Malaysia reduction of registration fees in 2008 led to an increase in registrations by 16% in 2009.

What does Starting a Business measure?

Procedures to legally start and operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration
- Post registration (for example, social security registration, company seal)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior contact with officials

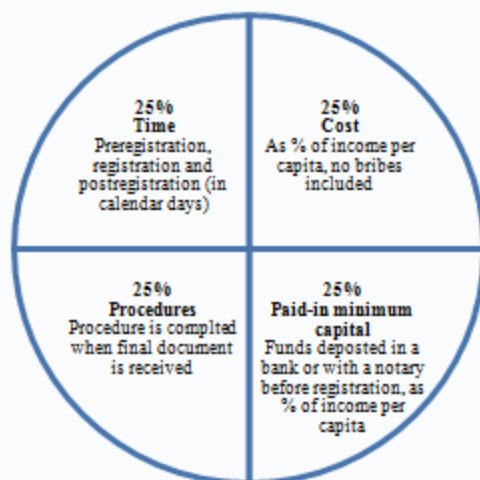
Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law

Paid-in minimum capital (% of income per capita)

- Deposited in a bank or with a notary prior to registration begins

Starting a Business: getting a local limited liability company up and running
Rankings are based on 4 subindicators



Case Study Assumptions

- Doing Business records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business.
- Any required information is readily available and that all agencies involved in the start-up process function without corruption.

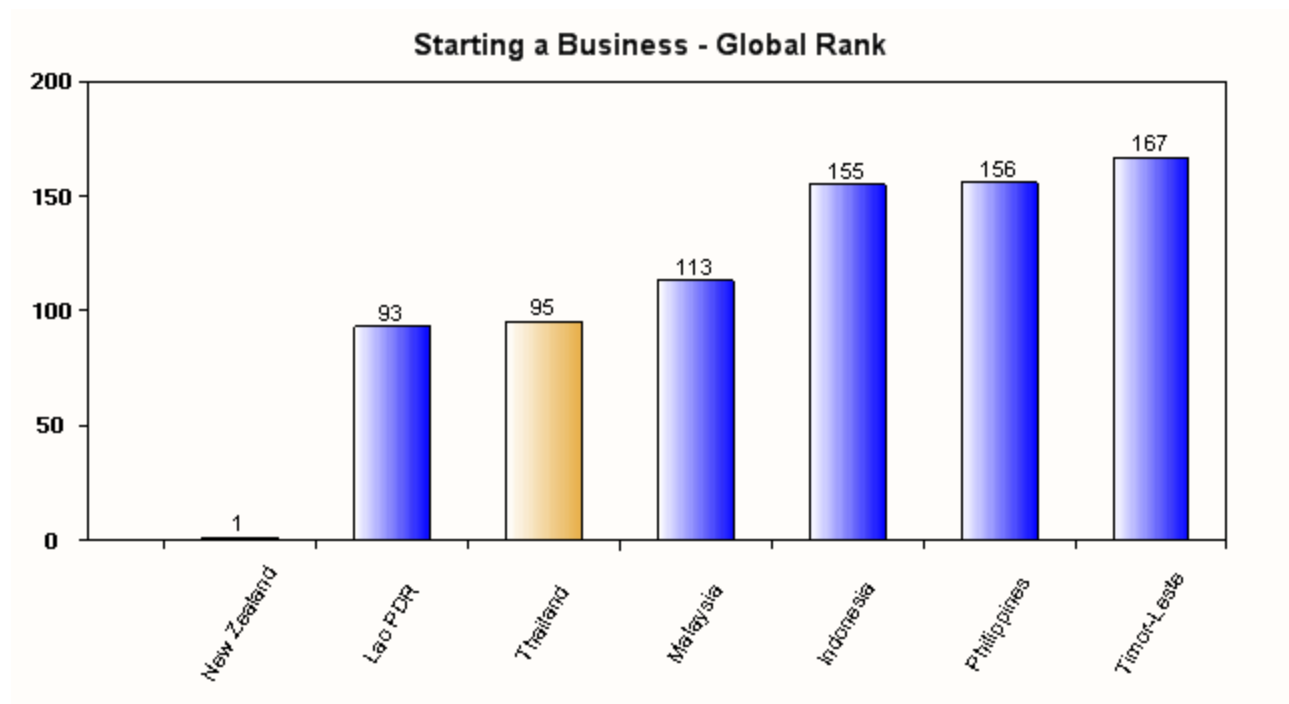
The business:

- is a limited liability company, located in the largest business city
- conducts general commercial activities
- is 100% domestically owned
- has a start-up capital of 10 times income per capita
- has a turnover of at least 100 times income per capita
- has at least 10 and up to 50 employees
- does not qualify for investment incentives or any special benefits
- leases the commercial plant and offices and is not a proprietor of real estate

1. Benchmarking Starting a Business Regulations

Thailand is ranked 95 overall for Starting a Business.

Ranking of Thailand in Starting a Business - Compared to good practice and selected economies:



The following table shows Starting a Business data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in Min. Capital (% of income per capita)
Denmark			0.0	
New Zealand	1	1		0.0

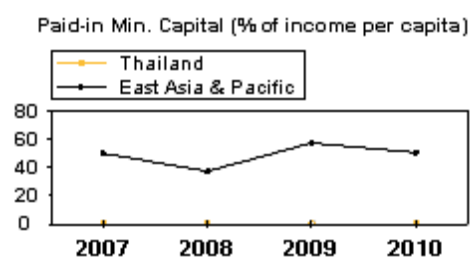
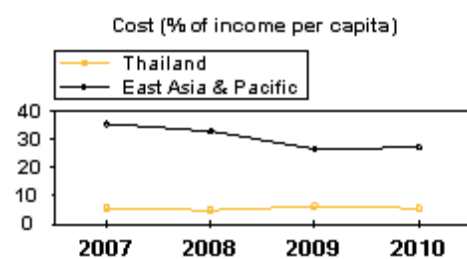
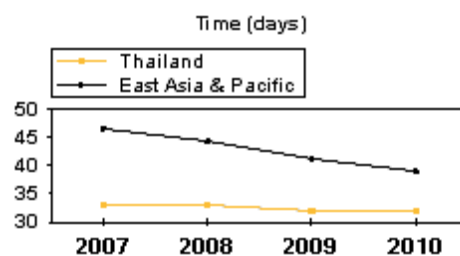
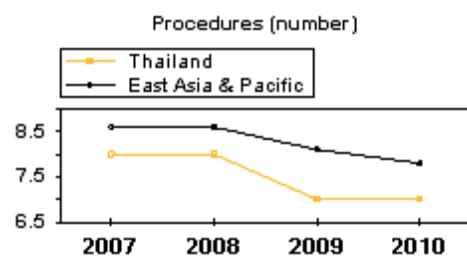
<i>Selected Economy</i>				
Thailand	7	32	5.6	0.0

<i>Comparator Economies</i>				
Indonesia	9	47	22.3	53.1
Lao PDR	7	100	11.3	0.0
Malaysia	9	17	17.5	0.0
Philippines	15	38	29.7	6.0
Timor-Leste	10	83	18.4	921.3

2. Historical data: Starting a Business in Thailand

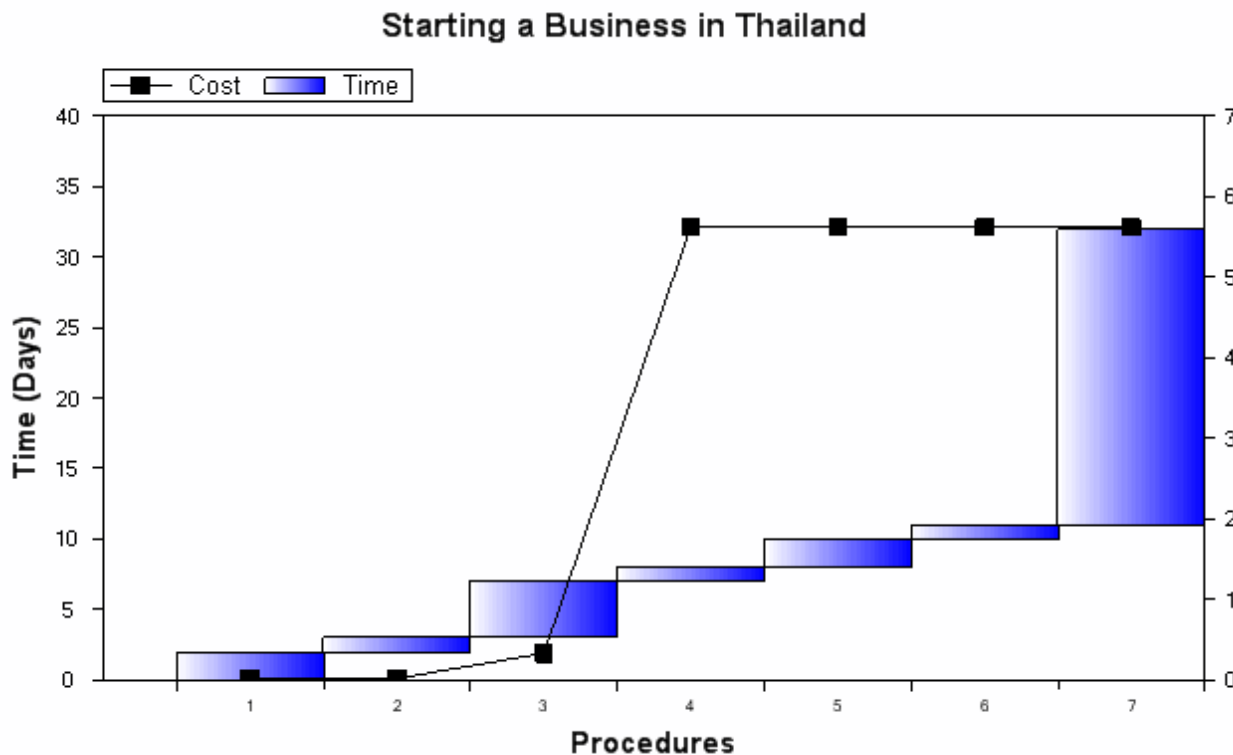
Starting a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	89	95
Procedures (number)	8	8	7	7
Time (days)	33	33	32	32
Cost (% of income per capita)	5.6	4.9	6.3	5.6
Paid-in Min. Capital (% of income per capita)	0.0	0.0	0.0	0.0

3. Starting a Business sub indicators in Thailand over the past 4 years



4. Overview of the steps to Starting a Business in Thailand

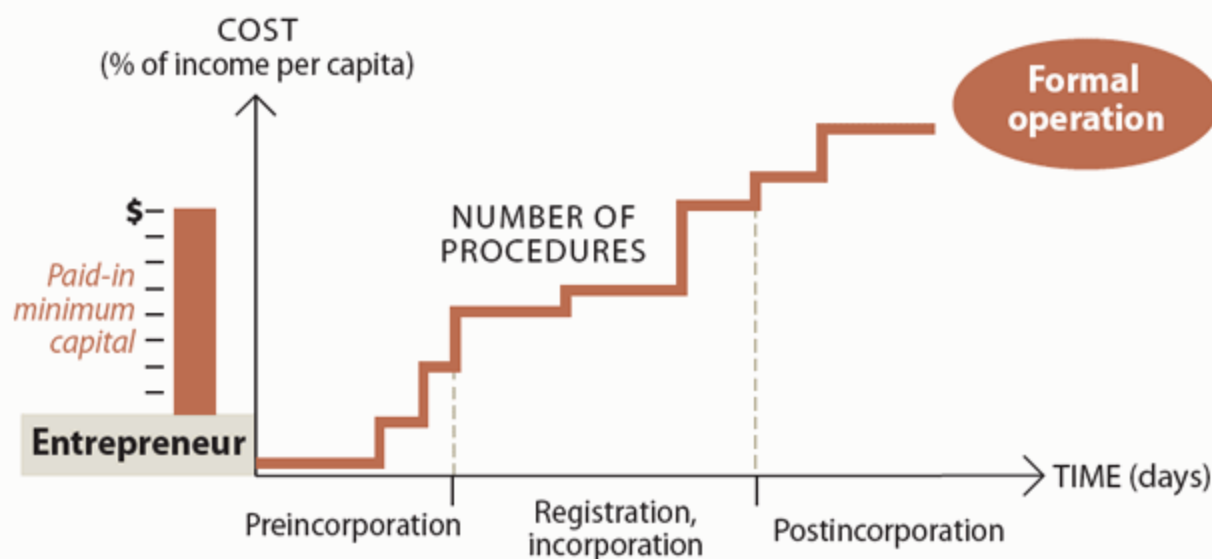
It requires 7 procedures, takes 32 days, and costs 5.62 % GNI per capita to start a business in Thailand.



No:	Procedure	Time to complete (days)	Cost to complete
1	Apply for permission to use company name	2	no charge or Bht20 for applying application to the Registrar at the Department of Business Development ("DBD")
2	Deposit paid-in capital in a bank	1	no charge
3	Obtain a corporate seal	4	THB 300-500

4	Get approval for memorandum of association and apply to register the company as a legal entity (final registration) at the Private Limited Companies Registrar.	1	Bht700 (Bht200 for duty stamp affixed on the original Memorandum of Association, Bht500 minimum and Bht25,000 maximum for government fee and it shall be increased for Baht 50 every Baht 100,000 of initial capital) + THB 5,500 minimum (on the original Articles of Association, Bht5,000 minimum and Bht250,000 maximum for government fee and increased for Baht 500 every Baht 100,000 of initial capital)+ Baht 50 per page for certification document fee
5	Register with the Revenue Department for tax	2	no charge
6	Register for social security and Workmen's Compensation Fund at the Social Security Office, Ministry of Labor	1	no charge
7	Submit company work regulations to the Office of Labor Protection and Welfare of the Ministry of Labor at the district where the head office of the company is located	21	no charge

What are the time, cost, paid-in minimum capital and number of procedures to get a local, limited liability company up and running?



5. Details on Starting a Business in Thailand

This table summarizes the procedures and costs associated with setting up a business in Thailand.

STANDARDIZED COMPANY

Legal Form: Private Limited Liability Company

Paid-in Minimum Capital: 0.0 (% of income per capita)

City: Bangkok

Procedure	1	Apply for permission to use company name
Time to complete(days):	2	
Cost to complete:	no charge or Bht20 for applying application to the Registrar at the Department of Business Development ("DBD")	
Comment:	Promoters can search and reserve a company name on the Department of Business Development's Web site (www.thairegistration.com or www.dbd.go.th). Otherwise, they can apply for a name reservation in person at the Department's Registrar.	
Procedure	2	Deposit paid-in capital in a bank
Time to complete(days):	1	
Cost to complete:	no charge	
Comment:	Once the company gets approval for the memorandum and the articles of association, it must hold a statutory meeting, and shareholders must pay in at least 25% of the registered capital.	
Procedure	3	Obtain a corporate seal

Time to complete(days): 4

Cost to complete: THB 300-500

Comment: According to Thai law, a company is not required to have a corporate seal except for affixation on company share certificates. In practice, however, a Thai company usually affixes its corporate seal to other documents.

Procedure 4 Get approval for memorandum of association and apply to register the company as a legal entity (final registration) at the Private Limited Companies Registrar.

Time to complete(days): 1

Cost to complete: Bht700 (Bht200 for duty stamp affixed on the original Memorandum of Association, Bht500 minimum and Bht25,000 maximum for government fee and it shall be increased for Baht 50 every Baht 100,000 of initial capital) + THB 5,500 minimum (on the original Articles of Association, Bht5,000 minimum and Bht250,000 maximum for government fee and increased for Baht 500 every Baht 100,000 of initial capital)+ Baht 50 per page for certification document fee

Comment: The application for registration of the memorandum of association must contain (a) the company names in Thai and in a foreign language (for certificate of company name, see Procedure 1); (b) nature of business; (c) capital to be registered; (d) number and par value of shares; (e) address of the headquarters; (f) names, ages, and addresses of promoters; (g) number of shares subscribed by each promoter; and (h) signatures of all promoters.

- The promoters prepare the application for registration of the memorandum of association containing the details specified in procedure 2;
- The first statutory meeting shall still be convened, provided that the notice to summon the first statutory meeting is not required;
- The shareholders must pay at least 25% of the registered capital;
- The promoters and authorized signatory director must sign the applications for registration of memorandum of association and for registration of incorporation, respectively, before Private Limited Companies Registrar, attorney at law, or auditor registered with the Registrar.

However, if the company has adopted complicated articles of association, the Registrar may take a few days to review the company's articles of association. In such case, the registration of company incorporation may be prolonged for a few days or more.

Procedure 5 Register with the Revenue Department for tax

Time to complete(days): 2

Cost to complete: no charge

Comment: Within 60 days of incorporation, the company must register with the Revenue Department to obtain a taxpayer identification card. The same tax number appears on the VAT certificate and on the taxpayer identification card, which are normally obtained on the same date of application filing. However, the VAT certificate will be mailed separately to the company's registered address. Businesses earning more than THB 1,800,000 per year must register for VAT within 30 days from the date the income was earned. The company must also file VAT returns within the 15th day of each month. This is required even if no income was derived in the proceeding month. VAT registration must be filed in person at the same office as for income tax registration. The procedure takes 1–3 days.

Procedure 6 Register for social security and Workmen's Compensation Fund at the Social Security Office, Ministry of Labor

Time to complete(days): 1

Cost to complete: no charge

Comment: Employers (with one or more employees) must register their employees for social security and workers' compensation insurance by in person at the Social Security Office, Ministry of Labor.

Procedure	7	Submit company work regulations to the Office of Labor Protection and Welfare of the Ministry of Labor at the district where the head office of the company is located
------------------	----------	---

Time to complete(days): 21

Cost to complete: no charge

Comment: The company work regulations are reviewed by the Office of Labor Protection and Welfare, and the company is advised on the required revisions. An employer with 10 or more regular employees must establish written rules and regulations (in Thai) that comply with the amendments of the Labor Protection Act B.E. 2541 on work performance. The regulations must be displayed at the work premises within 15 days of hiring 10 or more employees. This procedure takes 2–4 weeks.

In many economies, especially developing ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally, leading to hazardous construction. Where the regulatory burden is large, entrepreneurs may tend to move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off. In other economies compliance is simple, straightforward and inexpensive, yielding better results.

Some reform outcomes

In Burkina Faso, a one-stop shop for construction permits, "Centre de Facilitation des Actes de Construire", was opened in May 2008. The new regulation merged 32 procedures into 15, reduced the time required from 226 days to 122 and cut the cost by 40%. From May 2009 to May 2010 611 building permits were granted in Ouagadougou, up from an average of about 150 a year in 2002-06.

Toronto, Canada revamped its construction permitting process in 2005 by introducing time limits for different stages of the process and presenting a unique basic list of requirements for each project. Later it provided for electronic information and risk-based approvals with fast-track procedures. Between 2005 and 2008 the number of commercial building permits increased by 17%, the construction value of new commercial buildings by 84%.

What does the Dealing with Construction Permits indicator measure?

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Completing all required notifications and receiving all necessary inspections
- Obtaining utility connections for electricity, water, sewerage and a land telephone line
- Registering the warehouse after its completion (if required for use as collateral or for transfer of warehouse)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

Case Study Assumptions

The business:

- is a small to medium-size limited liability company in the construction industry, located in the economy's largest business city
- is 100% domestically and privately owned and operated
- has 60 builders and other employees
- has at least one employee who is a licensed architect and registered with the local association of architects

The warehouse:

- is a new construction (there was no previous construction on the land)
- has 2 stories, both above ground, with a total surface of approximately 1,300.6 sq. meters (14,000 sq. feet)
- has complete architectural and technical plans prepared by a licensed architect
- will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and a land telephone line
- will be used for general storage of non-hazardous goods, such as books
- will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements)

Dealing with Construction Permits:

Building a warehouse

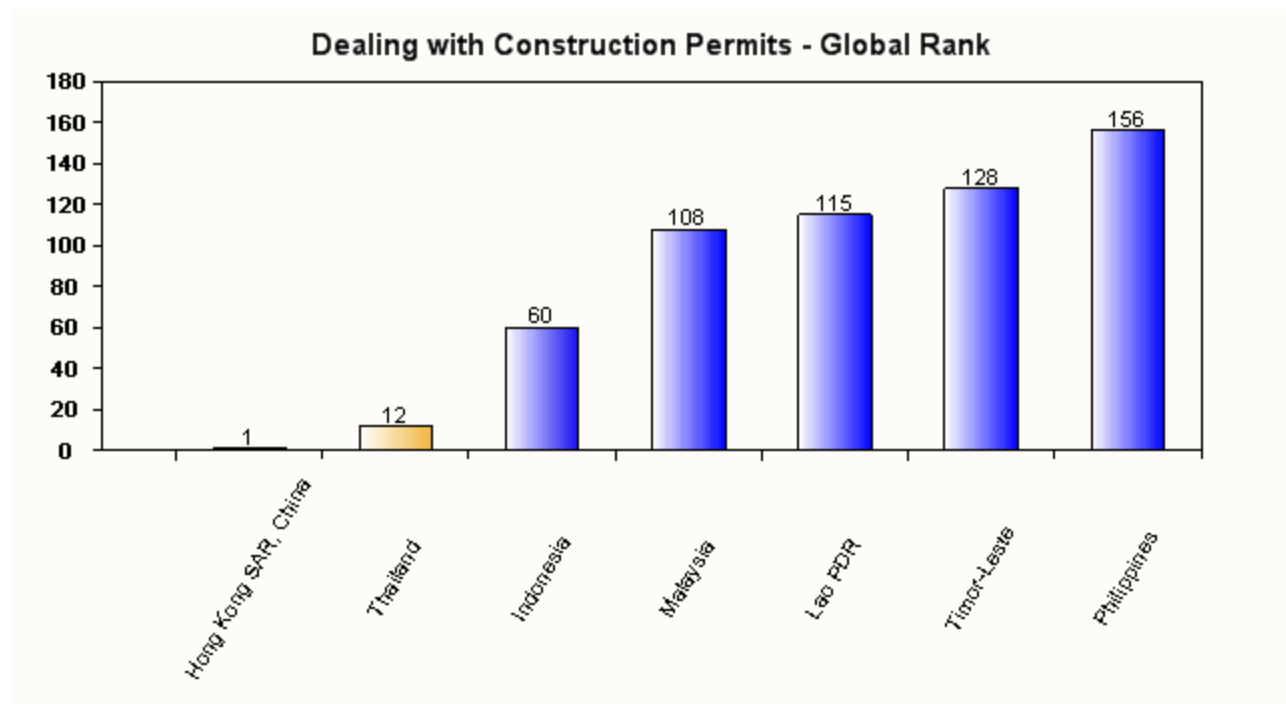
Rankings are based on 3 subindicators



1. Benchmarking Dealing with Construction Permits Regulations

Thailand is ranked 12 overall for Dealing with Construction Permits.

Ranking of Thailand in Dealing with Construction Permits - Compared to good practice and selected economies:



The following table shows Dealing with Construction Permits data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of income per capita)
Denmark	6		
Qatar			0.8
Singapore		25	

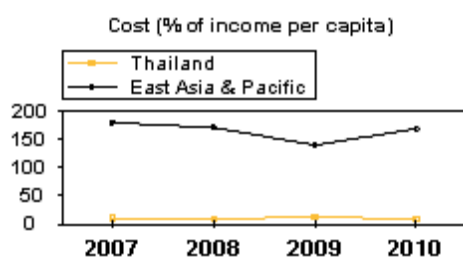
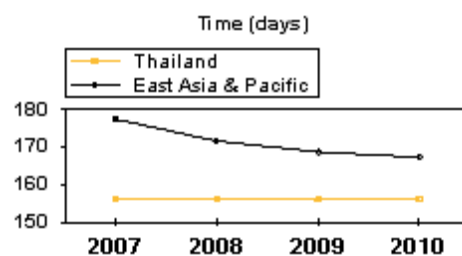
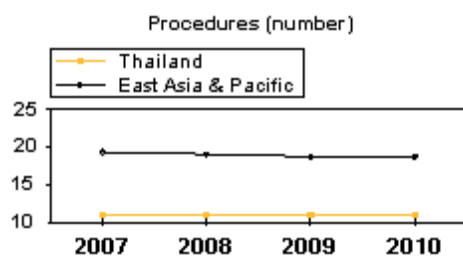
<i>Selected Economy</i>			
Thailand	11	156	9.5

<i>Comparator Economies</i>			
Indonesia	14	160	173.3
Lao PDR	24	172	131.3
Malaysia	25	261	7.9
Philippines	26	169	778.5
Timor-Leste	22	208	138.2

2. Historical data: Dealing with Construction Permits in Thailand

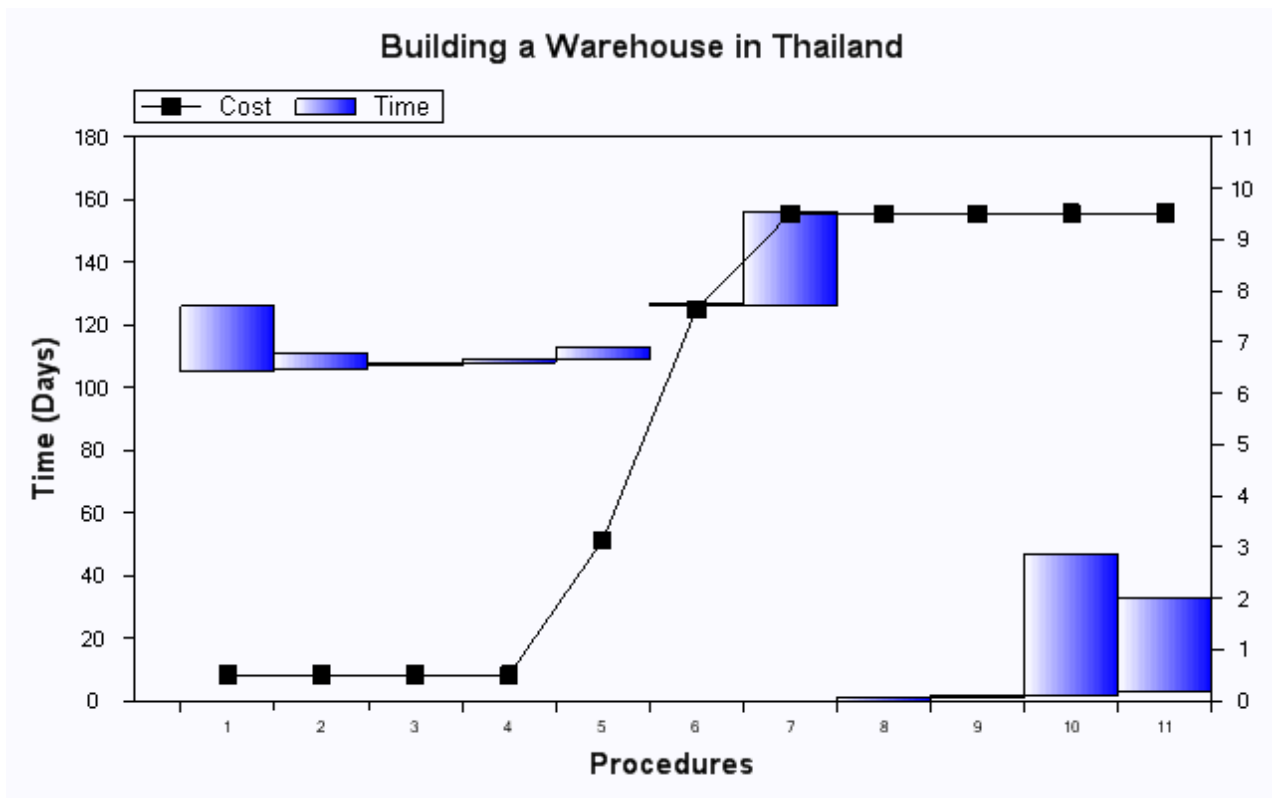
Dealing with Construction Permits data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	13	12
Procedures (number)	11	11	11	11
Time (days)	156	156	156	156
Cost (% of income per capita)	10.7	9.4	12.1	9.5

3. Dealing with Construction Permits sub indicators in Thailand over the past 4 years



4. Overview of the steps to Building a Warehouse in Thailand

It requires 11 procedures, takes 156 days, and costs 9.52 % GNI per capita to build a warehouse in Thailand.

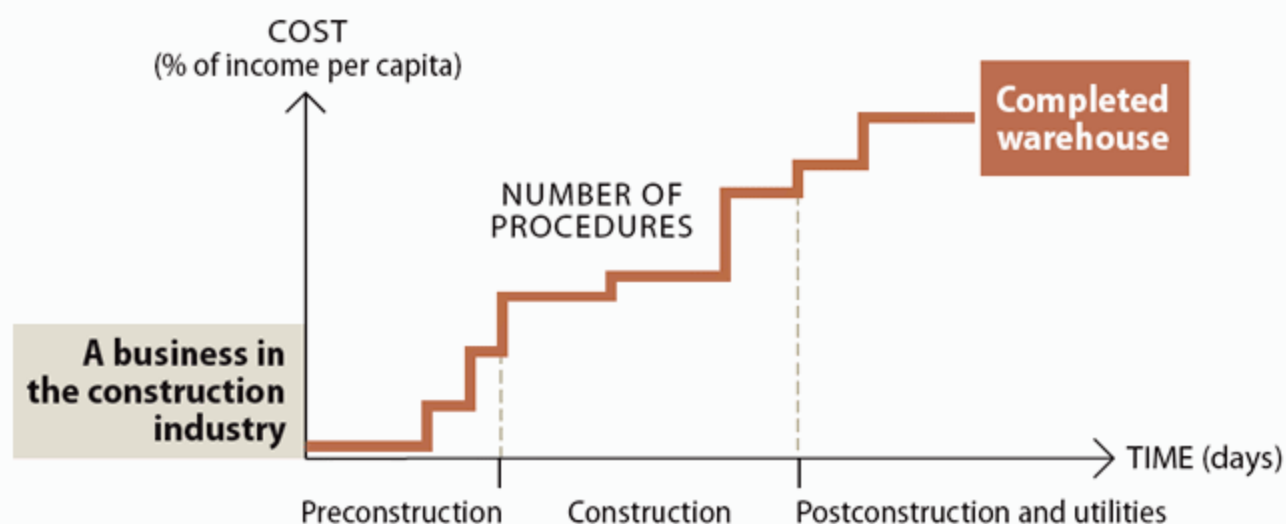


No:	Procedure	Time to complete (days)	Cost to complete
1	Request a building permit from the Bangkok Metropolitan Authority	1 day	THB 650
2	Receive pre-approval inspection from the Bangkok Metropolitan Authority	1 day	no charge
3	Obtain a building permit from the Bangkok Metropolitan Authority	73 days	no charge
4	Notify the local authority and request approval of building controller	30 days	no charge
5	Request and connect to telephone	21 days	THB 3,350
6	* Request and connect to water	5 days	THB 5,750
7	* Request inspection from the Metropolitan Electricity Authority (MEA)	1 day	THB 2,380
8	* Receive inspection from the Metropolitan Electricity Authority (MEA)	1 day	no charge
9	* Connect to electricity from the Metropolitan Electricity Authority (MEA)	4 days	no charge

10	Receive final inspection	1 day	THB 10
11	Obtain occupancy permit	30 days	no charge

* Takes place simultaneously with another procedure.

What are the time, cost and number of procedures to comply with formalities to build a warehouse?



5. Details on Building a Warehouse in Thailand

The table below summarizes the procedures, time, and costs to build a warehouse in Thailand.

BUILDING A WAREHOUSE

Estimated warehouse value: THB 8,454,000

City: Bangkok

Procedure	1	Request a building permit from the Bangkok Metropolitan Authority
Time to complete:	1 day	
Cost to complete:	THB 650	
Agency:	Bangkok Metropolitan Authority	
Comment:	<p>An application for a permit to construct, alter, remove, or reallocate a building is required for any building of no more than four stories or 15 meters in height, which excludes any tall building, extraordinarily large building, hotel, hospital, all kinds of factories (except a household business or any business that does not cause any disturbance to the public). The application must be submitted to the relevant District Office with the following documents attached:</p> <ul style="list-style-type: none"> - A copy of the applicant's corporate registration - A copy of the land title deed. - Permission to use the land space for construction or lease agreement. - The personal and tax identification cards of the applicant. - Approval and certification of the architect and design/calculation engineer. - A copy of a valid architectural license. - A copy of a valid engineering license. - Building plan. - A calculation of building structure. <p>For an industrial factory, hospital, fresh market, condominium, apartment, and any undesirable commercial building, details of the water treatment system and its calculation</p>	

must be provided.

For any building that is taller than 23 meters or extraordinarily large and that has a floor area of up to 10,000 sq. m. on every floor or any single floor, the applicant must provide details on air conditioners; air ventilation; fire escapes, showing that all people in the building can be evacuated within an hour; an assessment of the waste water treatment system; an assessment of the electricity system; an assessment of the security system, an assessment of the water supply system. Other documents must also be provided: a copy of the applicant's corporate registration a copy of the land title deed, permission to use the land space for construction or lease agreement, the tax identification card of the applicant, and written approval of the architect and design engineer, with their professional licenses.

A notice to the local authority in lieu of the building permit could be made. The application could be submitted to the local authority in a situation where construction work must be commenced urgently. The following supporting documents must be attached to the application to the local authority:

- A copy of the applicant's corporate registration.
- A copy of the land title deed.
- Permission to use the land space for construction or lease agreement.
- Tax identification card of the applicant.
- Permission and certificate of architect and design/calculation engineer.
- A copy of the license of a qualified senior architect and a copy of the license of a qualified senior engineer.
- Permission of the building controller.
- Certificate of building design.
- Building plan.
- Calculation of the building area.

Acknowledgement of the notification is granted in 120 days from the date of filing the complete application. The cost is the same as for obtaining a building permit.

The fees vary depending on the actual space area and size of the building:

- THB 0.5 per square meter for a building not taller than 12 meters.
- THB 2 per square meter for a building taller than 12 meters but not more than 15 meters or three floors.
- THB 4 per square meter of the entire building space area for a building taller than 15 meters or three floors.

In the case considered here, the cost is THB 0.5 per square meter, or THB 650 total. (THB 5,200 if life load of the warehouse is more than or equal to 500 Kg/ sq. m.

Procedure	2	Receive pre-approval inspection from the Bangkok Metropolitan Authority
Time to complete:	1 day	
Cost to complete:	no charge	
Agency:	Bangkok Metropolitan Authority	
Comment:	Before the plan approval, the municipal authority inspects the site to confirm that the drawing submitted accurately represents the project on site. The pre-approval inspection takes place immediately after the drawing is submitted. The building control officers of the Bangkok Metropolitan Authority process this approval.	
Procedure	3	Obtain a building permit from the Bangkok Metropolitan Authority
Time to complete:	73 days	
Cost to complete:	no charge	
Agency:	Bangkok Metropolitan Authority	

Comment:**Procedure 4 Notify the local authority and request approval of building controller****Time to complete:** 30 days**Cost to complete:** no charge**Agency:** Local Authority

Comment: After the building permit has been granted, the name of the building controller must be given to the local authority with the permission of that controller. The latter could be any qualified person, including the building owner, unless that person is prohibited by the regulations of the Engineering or Architectural Profession Act.

The following documents must be submitted with the application:

- Written permission of the building controller and his or her professional license.
- A copy of the existing license.

It is assumed that one of BuildCo's employees or owners satisfies the requirements for being a building controller. It is common for the building controller to be the owner or one of the employees of the construction company. The building controller should inspect the building every 2 weeks (not included as separate procedures because they are done by BuildCo).

Procedure 5 Request and connect to telephone**Time to complete:** 21 days**Cost to complete:** THB 3,350**Agency:** TOT Corporation Public Company Limited

Comment: The company should contact TOT Public Company Limited to request a telephone connection.

Procedure 6 Request and connect to water**Time to complete:** 5 days**Cost to complete:** THB 5,750**Agency:** Metropolitan Water Work authority (MWA)

Comment: The company should contact the Metropolitan Water Work authority (MWA) to request a water connection.

Procedure 7 Request inspection from the Metropolitan Electricity Authority (MEA)**Time to complete:** 1 day**Cost to complete:** THB 2,380**Agency:** Metropolitan Electricity Authority (MEA)

Comment: Several documents are necessary to obtain this approval, such as the building permit, electrical drawing, owner information, and application form. The Metropolitan Electricity Authority (MEA) staff check the building electricity (on site) before connecting it to the main supply.

Procedure	8	Receive inspection from the Metropolitan Electricity Authority (MEA)
------------------	----------	---

Time to complete: 1 day

Cost to complete: no charge

Agency: Metropolitan Electricity Authority (MEA)

Comment:

Procedure	9	Connect to electricity from the Metropolitan Electricity Authority (MEA)
------------------	----------	---

Time to complete: 4 days

Cost to complete: no charge

Agency: Metropolitan Electricity Authority (MEA)

Comment:

Procedure	10	Receive final inspection
------------------	-----------	---------------------------------

Time to complete: 1 day

Cost to complete: THB 10

Agency: Local Authority

Comment: For any building subject to controls over its use (such as a warehouse, theater, hotel, or hospital, and, in some building areas, any commercial, manufacturing, educational, meeting place, office, or health building), on completion of the construction, alteration, or allocation, a notification must be given to the local authority to inspect the establishment.

Along with the application, the following documents are required:

- A copy of the corporate registration.
- A copy of the personnel identity card and family identity book of the applicant and/or agent.
- A copy of the building permit.

After the inspection, if the local authority determines that the construction, alteration, or allocation was made in line with the building permit, permission to use the building is granted. If the authority does not respond within 30 days, the user can unconditionally occupy the property.

Procedure	11	Obtain occupancy permit
------------------	-----------	--------------------------------

Time to complete: 30 days

Cost to complete: no charge

Agency: Local Authority

Comment:

Ensuring formal property rights is fundamental. Effective administration of land is part of that. If formal property transfer is too costly or complicated, formal titles might go informal again. *Doing Business* records the full sequence of procedures necessary for a business to purchase a property from another business and transfer the property title to the buyer's name. In the past 6 years 105 economies undertook 146 reforms making it easier to transfer property. Globally, the time to transfer property fell by 38% and the cost by 10% over this time. The most popular feature of property registration reform in these 6 years, implemented in 52 economies, was lowering transfer taxes and government fees.

Some reform outcomes

Georgia now allows property transfers to be completed through 500 authorized users, notably banks. This saves time for entrepreneurs. A third of people transferring property in 2009 chose authorized users, up from 7% in 2007. Also, Georgia's new electronic registry managed 68,000 sales in 2007, twice as many as in 2003.

Belarus's unified and computerized registry was able to cope with the addition of 1.2 million new units over 3 years. The registry issued 1 million electronic property certificates in 2009.

What does the Registering Property indicator measure?

Procedures to legally transfer title on immovable property (number)

- Preregistration (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration in the economy's largest business city
- Post registration (for example, transactions with the local authority, tax authority or cadastre)

Time required to complete each procedure (calendar days)

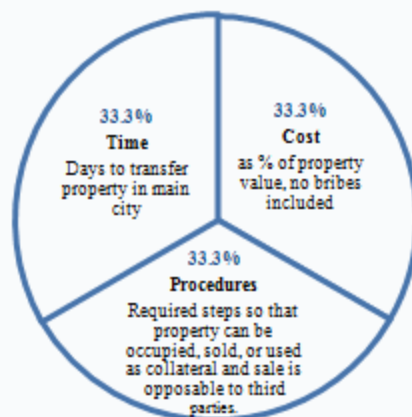
- Does not include time spent gathering information
- Each procedure starts on a separate day
- Procedure completed once final document is received
- No prior personal contact with officials

Cost required to complete each procedure (% of property value)

- Official costs only, no bribes
- No value added or capital gains taxes included

Registering Property: transfer of property between 2 local companies

Rankings are based on 3 subindicators



Case Study Assumptions

The parties (buyer and seller):

- Are limited liability companies, 100% domestically and privately owned.
- Are located in the periurban area of the economy's largest business city.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

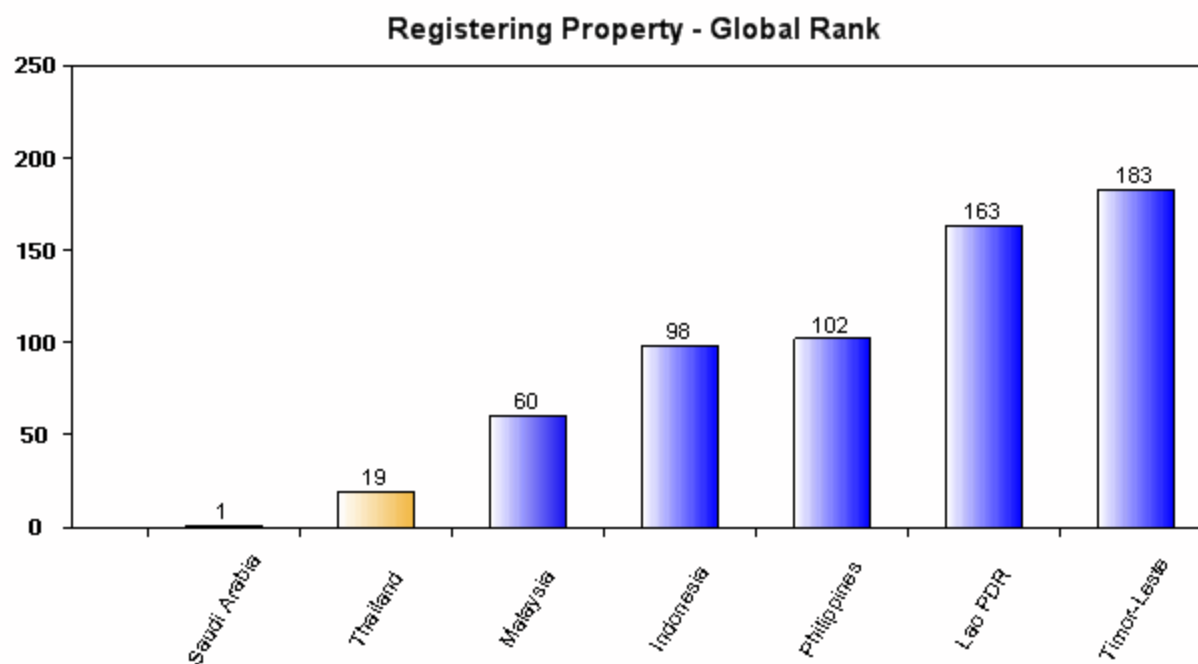
The property (fully owned by the seller):

- Has a value of 50 times income per capita. The sale price equals the value.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of a 557.4 square meters (6,000 square feet) land and 10 years old 2-story warehouse of 929 square meters (10,000 square feet) located on the land. The warehouse is in good condition and complies with all safety standards, building codes and legal requirements. The property will be transferred in its entirety.

1. Benchmarking Registering Property Regulations

Thailand is ranked 19 overall for Registering Property.

Ranking of Thailand in Registering Property - Compared to good practice and selected economies:



The following table shows Registering Property data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of property value)
New Zealand		2	
Norway	1		
Saudi Arabia			0.0

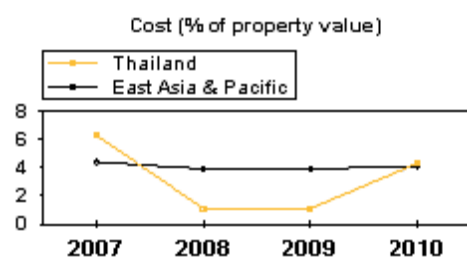
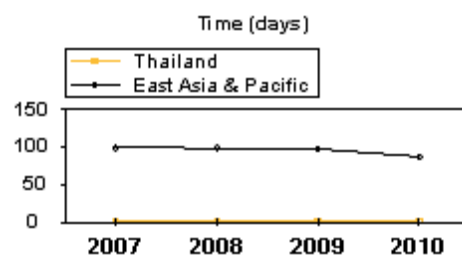
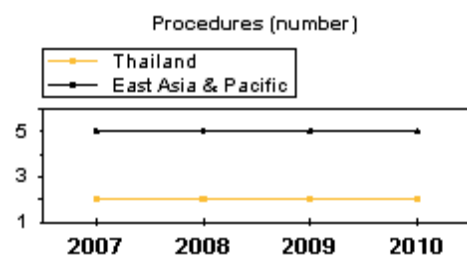
<i>Selected Economy</i>			
Thailand	2	2	4.3

<i>Comparator Economies</i>			
Indonesia	6	22	10.9
Lao PDR	9	135	4.1
Malaysia	5	56	2.5
Philippines	8	33	4.3
Timor-Leste	no practice	no practice	no practice

2. Historical data: Registering Property in Thailand

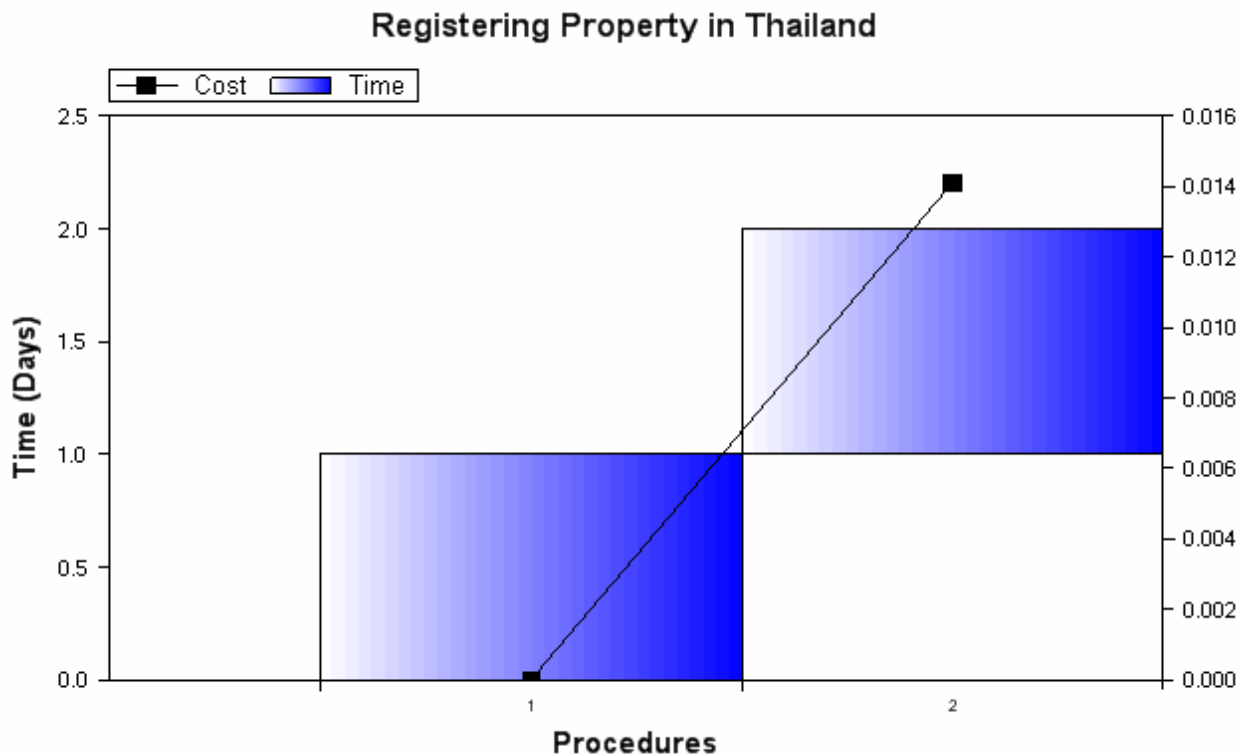
Registering Property data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	5	19
Procedures (number)	2	2	2	2
Time (days)	2	2	2	2
Cost (% of property value)	6.3	1.1	1.1	4.3

3. Registering Property sub indicators in Thailand over the past 4 years



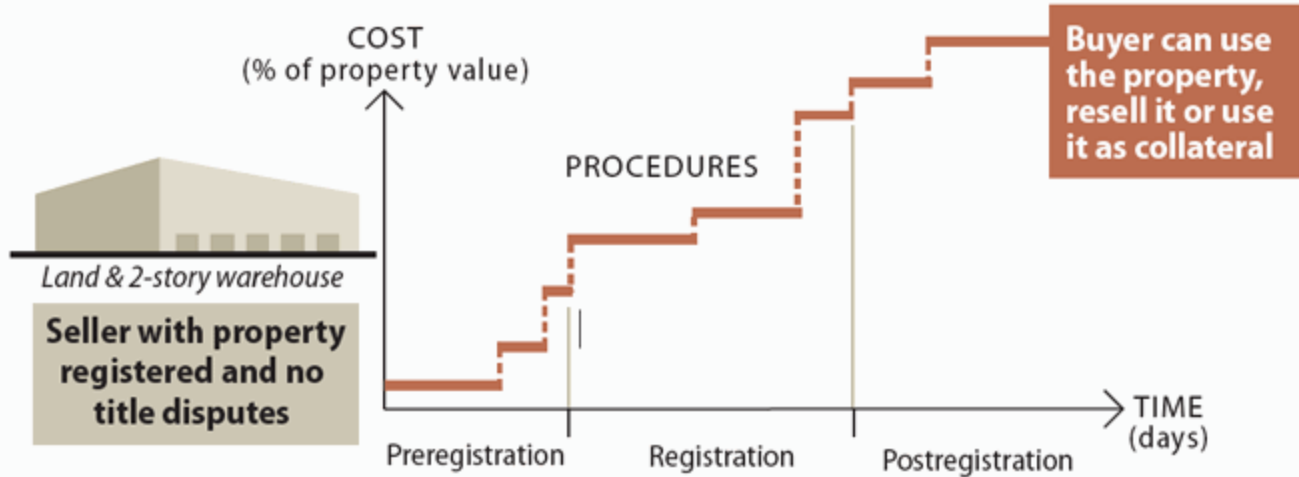
4. Overview of the steps to Registering Property in Thailand

It requires 2 procedures, takes 2 days, and costs 4.32 % of property value to register the property in Thailand.



No:	Procedure	Time to complete (days)	Cost to complete
1	Obtain certified copies of companies' documents from the Ministry of Commerce	1 day	THB 200 (Affidavits) + THB 700 (MoA, AoA)
2	Parties submit application for registration at the Land Office	1 day	THB 10 (title search) + 0.01% of appraised value (registration fee) + 1% of sale price or appraised value, whichever is higher (withholding tax) + 3.3% of sale price or appraised value, whichever is higher (Specific Business Tax)

What are the time, cost and number of procedures required to transfer a property between 2 local companies?



5. Details on Registering Property in Thailand

This topic examines the steps, time, and cost involved in registering property in Thailand.

STANDARDIZED PROPERTY

Property Value: THB 6,378,766.10

City: Bangkok

Procedure	1	Obtain certified copies of companies' documents from the Ministry of Commerce
Time to complete:	1 day	
Cost to complete:	THB 200 (Affidavits) + THB 700 (MoA, AoA)	
Agency:	Ministry of Commerce	
Comment:	Parties obtain from the Ministry of Commerce the following documents: 1. Companies' Affidavits confirming the name, address, the amount of registered capital, names of directors and the authorized signatories. (THB 100) 2. Certified copies of the Memorandum and Articles of Association of each party (THB 50 per page, cost of certification) 3. List of shareholders of the company from the Ministry of Commerce to prove their nationality. On average, the Memorandum of Association (MoA) has 2 pages and the Articles of Association (AoA) about 5 pages.	
Procedure	2	Parties submit application for registration at the Land Office

Time to complete: 1 day

Cost to complete:	THB 10 (title search) + 0.01% of appraised value (registration fee) + 1% of sale price or appraised value, whichever is higher (withholding tax) + 3.3% of sale price or appraised value, whichever is higher (Specific Business Tax)
Agency:	Land Office
Comment:	<p>The seller and the buyer, or their representatives, must go to the Land Office where the land is located, and submit an application to register the sale of the land and the buildings thereon. The Land Officer checks all the documents (from both the seller and the buyer) submitted with the application. He will also compare the original title deed with the original copy kept at the Land Office. All information in both original title deeds must be the same. If everything is consistent, he will proceed with the registration of the transfer of ownership.</p> <p>An official sales agreement is prepared and signed by the authorized representatives of the seller and buyer. The officer then records the sales transaction at the back of the original land title deeds (both the land owner's and the Land Office's copies).</p> <p>The Land Officer calculates all the registration fees and expenses and asks the parties to pay and submit to him the receipts.</p> <p>The Ministry of Interior reduced the registration fee to 0.01% of the appraised value calculated by the Central Valuation Authority (CVA). This registration was applicable for one year until March 2009, but was this year extended for another year until March 2010.</p> <p>The seller has to pay a 1% withholding tax on sale price or CVA- whichever is higher. (Seller may apply this as a credit towards their corporate income tax on any capital gain.) As the seller is a company, withholding tax is calculated on the greater of the appraised value and the sale price.</p> <p>The seller has to pay a 0.5% stamp duty, unless he is subject to the Specific Business Tax. The Royal Decree No 472 reduced the Specific Business Tax (SBT) to 0.11% of sale price or CVA, whichever is higher. The 0.11% Specific Business Tax includes the municipality tax.</p> <p>The Specific Business Tax is imposed on persons who sell their property for trade or a profit-seeking purpose. Companies who sell real property in Thailand are deemed to be selling for trade or profit and are subject to specific business tax. Even if a company sells property in order simply to move to a new place, it is still deemed to have sold for a trade or profit seeking purpose.</p> <p>Accordingly, the company who is the seller in this example will be subject to Specific Business Tax.</p> <p>The registration fee, withholding and specific business taxes are collected by the Land Office. The cheques for the taxes are payable to the Ministry of Finance but collected by the Land Office.</p> <p>The Land Officer then attaches the receipts to the application, and submits all documents to the Chief in charge who is authorized to approve the registration of the transfer. Once the registration is approved, it is deemed completed. The seller will receive one copy of the registered sale agreement. The buyer will receive another copy of the registered sale agreement and the original Land Title Deed.</p> <p>As the Seller owns both the land and the buildings upon the land, the transfer of the building occurs in the same process at the same registry as for the transfer of the land. The Seller will need to produce the construction permit and household registration of the building to transfer the building.</p>

Through two sets of indicators, *Doing Business* assesses the legal rights of borrowers and lenders with respect to secured transactions and the sharing of credit information. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through either a public credit registry or a private credit bureau. Credit information systems mitigate the 'information asymmetry' in lending and enable lenders to view a borrower's financial history (positive or negative), providing them with valuable information to consider when assessing risk. Credit information systems benefit borrowers as well, allowing good borrowers to establish a reputable credit history which will enable them to access credit more easily. The Legal Rights Index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. Sound collateral laws will enable businesses to use their assets, especially movable property, as security to generate capital while having strong creditor's rights has been associated with higher ratios of private sector credit to GDP.

Some reform outcomes

After Vietnam's new Civil Code was enacted in 2005, a decree further clarified the provisions governing secured transactions. Since the inclusion of the new provisions, the number of registrations increased from 43,000 (2005) to 120,000 (end of 2008).

In 2008, when Zambia established a private credit bureau, its database initially covered about 25,000 borrowers. Thanks to a strong communication campaign and a central bank directive, coverage has grown 10-fold in the past 2 years, exceeding 200,000 by the beginning of 2010.

What do the Getting Credit indicators measure?

Strength of legal rights index (0–10)

- Protection of rights of borrowers and lenders through collateral laws
- Protection of secured creditors' rights through bankruptcy laws

Depth of credit information index (0–6)

- Scope and accessibility of credit information distributed by public credit registries and private credit bureaus

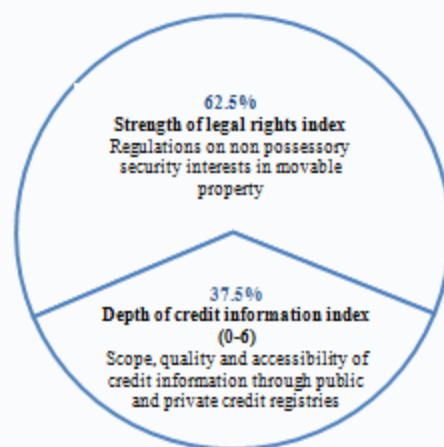
Public credit registry coverage (% of adults)

- Number of individuals and firms listed in public credit registry as percentage of adult population

Private credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest private credit bureau as percentage of adult population

Getting Credit: collateral rules and credit information



Note: Private bureau coverage and public credit registry coverage are measured but do not count for the rankings.

Case Study Assumptions (applying to the Legal Rights Index only)

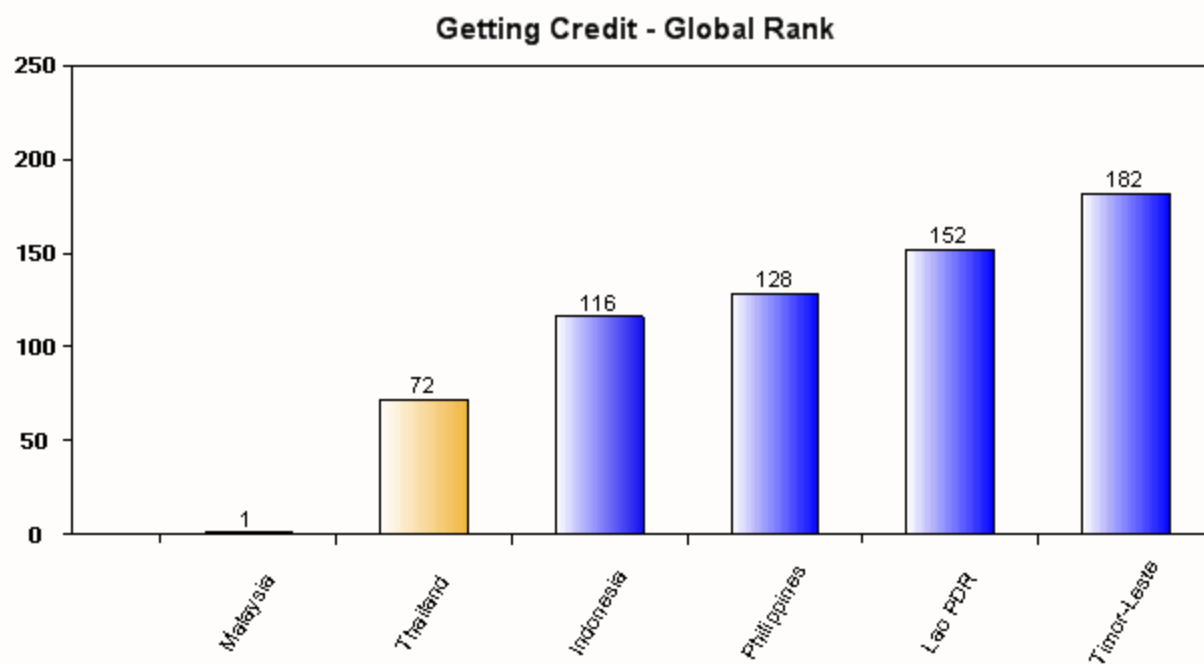
The Debtor

- is a Private Limited Liability Company
- has its Headquarters and only base of operations in the largest business city
- obtains a loan from a local bank (the Creditor) for an amount up to 10 times income (GNI) per capita
- Both creditor and debtor are 100% domestically owned.

1. Benchmarking Getting Credit Regulations

Thailand is ranked 72 overall for Getting Credit.

Ranking of Thailand in Getting Credit - Compared to good practice and selected economies:



The following table shows Getting Credit data for Thailand compared to good practice and comparator economies:

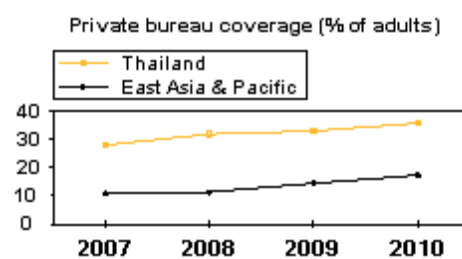
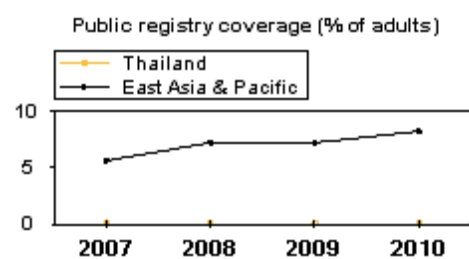
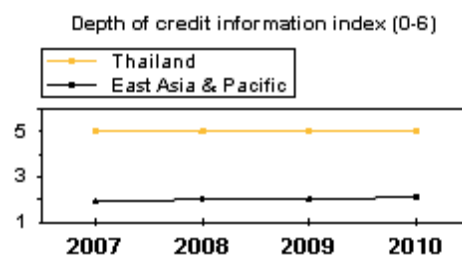
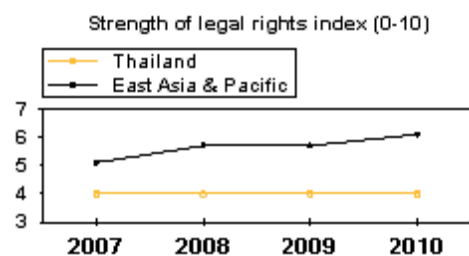
Good Practice Economies	Strength of legal rights index (0-10)	Depth of credit information index (0-6)	Public registry coverage (% of adults)	Private bureau coverage (% of adults)
New Zealand				100.0
Portugal			67.1	
Singapore	10			
United Kingdom		6		
<i>Selected Economy</i>				
Thailand	4	5	0.0	35.7

<i>Comparator Economies</i>				
Indonesia	3	4	25.2	0.0
Lao PDR	4	0	0.0	0.0
Malaysia	10	6	62.0	100.0
Philippines	3	3	0.0	7.4
Timor-Leste	1	0	0.0	0.0

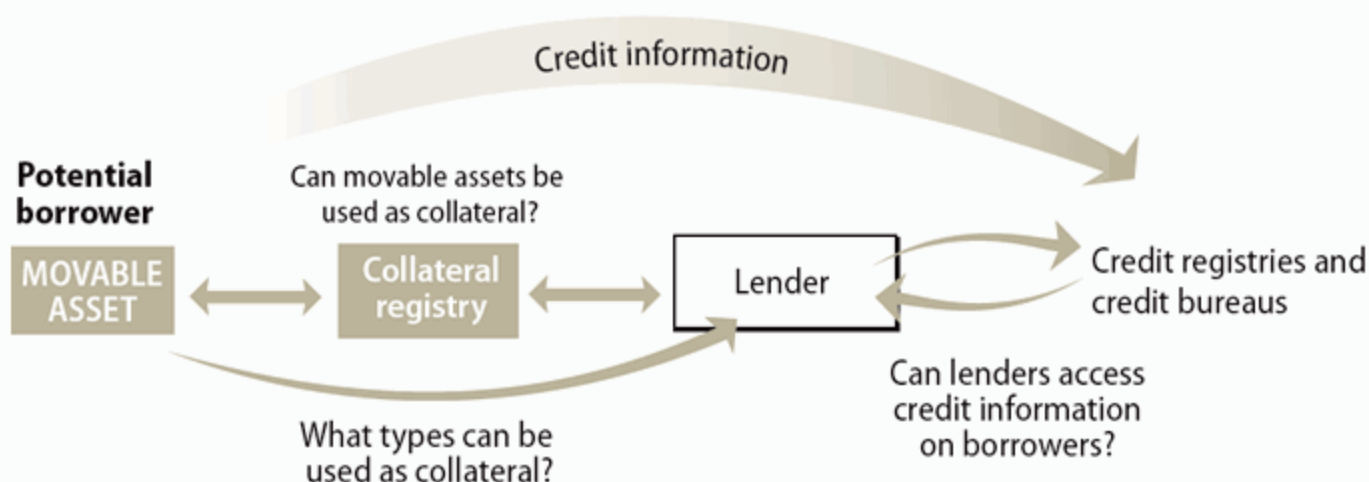
2. Historical data: Getting Credit in Thailand

Getting Credit data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	69	72
Strength of legal rights index (0-10)	4	4	4	4
Depth of credit information index (0-6)	5	5	5	5
Private bureau coverage (% of adults)	27.9	31.8	32.9	35.7
Public registry coverage (% of adults)	0.0	0.0	0.0	0.0

3. Getting Credit sub indicators in Thailand over the past 4 years



Do lenders have credit information on entrepreneurs seeking credit? Is the law favorable to borrowers and lenders using movable assets as collateral?



4. Details on Getting Credit in Thailand

The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in Thailand.

Getting Credit Indicators (2010)			Indicator
Private bureau coverage (% of adults)	Private credit bureau	Public credit registry	5
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative data distributed?	Yes	No	1
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	Yes	No	1
Is data on all loans below 1% of income per capita distributed?	Yes	No	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	Yes	No	1
Coverage	35.7	0.0	
Number of individuals	18,570,800	0	
Number of firms	297,852	0	

Strength of legal rights index (0-10)

4

Can any business use movable assets as collateral while keeping possession of the assets; and any financial institution accept such assets as collateral ?	Yes
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	No
May a security right extend to future or after-acquired assets, and may it extend automatically to the products, proceeds or replacements of the original assets ?	No
Is a general description of debts and obligations permitted in collateral agreements, so that all types of obligations and debts can be secured by stating a maximum amount rather than a specific amount between the parties ?	Yes
Is a collateral registry in operation, that is unified geographically and by asset type, as well as indexed by the grantor's name of a security right ?	Yes
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?	Yes
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?	No
During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?	No
Does the law authorize parties to agree on out of court enforcement?	No

Stronger investor protections matter for the ability of companies to raise the capital needed to grow, innovate, diversify and compete. This is all the more crucial in times of financial crisis when entrepreneurs must navigate through defiant environments to finance their activities. Using 3 indices of investor protection, *Doing Business* measures how economies regulate a standard case of self-dealing, use of corporate assets for personal gains. Since 2005, 51 economies have strengthened investor protections as measured by *Doing Business*.

Some reform outcomes

In Indonesia, an economy that consistently improved its laws regulating investor protections, the number of firms listed on the Indonesia Stock Exchange increased from 331 to 396 between 2004 and 2009. Meanwhile, market capitalization grew from 680 trillion rupiah (\$75 billion) to 1,077 trillion rupiah (\$119 billion).

After Thailand amended its laws in 2006 and 2008, more than 85 transactions that failed to comply with the disclosure standards were suspended. Thirteen were deemed prejudicial and were therefore canceled, thus preventing damage to the companies involved and preserving their value. Companies were not deterred either, as more than 30 new companies joined the stock exchange since 2005 bringing the number of listed companies to 523.

What do the Protecting Investors indicators measure?

Extent of disclosure index (0–10)

- Who can approve related-party transactions
- Requirements for external and internal disclosure in case of related-party transactions

Extent of director liability index (0–10)

- Ability of shareholders to hold the interested party and the approving body liable in case of a prejudicial related-party transaction
- Available legal remedies (damages, repayment of profits, fines, imprisonment and rescission of the transaction)
- Ability of shareholders to sue directly or derivatively

Ease of shareholder suits index (0–10)

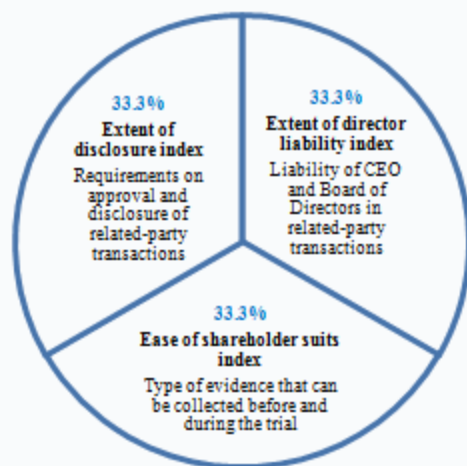
- Documents and information available during trial
- Access to internal corporate documents (directly or through a government inspector)

Strength of investor protection index (0–10)

- Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

Protecting Investors: minority shareholder rights in related-party transactions

Rankings are based on 3 subindicators



Case Study Assumptions

The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange (or at least a large private company with multiple shareholders).
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.

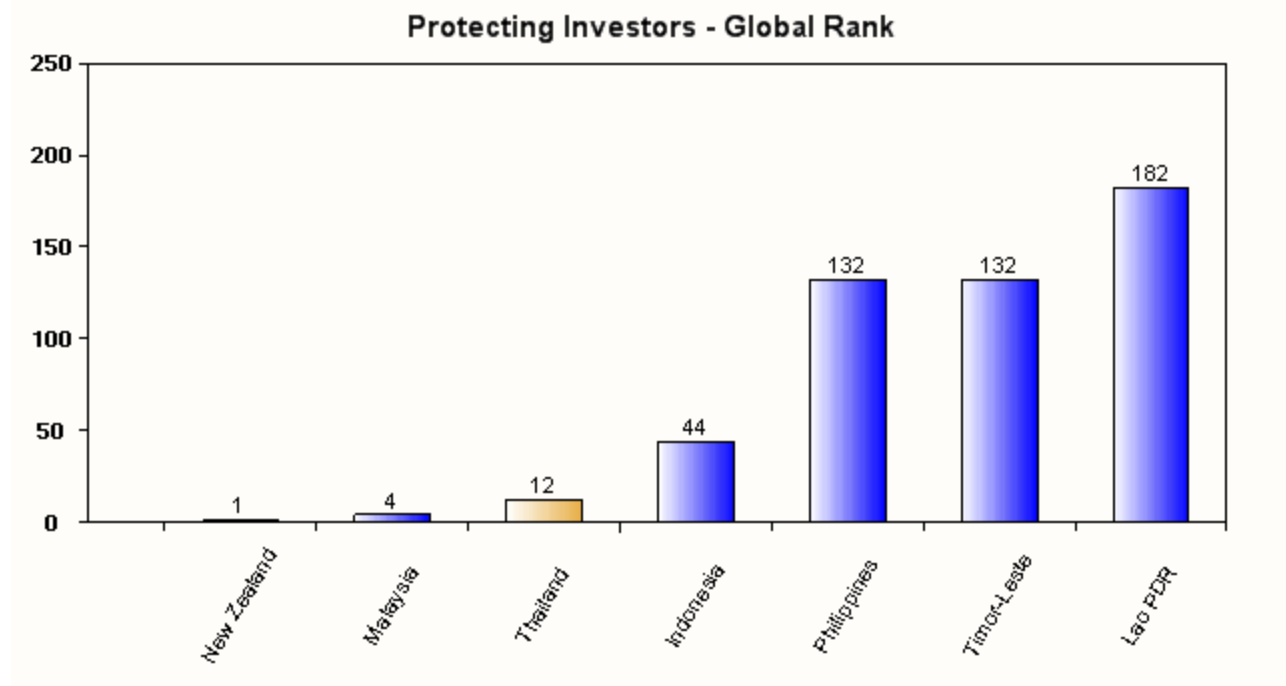
The transaction

- Mr. James, a director and the majority shareholder of the company, proposes that the company purchase used trucks from another company he owns.
- The price is higher than the going price for used trucks, but the transaction goes forward.
- All required approvals are obtained, and all required disclosures made, though the transaction is prejudicial to the purchasing company.
- Shareholders sue the interested parties and the members of the board of directors.

1. Benchmarking Protecting Investors Regulations

Thailand is ranked 12 overall for Protecting Investors.

Ranking of Thailand in Protecting Investors - Compared to good practice and selected economies:



The following table shows Protecting Investors data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Strength of investor protection index (0-10)
New Zealand	9.7

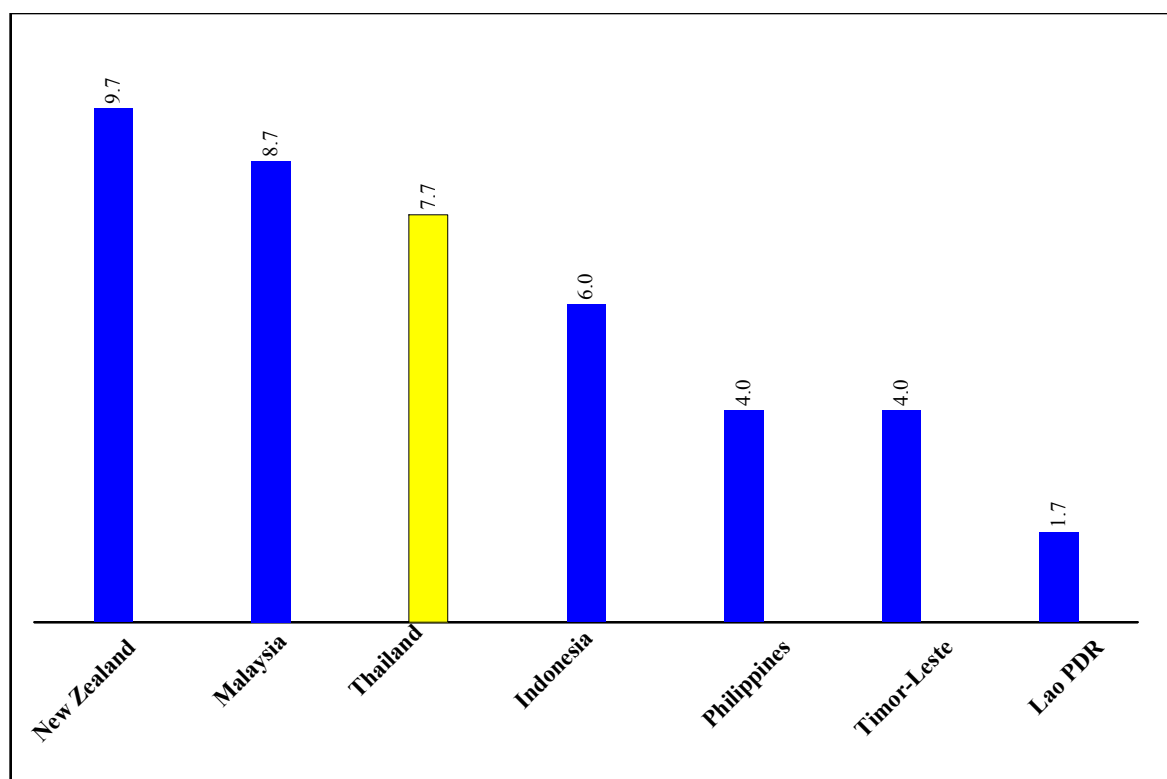
<i>Selected Economy</i>	
Thailand	7.7

<i>Comparator Economies</i>	
Indonesia	6.0
Lao PDR	1.7
Malaysia	8.7
Philippines	4.0
Timor-Leste	4.0

2. Historical data: Protecting Investors in Thailand

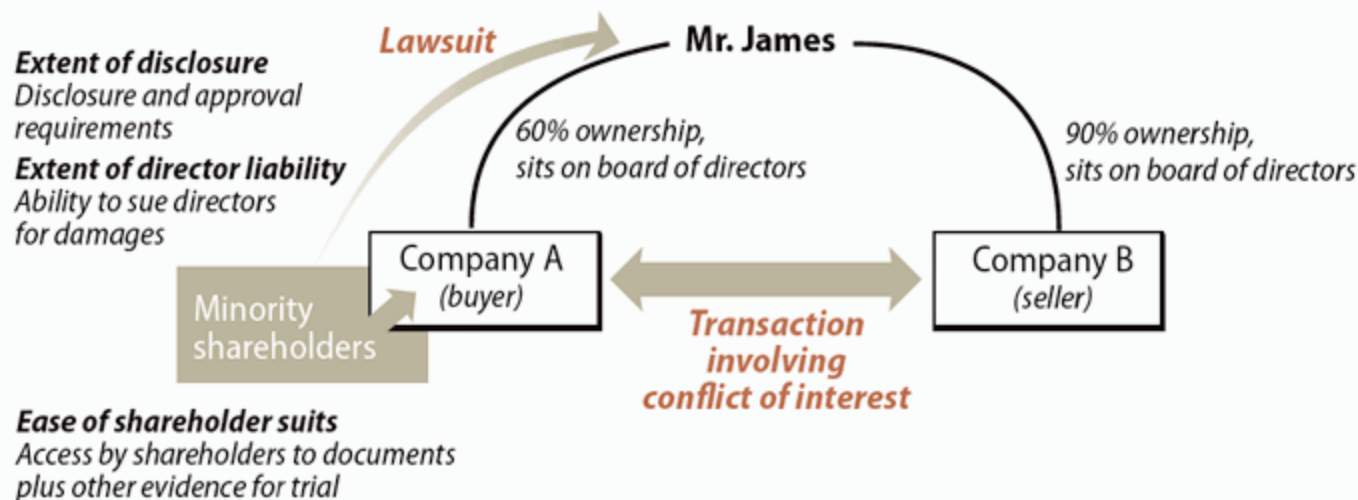
Protecting Investors data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	12	12
Strength of investor protection index (0-10)	6.0	7.7	7.7	7.7

3. The following graph illustrates the Protecting Investors index in Thailand compared to best practice and selected Economies:



Note: The higher the score, the greater the investor protection.

How well are minority shareholders protected against self-dealing in related-party transactions?



4. Details on Protecting Investors in Thailand

The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in Thailand.

Protecting Investors Data (2010)	Indicator
Extent of disclosure index (0-10)	10
What corporate body provides legally sufficient approval for the transaction?	3
Whether immediate disclosure of the transaction to the public and/or shareholders is required?	2
Whether disclosure of the transaction in published periodic filings (annual reports) is required?	2
Whether disclosure of the conflict of interest by Mr. James to the board of directors is required?	2
Whether an external body must review the terms of the transaction before it takes place?	1
Extent of director liability index (0-10)	7
Whether shareholders can hold Mr. James liable for the damage that the Buyer-Seller transaction causes to the company?	0
Whether shareholders can hold the approving body (the CEO or board of directors) liable for the damage that the Buyer-Seller transaction causes to the company?	2
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff?	1
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff?	1

Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff?	1
Whether fines and imprisonment can be applied against Mr. James?	1
Whether shareholders can sue directly or derivatively for the damage that the Buyer-Seller transaction causes to the company?	1
Ease of shareholder suits index (0-10)	6
Whether the plaintiff can obtain any documents from the defendant and witnesses during trial?	4
Whether the plaintiff can directly question the defendant and witnesses during trial?	1
Whether the plaintiff can request categories of documents from the defendant without identifying specific ones?	0
Whether shareholders owning 10% or less of Buyer's shares can request an inspector to investigate the transaction?	0
Whether the level of proof required for civil suits is lower than that of criminal cases?	1
Whether shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit?	0
Strength of investor protection index (0-10)	7.7

Taxes are essential to provide public amenities, infrastructure and services which are crucial for a properly functioning economy. *Doing Business* data show that economies where it is more difficult and costly to pay taxes have larger shares of informal sector activity. More than 60% of economies have reformed in the last 6 years and are starting to see concrete results.

Some reform outcomes

Colombia introduced a new electronic system for social security and labor taxes in 2006 and by 2008 the social security contributions collected from small and medium-size companies rose by 42%, to 550 billion pesos.

Mauritius reduced the corporate income tax rate from 25% to 15% and removed exemptions and industry-specific allowances in 2006 and saw their corporate income tax revenue grow by 27% in the following year, and in 2008/09 it increased by 65%.

What do the Paying taxes indicators measure?

Tax payments for a manufacturing company in 2009
(number per year adjusted for electronic or joint filing and payment)

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

Time required to comply with 3 major taxes (hours per year)

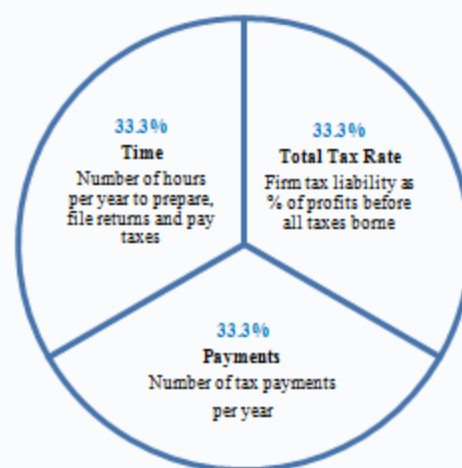
- Collecting information and computing the tax payable
- Completing tax return forms, filing with proper agencies
- Arranging payment or withholding
- Preparing separate tax accounting books, if required

Total tax rate (% of profit)

- Profit or corporate income tax
- Mandatory social contributions and labor taxes paid by the employer
- Property and property transfer taxes
- Dividend, capital gains and financial transactions taxes
- Waste collection, vehicle, road and other taxes

Paying Taxes: tax compliance for a local manufacturing company

Rankings are based on 3 subindicators



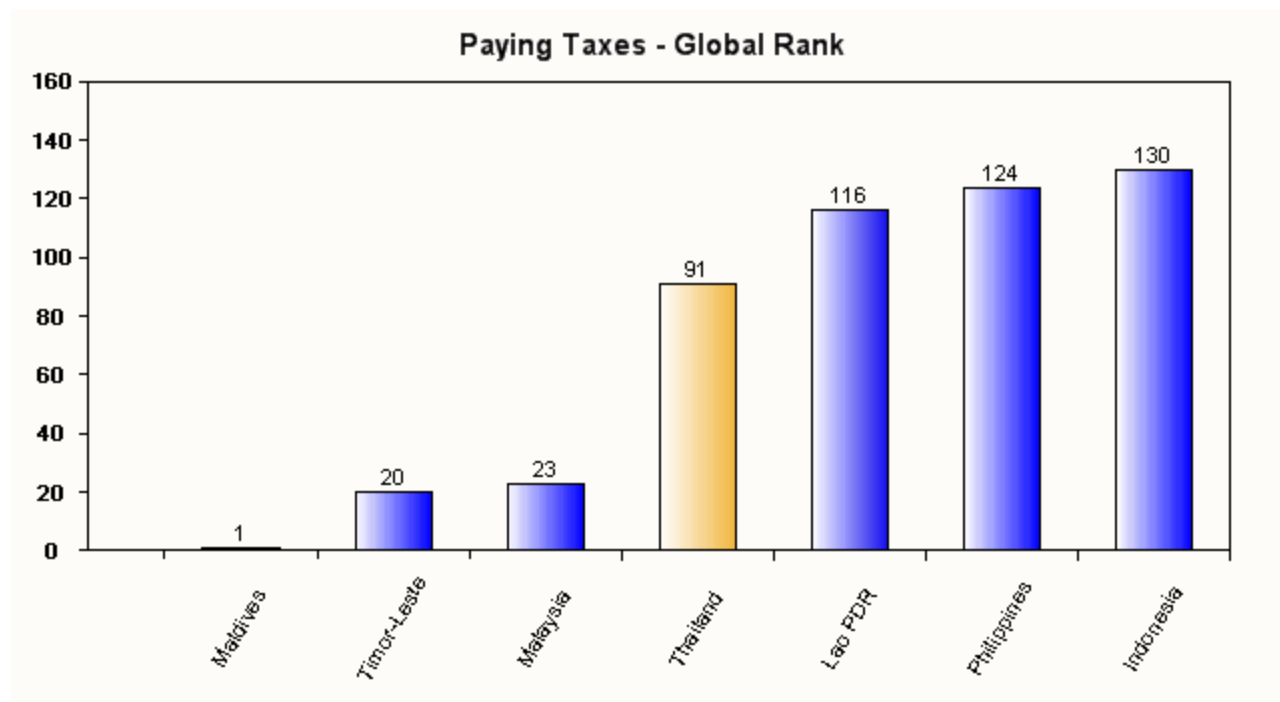
Case Study Assumptions

- TaxpayerCo is a medium-size business that started operations 2 years ago.
- Tax practitioners are asked to review its financial statements, as well as a standard list of transactions that the company completed during the year.
- Respondents are asked how much in taxes and mandatory contributions the business must pay and what the process is for doing so.
- The business starts from the same financial position in each economy. All the taxes and mandatory contributions paid during the second year of operation are recorded.
- Taxes and mandatory contributions are measured at all levels of government
- Taxes and mandatory contributions include corporate income tax, turnover tax, all labor taxes and contributions paid by the company.
- A range of standard deductions and exemptions are also recorded.

1. Benchmarking Paying Taxes Regulations

Thailand is ranked 91 overall for Paying Taxes.

Ranking of Thailand in Paying Taxes - Compared to good practice and selected economies:



The following table shows Paying Taxes data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Payments (number per year)	Time (hours per year)	Total tax rate (% profit)
Maldives	3	0	
Timor-Leste			0.2

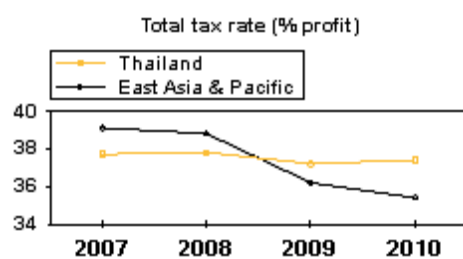
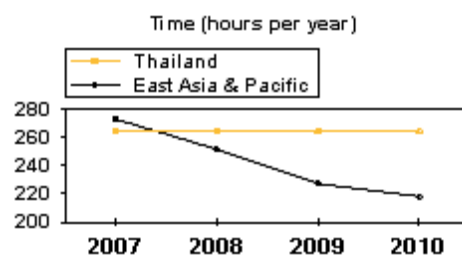
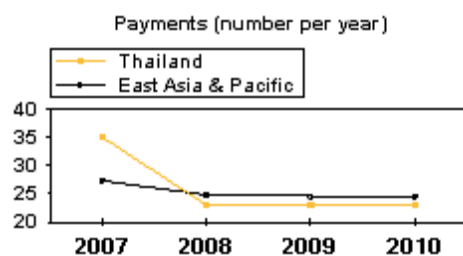
<i>Selected Economy</i>			
Thailand	23	264	37.4

<i>Comparator Economies</i>			
Indonesia	51	266	37.3
Lao PDR	34	362	33.7
Malaysia	12	145	33.7
Philippines	47	195	45.8
Timor-Leste	6	276	0.2

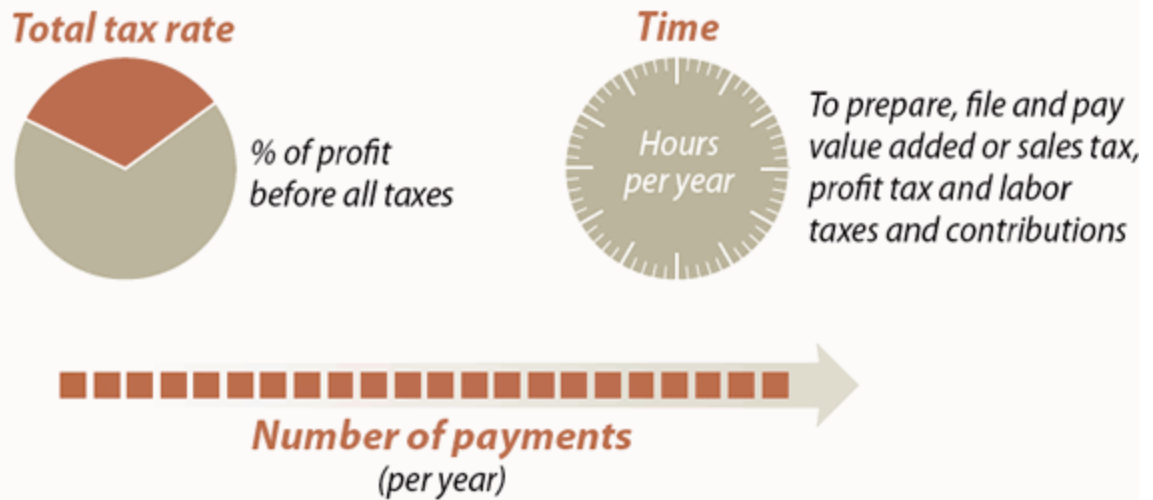
2. Historical data: Paying Taxes in Thailand

Paying Taxes data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	86	91
Total tax rate (% profit)	37.7	37.8	37.2	37.4
Payments (number per year)	35	23	23	23
Time (hours per year)	264	264	264	264

3. Paying Taxes sub indicators in Thailand over the past 4 years



What are the time, total tax rate and number of payments necessary for a local medium-sized company to pay all taxes?



4. Details on Paying Taxes in Thailand

The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in Thailand, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Value added tax (VAT)	1	online filing	56	7.0%	value added		
Tax on interest	0	withheld		1.0%	interest income	0.00	
Tax on check transactions	1			3 Baht per check		0.00	
Property transfer tax	1			2.0%	sale price	0.00	
Stamp duty	1			0.1%	transaction value	0.10	
vehicle tax	1			fixed fee (Baht 3,600)		0.10	
Workmen compensation fund	1			0.2% to 1%	gross salaries	0.20	
Advertising tax	1			2% and 3%	service cost	0.40	
Fuel Tax	1			5.3 Baht per liter	fuel consumption	0.60	

Property Tax	1			12.5%	assessed property value	1.60
Business specific tax	1	online filing		3.3%	taxable profit	2.90
Social Security contributions	12		48	5.0%	gross salaries	5.40
Corporate income tax	1	online filing	160	30.0%	taxable profit	26.10
Totals	23		264			37.4

Making trade between countries easier is increasingly important for business in today's globalized world. Excessive document requirements, burdensome customs procedures, inefficient port operations and inadequate infrastructure all lead to extra costs and delays for exporters and importers, stifling trade potential. Trade facilitation tools such as electronic data interchange systems, risk-based inspections, and single windows help improve an economy's trading environment and boost firms' international competitiveness. *Doing Business* trade indicators take into account documents, cost and time associated with every procedure for trading a standard shipment of goods by ocean transport. Research indicates that exporters in developing countries have much more to gain by a 10% drop in their trading costs than from a similar decrease of the tariffs applied to their products in global markets.

Some reform outcomes

In Georgia, reducing customs clearance time by a day has led to operational savings of an estimated \$288 per truck, or an annual \$133 million for the country's whole trading community given the growing amount of cross-border trade in recent years.

In Korea, predictable cargo processing times and rapid turnover by ports and warehouses provide a benefit to the Korean economy of some \$2 billion annually.

What do the Trading Across Borders indicators measure?

Documents required to export and import (number)

- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

Time required to export and import (days)

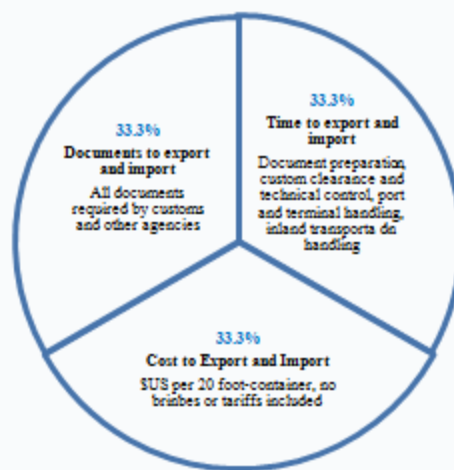
- Obtaining all the documents
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Does not include ocean transport time

Cost required to export and import (US\$ per container)

- All documentation
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Official costs only, no bribes

Trading Across Borders: exporting and importing by ocean transport

Rankings are based on 3 subindicators



Case Study Assumptions

The Business

- Has at least 60 employees and is located in the economy's largest business city
- Is a private, limited liability company, which exports more than 10% of its sales. It is fully domestically owned and does not operate in an export processing zone or an industrial estate with special export or import privileges

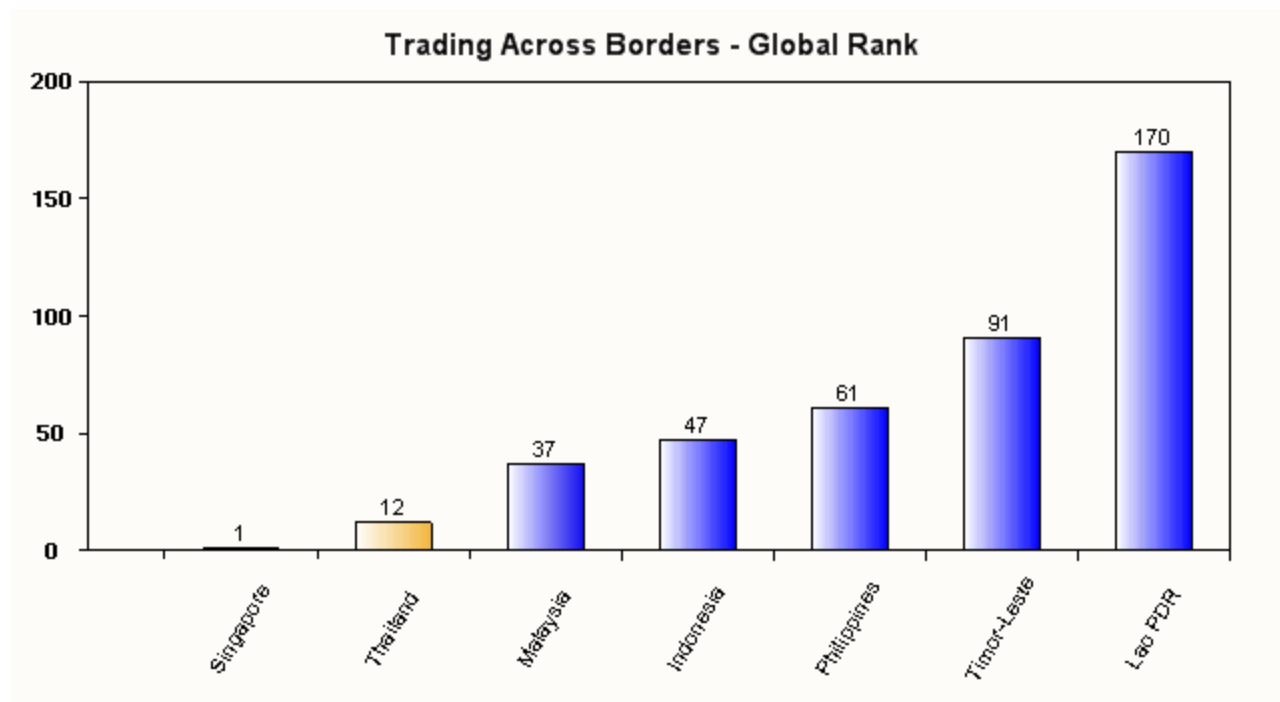
The traded product

- Is transported in a dry-cargo, 20-foot full container load; weighs 10 tons and is valued at \$20,000
- Is not hazardous or include military items; it does not require special phytosanitary or environmental safety standards, refrigeration or any other special environment
- Is one of the economy's leading export or import products

1. Benchmarking Trading Across Borders Regulations

Thailand is ranked 12 overall for Trading Across Borders.

Ranking of Thailand in Trading Across Borders - Compared to good practice and selected economies:



The following table shows Trading Across Borders data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Documents to export (number)	Time to export (days)	Cost to export (US\$ per container)	Documents to import (number)	Time to import (days)	Cost to import (US\$ per container)
Denmark		5				
France	2			2		
Malaysia			450			
Singapore					4	439

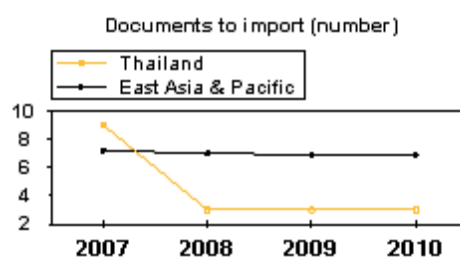
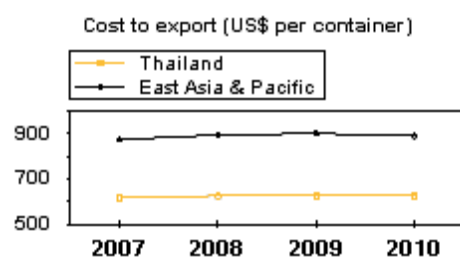
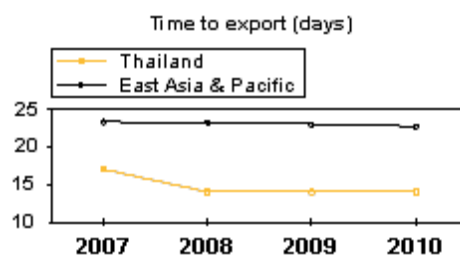
<i>Selected Economy</i>						
Thailand	4	14	625	3	13	795

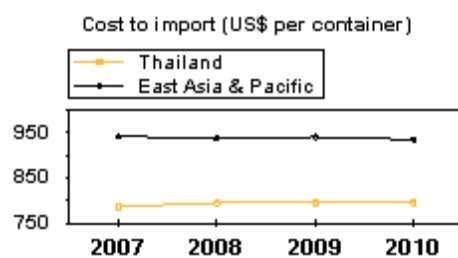
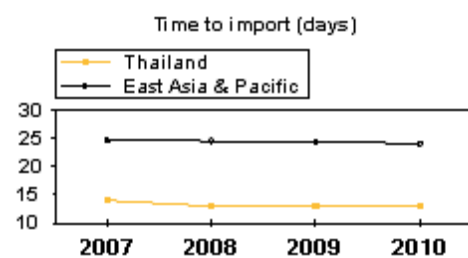
<i>Comparator Economies</i>						
Indonesia	5	20	704	6	27	660
Lao PDR	9	48	1860	10	50	2040
Malaysia	7	18	450	7	14	450
Philippines	8	15	675	8	14	730
Timor-Leste	6	25	1010	7	26	1015

2. Historical data: Trading Across Borders in Thailand

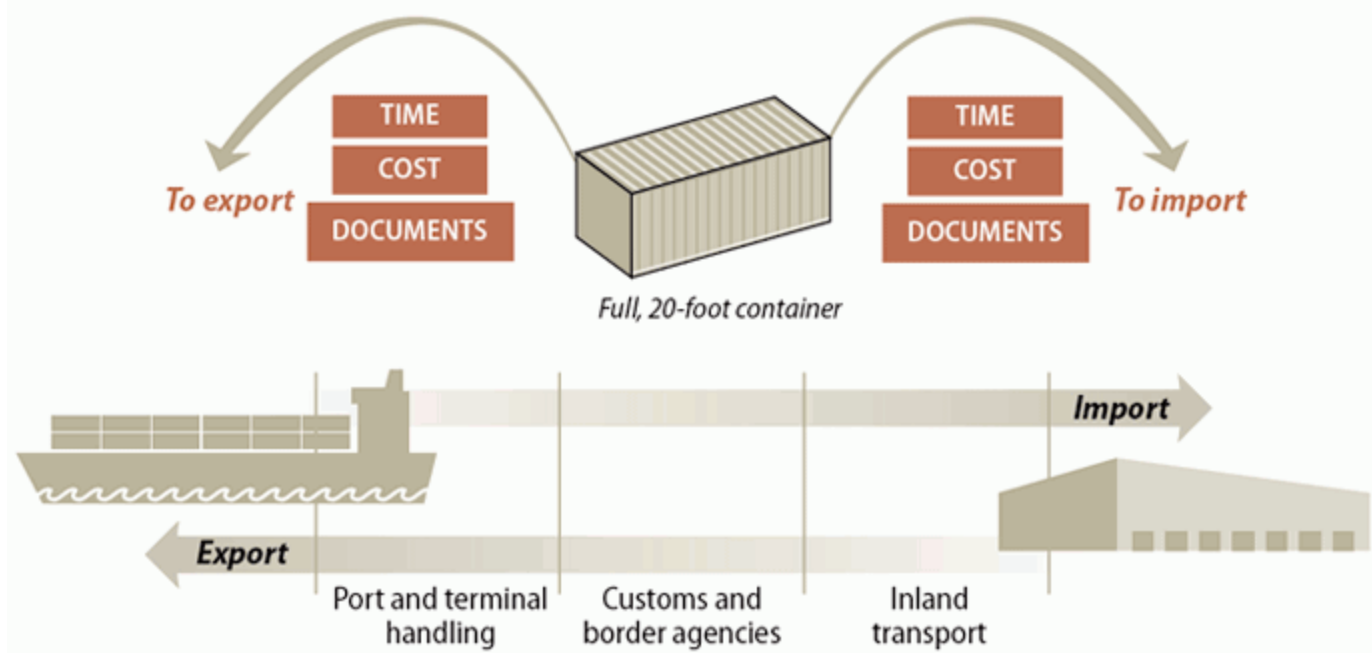
Trading Across Borders data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	12	12
Cost to export (US\$ per container)	615	625	625	625
Cost to import (US\$ per container)	786	795	795	795
Documents to export (number)	7	4	4	4
Documents to import (number)	9	3	3	3
Time to export (days)	17	14	14	14
Time to import (days)	14	13	13	13

3. Trading Across Borders sub indicators in Thailand over the past 4 years





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



4. Details on Trading Across Borders in Thailand

These tables list the procedures necessary to import and export a standardized cargo of goods in Thailand. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	8	270
Customs clearance and technical control	1	50
Ports and terminal handling	3	85
Inland transportation and handling	2	220
Totals	14	625

Nature of Import Procedures (2010)	Duration (days)	US\$ Cost
Documents preparation	8	300
Customs clearance and technical control	2	75
Ports and terminal handling	2	200
Inland transportation and handling	1	220
Totals	13	795

Documents for Export and Import

Export
Certificate of origin
Commercial invoice
Customs export declaration
Terminal handling receipts
Import
Packing list
Terminal handling receipts
Customs import declaration

Well functioning courts help businesses expand their network and markets. Where contract enforcement is efficient, firms have greater access to credit and are more likely to engage with new borrowers or customers. *Doing Business* measures the efficiency of the judicial system in resolving a commercial sale dispute before local courts. Following the step-by-step evolution of a standardized case study, data relating to the time, cost and procedural complexity of resolving a commercial lawsuit are collected through study of the codes of civil procedure and other court regulations, as well as through surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

Some reform outcomes

In Rwanda the implementation of specialized commercial courts in May 2008 resulted in a significant decrease of the case backlog, and contributed to reduce the time to resolve a commercial dispute by nearly 3 months.

In Austria a "data highway" for the courts that allows attachments to be sent electronically has produced savings of €4.4 million in postage alone.

What do the Enforcing Contracts indicators measure?

Procedures to enforce a contract (number)

- Any interaction between the parties in a commercial dispute, or between them and the judge or court officer
- Steps to file the case
- Steps for trial and judgment
- Steps to enforce the judgment

Time required to complete procedures (calendar days)

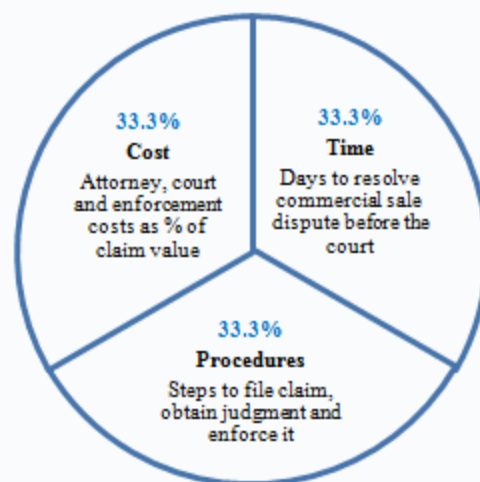
- Time to file and serve the case
- Time for trial and obtaining judgment
- Time to enforce the judgment

Cost required to complete procedures (% of claim)

- No bribes
- Average attorney fees
- Court costs, including expert fees
- Enforcement costs

Enforcing Contracts: resolving a commercial dispute through the courts

Rankings are based on 3 subindicators



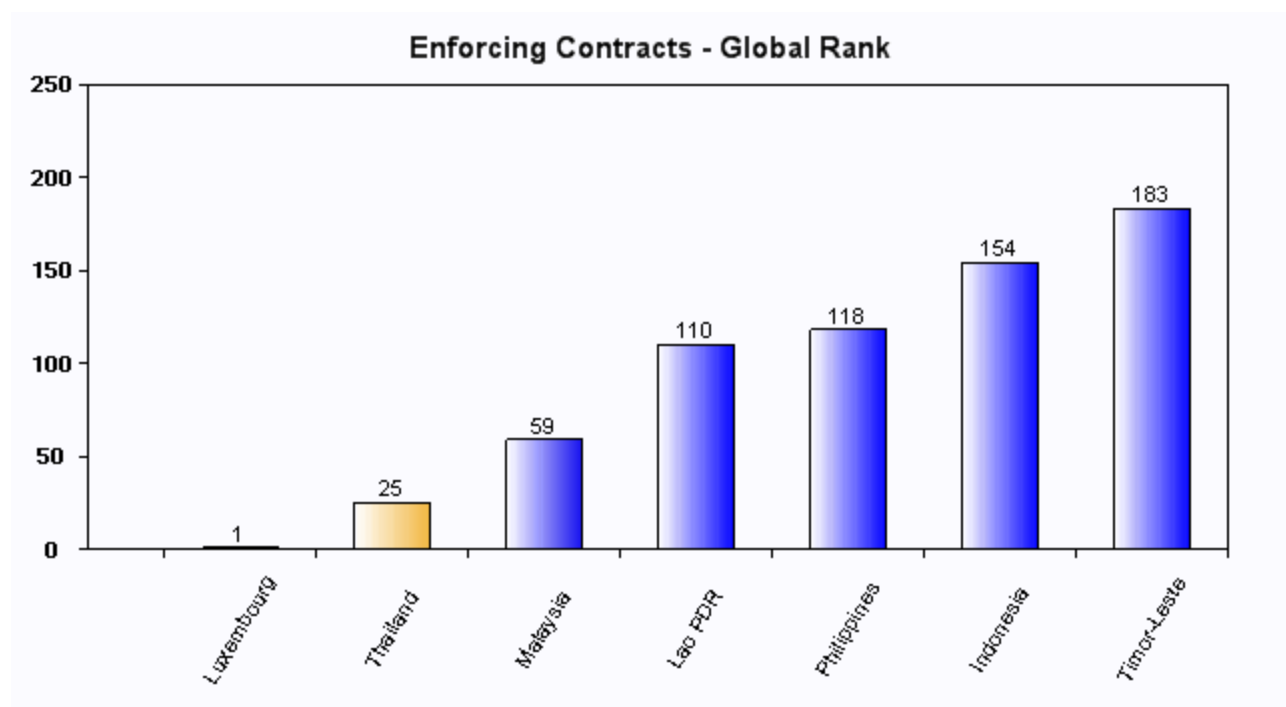
Case Study Assumptions

- Seller and Buyer are domestic companies
- Buyer orders custom-made goods, then does not pay
- Seller sues Buyer before competent court
- Value of claim is 200% of GNI per capita
- Seller requests pre-trial attachment to secure claim
- Dispute on quality of the goods requires expert opinion
- Judge decides in favor of Seller, no appeal
- Seller enforces judgment through a public sale of Buyer's movable assets.

1. Benchmarking Enforcing Contracts Regulations

Thailand is ranked 25 overall for Enforcing Contracts.

Ranking of Thailand in Enforcing Contracts - Compared to good practice and selected economies:



The following table shows Enforcing Contracts data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Procedures (number)	Time (days)	Cost (% of claim)
Bhutan			0.1
Ireland	20		
Singapore		150	

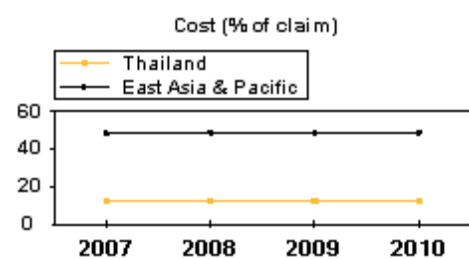
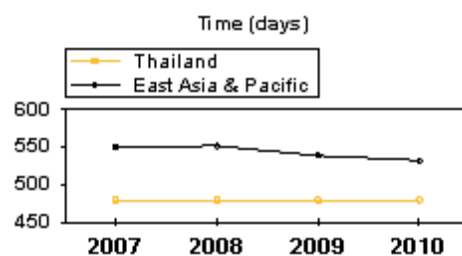
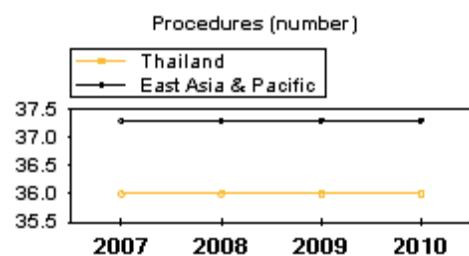
<i>Selected Economy</i>			
Thailand	36	479	12.3

<i>Comparator Economies</i>			
Indonesia	40	570	122.7
Lao PDR	42	443	31.6
Malaysia	30	585	27.5
Philippines	37	842	26.0
Timor-Leste	51	1285	163.2

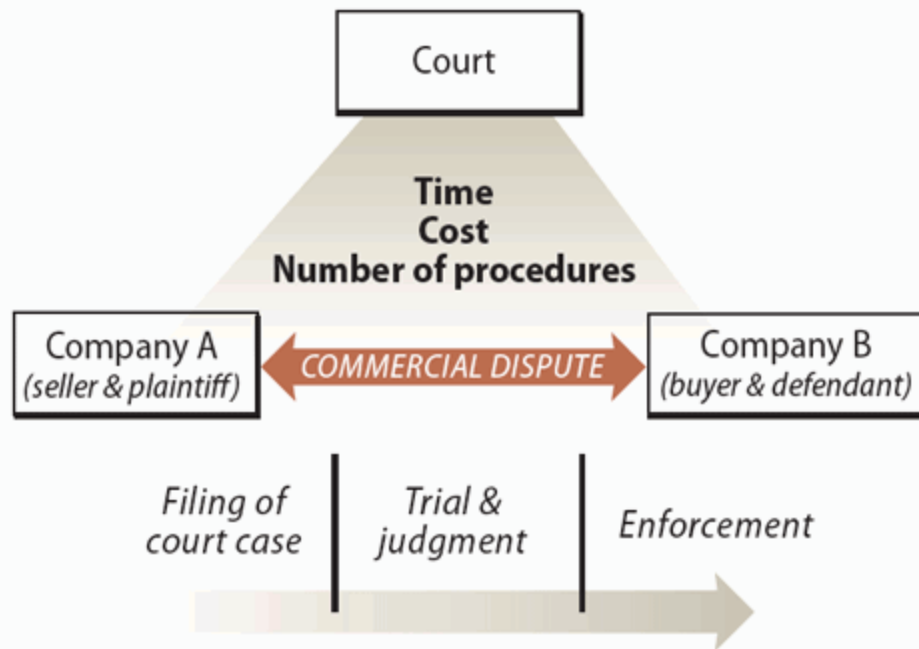
2. Historical data: Enforcing Contracts in Thailand

Enforcing Contracts data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	25	25
Procedures (number)	36	36	36	36
Time (days)	479	479	479	479
Cost (% of claim)	12.3	12.3	12.3	12.3

3. Enforcing Contracts sub indicators in Thailand over the past 4 years



What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



4. Details on Contract Enforcement in Thailand

This topic looks at the efficiency of contract enforcement in Thailand.

Court information: Bangkok District Court ("□□□□□□□")

Nature of Procedure (2010)	Indicator
Procedures (number)	36
Time (days)	479
Filing and service	99.0
Trial and judgment	260.0
Enforcement of judgment	120.0
Cost (% of claim)*	12.30
Attorney cost (% of claim)	9.2
Court cost (% of claim)	0.1
Enforcement Cost (% of claim)	3.0

* Claim assumed to be equivalent to 200% of income per capita.

A robust bankruptcy system functions as a filter, ensuring the survival of economically efficient companies and reallocating the resources of inefficient ones. Fast and cheap insolvency proceedings result in businesses' speedy return to normal operation and increase returns to creditors. By improving the expectations of creditors and debtors about the outcome of insolvency proceedings, well-functioning insolvency systems can facilitate access to finance, save more viable businesses, and thereby improve growth and sustainability in the economy overall.

Some reform outcomes

A study of the 2005 bankruptcy reform in Brazil found that it had led to an average reduction of 22% in the cost of credit for Brazilian companies, a 39% increase in overall credit and a 79% increase in long-term credit in the economy. The purpose of the reform was to improve creditor protection in insolvency proceedings.

Following the introduction of debtor-in-possession reorganizations in Korea in 2006, the number of reorganization filings increased from 76 in 2006 to 670 in 2009.

What does the Closing a Business indicator measure?

Closing a Business: insolvency proceedings against local company

Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

Cost required to recover debt (% of debtor's estate value)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- All other fees and costs

Recovery rate for creditors (cents on the dollar)

- Measures the cents on the dollar recovered by creditors
- Present value of debt recovered
- Costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Outcome for the business (survival or not) affects the maximum value that can be recovered



Case Study Assumptions

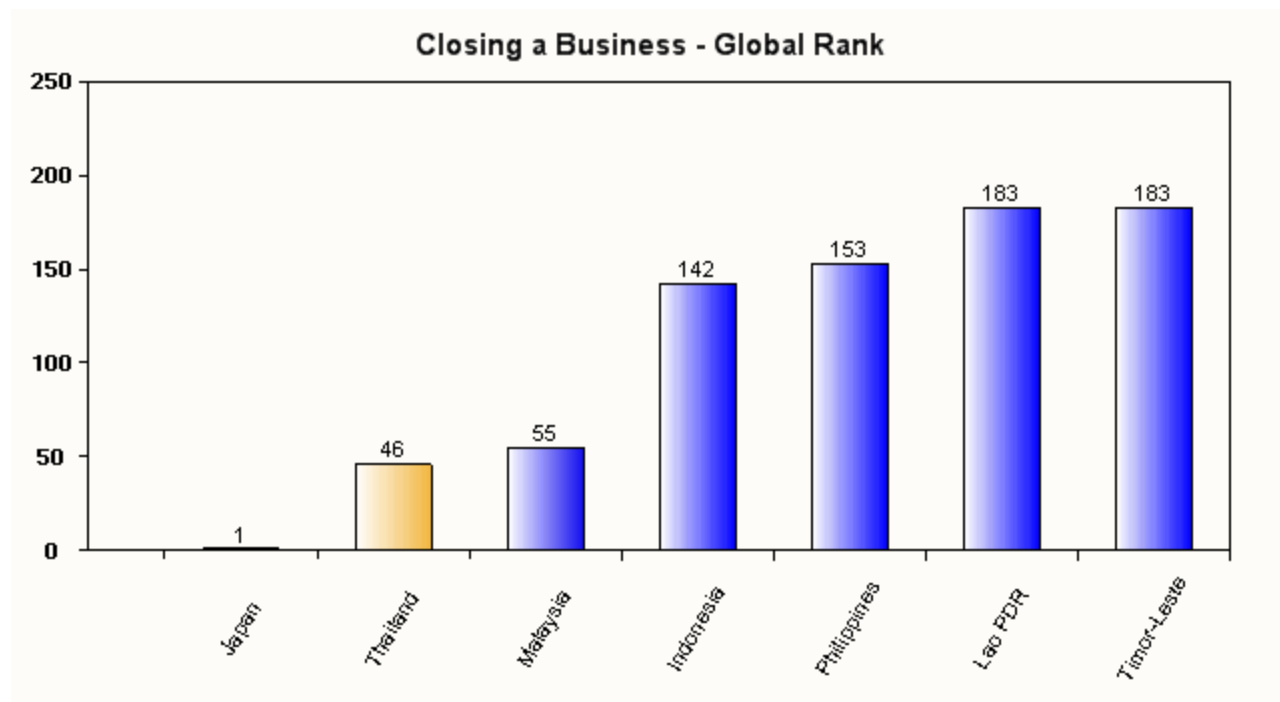
The Company:

- is domestically owned
- is a limited liability company operating a hotel
- operates in the economy's largest business city
- has 201 employees, 1 secured creditor and 50 unsecured creditors
- has a higher value as a going concern and a lower value in a piecemeal sale of assets

1. Benchmarking Closing Business Regulations

Thailand is ranked 46 overall for Closing a Business.

Ranking of Thailand in Closing Business - Compared to good practice and selected economies:



The following table shows Closing Business data for Thailand compared to good practice and comparator economies:

Good Practice Economies	Recovery rate (cents on the dollar)	Time (years)	Cost (% of estate)
Ireland		0.4	
Japan	92.7		
Singapore			1

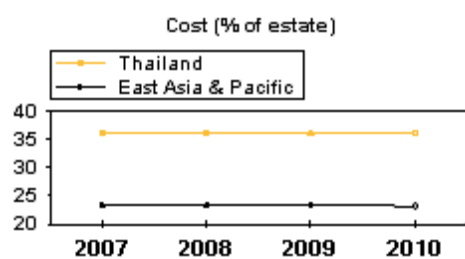
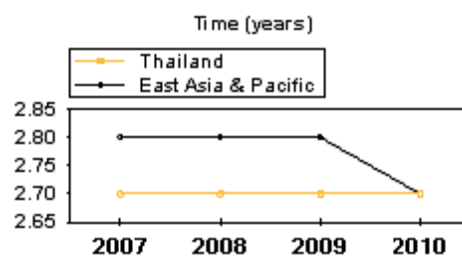
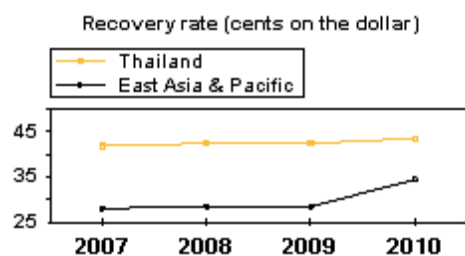
<i>Selected Economy</i>			
Thailand	43.5	2.7	36

<i>Comparator Economies</i>			
Indonesia	13.2	5.5	18
Lao PDR	0.0	no practice	no practice
Malaysia	39.8	2.3	15
Philippines	4.5	5.7	38
Timor-Leste	0.0	no practice	no practice

2. Historical data: Closing Business in Thailand

Closing a Business data	Doing Business 2008	Doing Business 2009	Doing Business 2010	Doing Business 2011
Rank	..	..	48	46
Time (years)	2.7	2.7	2.7	2.7
Cost (% of estate)	36	36	36	36
Recovery rate (cents on the dollar)	41.8	42.4	42.4	43.5

3. Closing Business sub indicators in Thailand over the past 4 years







Doing Business 2011 Business Reforms

Since 2004 *Doing Business* has been tracking reforms aimed at simplifying business regulations, strengthening property rights, opening access to credit and enforcing contracts by measuring their impact on 10 indicator sets . * Nearly 1,000 reforms have had an impact on these indicators. *Doing Business 2011*, covering June 2009 to June 2010, reports that 117 economies implemented 216 reforms to make it easier to start a business. 64% of economies measured by *Doing Business* have reformed this year, focusing on easing business start-up, lightening the tax burden, simplifying import and export regulations and improving credit information systems.

The top 10 most-improved in *Doing Business 2011*

Economy	<div><div> Positive Change</div><div> Negative Change</div></div>								
	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Kazakhstan	✓	✓			✓		✓		
Rwanda		✓		✓			✓		
Peru	✓	✓	✓				✓		
Vietnam	✓	✓		✓					
Cape Verde	✓		✓				✓		
Tajikistan	✓				✓		✓		
Zambia	✓						✓	✓	
Hungary		✓	✓				✓		✓
Grenada	✓		✓				✓		
Brunei Darussalam	✓						✓	✓	

* For *Doing Business 2011* the Employing Workers indicator is not included in the aggregate ease of doing business ranking.

Summary of changes to business regulation in top 10 most improved economies in *Doing Business 2011* and selected comparator economies.

Brunei Darussalam	Brunei Darussalam made starting a business easier by improving efficiency at the company registrar and implementing an electronic system for name searches. Brunei Darussalam reduced the corporate income tax rate from 23.5% to 22% while also introducing a lower tax rate for small businesses, ranging from 5.5% to 11%. The introduction of an electronic customs system in Brunei Darussalam made trading easier.
Cape Verde	Cape Verde made start-up easier by eliminating the need for a municipal inspection before a business begins operations and computerizing the system for delivering the municipal license. Cape Verde eased property registration by switching from fees based on a percentage of the property value to lower fixed rates. Cape Verde abolished the stamp duties on sales and checks.
Grenada	Grenada eased business start-up by transferring responsibility for the commercial registry from the courts to the civil administration. The appointment of a registrar focusing only on property cut the time needed to transfer property in Grenada by almost half. Grenada's customs administration made trading faster by simplifying procedures, reducing inspections, improving staff training and enhancing communication with users.
Hungary	Hungary implemented a time limit for the issuance of building permits. Hungary reduced the property registration fee by 6% of the property value. Hungary simplified taxes and tax bases. Amendments to Hungary's bankruptcy law encourage insolvent companies to consider reaching agreements with creditors out of court so as to avoid bankruptcy.
Indonesia	Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation. Indonesia reduced its corporate income tax rate. Indonesia reduced the time to export by launching a single-window service.
Kazakhstan	Kazakhstan eased business start-up by reducing the minimum capital requirement to 100 tenge (\$0.70) and eliminating the need to have the memorandum of association and company charter notarized. Kazakhstan made dealing with construction permits easier by implementing a one-stop shop related to technical conditions for utilities. Kazakhstan strengthened investor protections by requiring greater corporate disclosure in company annual reports. Kazakhstan speeded up trade through efforts to modernize customs, including implementation of a risk management system and improvements in customs automation.
Lao PDR	Lao PDR replaced the business turnover tax with a new value added tax.
Malaysia	Malaysia eased business start-up by introducing more online services. Malaysia's introduction of online stamping reduced the time and cost to transfer property.
Peru	Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration. Peru streamlined construction permitting by implementing administrative reforms. Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property. Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.
Philippines	The Philippines eased business startup by setting up a one-stop shop at the municipal level. The Philippines made construction permitting more cumbersome through updated electricity connection costs. The Philippines reduced the time and cost to trade by improving its electronic customs systems, adding such functions as electronic payments and online submission of declarations.
Rwanda	Rwanda made dealing with construction permits easier by passing new building regulations at the end of April 2010 and implementing new time limits for the issuance of various permits. Rwanda enhanced access to credit by allowing borrowers the right to inspect their own credit report and mandating that loans of all sizes be reported to the central bank's public credit registry. Rwanda reduced the number of trade documents required and enhanced its joint border management procedures with Uganda and other neighbors, leading to an improvement in the trade logistics environment.

Tajikistan	Tajikistan made starting a business easier by creating a one-stop shop that consolidates registration with the state and the tax authority. Tajikistan strengthened investor protections by requiring greater corporate disclosure in the annual report and greater access to corporate information for minority investors. Tajikistan lowered its corporate income tax rate.
Thailand	Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers. Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.
Timor-Leste	Timor-Leste increased court efficiency by training and appointing new judges and passing a new civil procedure code.
Vietnam	Vietnam eased company start-up by creating a one-stop shop that combines the processes for obtaining a business license and tax license and by eliminating the need for a seal for company licensing. Vietnam made dealing with construction permits easier by reducing the cost to register newly completed buildings by 50% and transferring the authority to register buildings from local authorities to the Department of National Resources and Environment. Vietnam improved its credit information system by allowing borrowers to examine their own credit report and correct errors.
Zambia	Zambia eased business start-up by eliminating the minimum capital requirement. Zambia eased trade by implementing a one-stop border post with Zimbabwe, launching web-based submission of customs declarations and introducing scanning machines at border posts. Zambia improved contract enforcement by introducing an electronic case management system in the courts that provides electronic referencing of cases, a database of laws, real-time court reporting and public access to court records.



WWW.DOINGBUSINESS.ORG