



**USAID** | **KOSOVO**  
NGA POPULLI AMERIKAN  
OD AMERIČKOG NARODA

# USAID KOSOVO PRIVATE ENTERPRISE PROGRAM (KPEP)

## Kosovo CLIR The Kosovo Commercial Legal Institutional Reform (CLIR) Assessment - 2009

**AUTHOR:  
KPEP**

Implemented by  
Booz Allen Hamilton

Contract No. EEM-I-00-07-00007-00  
Task Order No. 2

FEBRUARY 2009

### **DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government

# KOSOVO CLIR

## THE KOSOVO COMMERCIAL LEGAL INSTITUTIONAL REFORM (CLIR) ASSESSMENT - 2009

---

Kosovo Private Enterprise Program project - The Kosovo Commercial Legal Institutional Reform (CLIR)  
Assessment - 2009  
Contract No. No. EEM-I-07-00007-00, TO #2

This report submitted by Booz Allen Hamilton / June 25, 2009

The author's views expressed in this publication do not necessarily reflect the views of the  
United States Agency for International Development or the United States Government.

# CONTENTS

PURPOSE OF ASSIGNMENT .....	3
BACKGROUND .....	3
THE 2009 UPDATE .....	3
AN OVERVIEW OF SOME CRITICAL CLIR FINDINGS.....	4
Annex: CLIR Indicators .....	6

## PURPOSE OF ASSIGNMENT

In an effort to form a complete picture of the commercial and regulatory legal environment in Kosovo, the Kosovo Private Enterprise Program (KPEP) has updated the Commercial Legal Institutional Reform (CLIR) Assessment Indicators for six areas, including Company Law, Contracts, Collateral, Bankruptcy, Competition, and International Trade.

## BACKGROUND

The CLIR Assessment is a large collection of research and survey questions, called *indicators*, which are assessed, analyzed and catalogued by a team of lawyers and legal researchers. These indicators, numbering near a thousand, outline a large set of highly specific components of a regulatory setting, the presence or absence of which, in the aggregate, create a detailed image of the state of development of a country's commercial regulatory environment. By identifying key gaps in the law and implementation, the assessment tool assists governments, donor organizations, and private sector and civil society stakeholders in designing and targeting legislative, implementation, and capacity-building projects to maximize the effectiveness of commercial reform efforts.

The Indicators complement the narrative part of the methodology as a quasi-empirical measurement of a country's legal and regulatory preparedness. Assessments with full narrative and Indicator scoring were done in Kosovo in 2004 and 2006. An Additional narrative update was done in 2007.

The evaluation team looks at the legal/regulatory framework, as well as the institutions that implement and support the framework. It also evaluates the social dynamics of each area. In other words, we analyze *all the layers of the commercial environment* from policy, through civil society and education, to the needs of the private sector.

In September 2002, the United States Agency for International Development (USAID) launched the "Seldon Project" for Global Trade Law Assessment and Assistance to develop and apply an assessment tool that identifies inefficiencies in the commercial laws and institutions of developing countries. The result has been more than thirty-five assessments around the world, and a diversification into specialized topical areas such as the health and agriculture commercial environments.

There is also a strong association between the Commercial Legal and Institutional Environment and the trade policy environment. Countries join the World Trade Organization (WTO) and regional trade agreements in search of the economic gains associated with enlarged markets, increased competition, and resulting industry specialization. Realizing the anticipated benefits from free trade— and mitigating any negative consequences—requires more than focusing only on obvious trade structures. Although there is no single explanation for this phenomenon, there is a strong statistical correlation between the quality of legal institutions and sustained economic growth through trade.

## THE 2009 UPDATE

For this update of the Indicators portion of the assessment, we explored seven areas key to economic growth and private sector development. Five were scored previously: Company, Contracts, Collateral, Bankruptcy, and Competition. Two areas, International Trade, and Foreign Direct Investment, are new to the assessment and, therefore, are being scored in Kosovo for the first time.

KPEP will use relevant portions of the 2009 scores as a baseline to measure its progress in motivating Business Enabling Environment reform through the life of the project. Annual updates will track improvement in key areas over the next four years.

## AN OVERVIEW OF SOME CRITICAL CLIR FINDINGS

- **Company Law:** This category concerns the establishment and existence of business organizations. Some improvement is noted from the last survey, mainly due to the adoption of a new Company Law in June 2008. Nonetheless, little improvement has been seen in the implementation of this law or in the registration of businesses. Though registration at the Business Registration Agency is relatively quick and simple, the registry lacks capacity required to monitor companies and to ensure companies do not de-register without meeting disclosure requirements. The present system continues to contribute to corruption and inefficiency.
- **Contract Law:** This assessment catalogued slight improvement, mostly due to the entry into force of the Law on Arbitration (02/L-75) in 2008. The Chamber of Commerce is authorized to entertain Arbitrations, though any organization has the technical right to set up an arbitration tribunal; nevertheless, the number of cases solved by arbitration is low, with only around 30 cases having been heard by the Commerce Chamber until now. However, no improvements were seen in the use of contracts as risk allocation methods. The Law on Obligations No. 2004/25 was never promulgated by SRSG. Courts are still applying the 1978 Yugoslav law on Obligations and the UNMIK Regulation on Contracts for the sale of goods. A review of the Law on Obligations is presently underway.
- **Collateral Law:** There have been no changes to the Law on Pledges. UNMIK Reg. No. 2001/5 is still in force and no amendments have been made. However, for the first time, an Administrative Instruction endorsed by the Ministry of Trade and Industry has outlined the operation and functions of the Pledge Office. Nevertheless, this Office is not fully operational and few financial institutions use its services.
- **Bankruptcy:** The Law on Liquidation and Reorganization of Legal Persons was amended on June 21, 2007 as law no. 02/I-115 on Amendments and Addition to Law on Liquidation and Reorganization of Legal Persons in Bankruptcy. Nevertheless, the Bankruptcy Law still does not apply to personal businesses, even those that are properly registered pursuant to the Law on Business Organizations. The law applies only to “legal persons” – defined as general partnerships, limited partnerships, limited liability companies, and joint stock companies. Also, the ease with which all companies may “deregister” under the Law on Business Organizations creates a situation in which Creditors seeking to enforce debt through the bankruptcy process may find that their Debtors have simply ceased to exist as “legal persons”, and therefore are not subject to the Bankruptcy Law.
- **Competition Law:** Although a new Competition Law has been approved, it is rife with gaps and uncertainties, and remains non-functional. Little has been done to stem anti-competitive behavior. This may be as a result of Kosovo’s relatively small market, but until an accurate picture of the impact, present and future, is assessed, little attention will be paid to the doctrine. The question many ask is whether this law is indeed necessary. Kosovo Competition Commission was recently established, but has not accomplished much, mainly because of the lack of personnel and budget.

- **International Trade Law:** This is a new category to be added to the indicators for Kosovo. Initially, in 2005, bilateral trade agreements were signed with Albania, Macedonia, Bosnia, and Croatia. However, these bilateral agreements ceased to exist when the Central European Free Trade Agreement (CEFTA 2006) entered into force. The main aim of CEFTA 2006 is the promotion of investment in the region and the support of export growth. The growth of regional trade will significantly impact poverty and jobs growth. The Department of Trade within the Ministry of Trade and Industry is responsible for oversight of implementation of this agreement. Significant reform in the way CEFTA is implemented, and cooperation among the member states in areas such as lowered non-tariff barriers to trade and trade dispute resolution, is critical.
- **Foreign Direct Investment:** The law on Foreign Direct Investment is incomplete and virtually unimplemented because many issues dependent upon the law (i.e. dislocation, concessions, cadastral books etc) must be regulated by implementing regulations which have yet to be promulgated. The Investment Promotion Agency lacks capacity, and the Ministry of Trade and Industry has done little to assure potential investors of the safety of investing in Kosovo.

## Annex: CLIR Indicators

## CLIR Summary

SUBSTANTIVE AREA		Ref.	Score	%
<b>A.</b>	<b>COMPANY</b>	<b>1305</b>	<b>570</b>	<b>44%</b>
	1. Legal Framework	370	216	58%
	2. Implementing Institutions	190	115	61%
	3. Supporting Institutions	230	39	17%
	4. Social Dynamics	515	200	39%
<b>B.</b>	<b>CONTRACT</b>	<b>1535</b>	<b>420</b>	<b>27%</b>
	1. Legal Framework	400	159	40%
	2. Implementing Institutions	350	95	27%
	3. Supporting Institutions	250	26	10%
	4. Social Dynamics	535	140	26%
<b>C.</b>	<b>PROPERTY</b>	<b>1215</b>	<b>0</b>	<b>0%</b>
	1. Legal Framework*	290	0	0%
	2. Implementing Institutions*	290	0	0%
	3. Supporting Institutions*	105	0	0%
	4. Social Dynamics*	530	0	0%
<b>D.</b>	<b>COLLATERAL</b>	<b>1185</b>	<b>433</b>	<b>37%</b>
	1. Legal Framework	280	136	49%
	2. Implementing Institutions	235	96	41%
	3. Supporting Institutions	160	28	18%
	4. Social Dynamics	510	173	34%
<b>E.</b>	<b>COMMERCIAL DISPUTE RESOLUTION</b>	<b>1770</b>	<b>0</b>	<b>0%</b>
	1. Legal Framework*	220	0	0%
	2. Implementing Institutions*	605	0	0%
	3. Supporting Institutions*	260	0	0%
	4. Social Dynamics*	685	0	0%
<b>F.</b>	<b>BANKRUPTCY</b>	<b>1365</b>	<b>563</b>	<b>41%</b>
	1. Legal Framework	470	292	62%
	2. Implementing Institutions	320	135	42%
	3. Supporting Institutions	165	36	22%
	4. Social Dynamics	410	100	24%
<b>G.</b>	<b>COMPETITION</b>	<b>1180</b>	<b>306</b>	<b>26%</b>
	1. Legal Framework	265	91	34%
	2. Implementing Institutions	200	55	28%

SUBSTANTIVE AREA		Ref.	Score	%
	3. Supporting Institutions	155	38	25%
	4. Social Dynamics	560	122	22%
<b>H.</b>	<b>INTERNATIONAL TRADE</b>	<b>1195</b>	<b>418</b>	<b>35%</b>
	1. Legal Framework	335	137	41%
	2. Implementing Institutions	180	48	27%
	3. Supporting Institutions	230	81	35%
	4. Social Dynamics	450	152	34%
<b>I.</b>	<b>FINANCIAL CRIMES</b>	<b>1760</b>	<b>0</b>	<b>0%</b>
	1. Legal Framework*	540	0	0%
	2. Implementing Institutions*	445	0	0%
	3. Supporting Institutions*	315	0	0%
	4. Social Dynamics*	460	0	0%
<b>J.</b>	<b>COMMERCIAL COURT ADMINISTRATION</b>	<b>1315</b>	<b>0</b>	<b>0%</b>
	1. Legal Framework*	385	0	0%
	2. Implementing Institutions*	475	0	0%
	3. Supporting Institutions*	170	0	0%
	4. Social Dynamics*	285	0	0%
<b>K.</b>	<b>FOREIGN DIRECT INVESTMENT</b>	<b>1430</b>	<b>538</b>	<b>38%</b>
	1. Legal Framework	405	174	43%
	2. Implementing Institutions	255	91	36%
	3. Supporting Institutions	210	114	54%
	4. Social Dynamics	560	159	28%
<b>AGGREGATE TOTALS for all areas</b>		<b>15255</b>	<b>3248</b>	<b>21%</b>
	1. Legal Framework	3960	1205	30%
	2. Implementing Institutions	3545	635	18%
	3. Supporting Institutions	2250	362	16%
	4. Social Dynamics	5500	1046	19%

**CLIR Summary indicators by dimension**

	<b>LEGAL FRAMEWORK</b>	<b>IMPLEMENTING INSTITUTIONS</b>	<b>SUPPORTING INSTITUTIONS</b>	<b>SOCIAL DYNAMIC</b>	<b>AVERAGE</b>
<b>COMPANY</b>	58%	61%	17%	39%	<b>44%</b>
<b>CONTRACT</b>	40%	27%	10%	26%	<b>27%</b>
<b>PROPERTY</b>	0%	0%	0%	0%	<b>0%</b>
<b>COLLATERAL</b>	49%	41%	18%	34%	<b>37%</b>
<b>COMMERCIAL DISPUTE RESOLUTION</b>	0%	0%	0%	0%	<b>0%</b>
<b>BANKRUPTCY</b>	62%	42%	22%	24%	<b>41%</b>
<b>COMPETITION</b>	34%	28%	25%	22%	<b>26%</b>
<b>INTERNATION AL TRADE</b>	41%	27%	35%	34%	<b>35%</b>
<b>FINANCIAL CRIMES</b>	0%	0%	0%	0%	<b>0%</b>
<b>COMMERCIAL COURT ADMINISTRAT ION</b>	0%	0%	0%	0%	<b>0%</b>
<b>FOREIGN DIRECT INVESTMENT</b>	43%	36%	54%	28%	<b>38%</b>
<b>AVERAGE</b>	<b>23%</b>	<b>22%</b>	<b>13%</b>	<b>18%</b>	<b>21%</b>

## TradeStream™ -- Summary Indicators

### Flow of Goods and Services

		REF	SCORE	%
A.1	LEGAL FRAMEWORK	1110		0%
A.2	IMPLEMENTING INSTITUTIONS	2075		0%
A.3	SUPPORTING INSTITUTIONS	630		0%
A.4	SOCIAL DYNAMICS	390		0%
	TOTAL	4205		0%

### Flow of People

		REF	SCORE	%
B.1	LEGAL FRAMEWORK	195		0%
B.2	IMPLEMENTING INSTITUTIONS	220		0%
B.3	SUPPORTING INSTITUTIONS	280		0%
B.4	SOCIAL DYNAMICS	285		0%
	TOTAL	980		0%

### Flow of Money

		REF	SCORE	%
C.1	LEGAL FRAMEWORK	315		0%
C.2	IMPLEMENTING INSTITUTIONS	505		0%
C.3	SUPPORTING INSTITUTIONS	445		0%
C.4	SOCIAL DYNAMICS	305		0%
	TOTAL	1570		0%

### Infrastructure

		REF	SCORE	%
D.1	LEGAL FRAMEWORK	350		0%
D.2	IMPLEMENTING INSTITUTIONS	985		0%
D.3	SUPPORTING INSTITUTIONS	390		0%
D.4	SOCIAL DYNAMICS	325		0%
	TOTAL	2050		0%

A.1	LEGAL FRAMEWORK: COMPANY	Ref.	Score	%
<b>Incorporation forms and mechanics</b>		<b>90</b>	<b>64</b>	<b>71%</b>
1	Company law provides for:		<b>5</b>	
	a. joint stock companies;	<b>5</b>	<b>5</b>	
	b. limited liability companies;	<b>5</b>	<b>5</b>	
	c. limited partnerships;	<b>5</b>	<b>5</b>	
	d. general partnerships;	<b>5</b>	<b>5</b>	
	e. sole proprietorships; and	<b>5</b>	<b>5</b>	
	f. corporations	<b>5</b>	<b>5</b>	
2	Procedures for registration and de-registration of companies are published, non-discretionary, non-discriminatory and easy to understand.	<b>10</b>	<b>5</b>	
3	Company law provides appropriate flexibility for shareholders to establish or amend by-laws and charters as needed.	<b>10</b>	<b>5</b>	
4	Company law permits companies to adopt general purposes rather than requiring explicit statements of each economic activity to be pursued.	<b>10</b>	<b>5</b>	
5	Generally, no specific investment or state approvals are required to set up a general purpose business.	<b>10</b>	<b>5</b>	
6	Minimum capital requirements for establishing a company are reasonable and do not discourage legitimate entrepreneurial activity.	<b>10</b>	<b>5</b>	
7	Registration and licensing are handled separately for general purpose companies, and license procedures are transparent, commercially reasonable, non-discretionary, non-discriminatory, and required for reasonably few activities.	<b>10</b>	<b>4</b>	
<b>Shareholder Rights</b>		<b>115</b>	<b>72</b>	<b>63%</b>
8	Shareholders have the following rights:			
	a. to participate in shareholders' meetings, in person or by proxy;	<b>10</b>	<b>5</b>	
	b. to propose resolutions for voting;	<b>5</b>	<b>5</b>	
	c. to vote in person or by proxy;	<b>10</b>	<b>5</b>	
	e. to nominate and vote for directors, using cumulative voting;	<b>5</b>	<b>5</b>	
	f. to participate in profits in the form of dividends;	<b>10</b>	<b>5</b>	
	g. to assert claims upon liquidation of the company;	<b>5</b>	<b>5</b>	
	h. to alienate shares without undue encumbrance;	<b>5</b>	<b>5</b>	
	i. to exercise pre-emptive rights on the offering of new shares;	<b>5</b>	<b>5</b>	
	j. to redeem their shares at market value in limited situations involving fundamental changes or transactions;	<b>5</b>	<b>3</b>	
	k. to bring suit on behalf of the company ("shareholder derivative suits") if the company management does not act to protect the company's interests; and	<b>10</b>	<b>4</b>	
	l. to inspect the company's general ledger and other records, as well as the share registry of the company upon reasonable notice and with a minimum shareholding of 5-10%.	<b>5</b>	<b>5</b>	
9	For shares with voting rights, all shares of the same class must be treated equally ("one share/one vote" principal is respected).	<b>10</b>	<b>5</b>	
10	The law establishes and permits expansion of super-majority voting requirements for fundamental changes or transactions.	<b>10</b>	<b>5</b>	
11	The law provides shareholders with the legal means to enforce the rights described above.	<b>10</b>	<b>5</b>	
12	Liability of shareholders in corporations for the obligations or debts of the company is limited, absent fraud or other serious abuse by shareholders.	<b>10</b>	<b>5</b>	

<b>Creditor Rights</b>		<b>20</b>	<b>6</b>	<b>30%</b>
13	Contracts with third parties (including employees and creditors) are adequately enforceable against the company.	<b>10</b>	<b>3</b>	
14	Creditors are adequately protected from fraud, self-dealing and preferential transfers by obtaining redress from personal assets of officers and shareholders ("piercing the corporate veil") in appropriate circumstances.	<b>10</b>	<b>3</b>	
<b>Agency Law</b>		<b>15</b>	<b>9</b>	<b>60%</b>
15	Existing legislation permits the parties to establish freely the rights and obligations between principal and agent.	<b>5</b>	<b>5</b>	
16	Independent of the agency agreement, third parties are protected by the apparent authority granted to the agent.	<b>5</b>	<b>4</b>	
17	The authority granted to representatives, including members of the board, shareholders, employees, or others, are recognized throughout Central American countries without need of additional notarial procedures.	<b>5</b>	<b>0</b>	
<b>Officers, Directors and Governance</b>		<b>90</b>	<b>45</b>	<b>50%</b>
18	The company law is generally compatible with international standards of corporate governance in establishing mechanisms for:			
	a. strategic guidance of the company;	<b>5</b>	<b>5</b>	
	b. effective monitoring of management by the board; and	<b>5</b>	<b>5</b>	
	c. accountability of the board to the company and shareholders.	<b>10</b>	<b>5</b>	
19	Company directors and senior officers are legally required to avoid activities that create a conflict with the interests of the company or the shareholders, such as involvement in competing businesses.	<b>10</b>	<b>3</b>	
20	Standards of care ("fiduciary duties") are defined for directors and officers.	<b>10</b>	<b>3</b>	
21	Company directors may be held personally liable for actions that are harmful to the interests of the company.	<b>10</b>	<b>5</b>	
22	The law requires that an external auditor review and approve the company's annual financial statements.	<b>10</b>	<b>5</b>	
23	Companies are required to make timely, regular and accurate disclosures of all material matters regarding the corporation, including the financial situation, performance, ownership and governance of the company.	<b>10</b>	<b>5</b>	
24	Company charters and bylaws are legally enforceable.	<b>10</b>	<b>4</b>	
25	The law requires an adequate system of share registration.	<b>10</b>	<b>5</b>	
<b>Definition of Implementing Institution</b>		<b>40</b>	<b>20</b>	<b>50%</b>
26	The law clearly defines:			
	a. the institution or institutions responsible for implementation of laws relating to company registration and oversight; and	<b>10</b>	<b>5</b>	
	b. the roles, responsibilities and operational procedures of each relevant institution.	<b>10</b>	<b>5</b>	
27	The law requires that the institution(s) render decisions relating to the law:			
	a. based on published laws, regulations and standards; and	<b>10</b>	<b>5</b>	
	b. through written documentation clearly setting forth the basis for the decision.	<b>10</b>	<b>5</b>	
<b>TOTAL LEGAL FRAMEWORK: COMPANY</b>		<b>370</b>	<b>216</b>	<b>58%</b>

<b>A.2</b>	<b>IMPLEMENTING INSTITUTIONS: COMPANY</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Company Registry: Organization</b>		<b>70</b>	<b>32</b>	<b>46%</b>
1	The Company Registry, or other institution responsible for registration of companies, has the following characteristics:			
	a. a clearly defined mandate to implement the company law;	5	5	
	b. sufficient professional and administrative staffing to carry out its mandate;	5	3	
	c. sufficient authority and support to carry out its mandate, including clear policy statements, and support from the government;	5	4	
	d. sufficient funding through state budget, fees collected, or a combination of both to maintain its equipment and services;	5	4	
	e. detailed internal regulations and operating procedures; and	5	2	
	f. an active staff training and development program utilizing appropriate training materials, guidebooks or procedural manuals to improve staff competency and service.	5	1	
2	The government, the Registry and the end users have a generally consistent approach in understanding the Registry's role and functions.	10	5	
3	The Registry has adopted a "customer-oriented" approach to fulfilling its mandate.	10	4	
4	The Registry is sufficiently decentralized to enable users throughout the country to have reasonable access.	10	4	
5	The Registry has an active, current web site, including contact information, registration requirements, and relevant legal materials.	10	0	
<b>Company Registry: Operations</b>		<b>60</b>	<b>43</b>	<b>72%</b>
6	Primary Services: The registration of companies			
	a. The Registry distributes (or makes available for a nominal fee) copies of all procedures, relevant laws, government regulations, fee schedules and other information governing registration and any other activities;	5	3	
	b. The procedures for registration or de-registration are transparent, clear and consistent;	5	5	
	c. The manner in which the Registry executes the registration procedures is perceived by the end users to be transparent, non-discretionary, non-discriminatory and bribe-free;	5	4	
	d. When rejecting a registration, the Registry provides a written explanation based on published law and regulations;	5	5	
	e. Approval procedures for names and logos are transparent, clear, consistent and easily understood;	5	5	
	f. Fees for services are relatively inexpensive and do not act as a constraint to registration;	5	5	
	g. The registration process is computerized;	5	5	
	h. The business community considers the cost and procedures for registration reasonable; and	5	5	
	i. It takes no more than 5 business days to register a Joint Stock Company.	5	3	
7	Secondary Services			
	a. The Registry produces and publishes periodic newsletters, reports or other informational pieces intended to increase end-user awareness;	5	0	
	b. The Registry maintains and publishes statistics on new company formation, liquidations, and amendments to company charters; and	5	3	

	c. The Registry provides reasonable public access to company registration records.	5	0	
<b>Courts</b>		<b>60</b>	<b>40</b>	<b>67%</b>
8	Courts are empowered to hear the following kinds of suits:			
	a. suits against the Company Registry for failure to comply with laws governing company registration;	5	5	
	b. suits by shareholders on behalf of the company against the company's officers or directors (shareholder derivative suits);	10	5	
	c. suits by shareholders against the company;	5	5	
	d. suits by a company against individuals or other companies for breach of contract; and	5	5	
	e. suits by creditors (including employees) against a company for debts owed.	5	5	
9	The business community considers the courts generally competent to hear suits relating to companies and company law.	10	5	
10	If companies obtain decisions through Alternative Dispute Resolution mechanisms (including arbitration, mediation and reconciliation), there exists procedures for their enforcement and courts will enforce the decisions of the body resolving the dispute.	10	5	
11	Companies have the right to appeal government actions against them through the court system.	10	5	
<b>TOTAL IMPLEMENTING INSTITUTIONS: COMPANY</b>		<b>190</b>	<b>115</b>	<b>61%</b>

A.3 SUPPORTING INSTITUTIONS: COMPANY		Ref.	Score	%
<b>Government Entities</b>		<b>45</b>	<b>9</b>	<b>20%</b>
1	End-users find that notary services for company registration and other needs under company law are:			
	a. not overly expensive;	5	0	
	b. readily available throughout the country; and	5	0	
	c. not overly complex or burdensome.	5	0	
2	Registries of names, copyrights, trademarks, patents and other intellectual property are up-to-date and readily accessible to the business community.	10	2	
3	Courts maintain readily accessible, up-to-date public records on bankruptcy, judgments and other issues affecting the creditworthiness of companies.	10	3	
4	The government regularly collects and maintains data on company registrations, liquidations, and other statistics of interest to policy makers and the private sector.	10	4	
<b>Professional Associations</b>		<b>40</b>	<b>13</b>	<b>33%</b>
5	Accountants apply Generally Accepted Accounting Principles (GAAP) or other internationally-recognized standards and norms to audits of company books and records.	10	2	
6	Lawyers' associations have specialized groups dedicated to company law issues.	10	3	
7	Relevant professional associations regularly propose amendments and modifications to the content and implementation of company laws.	10	3	
8	Professional associations are generally satisfied with operations of the Company Registrar and have a collaborative working relationship with the officials of the Registrar.	10	5	
<b>Specialized Services</b>		<b>95</b>	<b>8</b>	<b>8%</b>
9	Filing and registration services are available through banks and other private-sector service providers at a cost and quality that end users consider reasonable.	10	0	
10	Specialized publishers, in collaboration with the Company Registry and professional associations, develop and print standardized forms for most common transactions.	10	3	
11	Universities, foundations and think tanks regularly examine and issue reports and opinions on content and enforcement of company laws.	10	0	
12	Management consultants provide services to company boards needing assistance.	10	3	
13	Seminars and conferences on company law and new company formation are available and are conducted on a for-pay basis - i.e., not funded by foreign donor agencies.	10	0	
14	A recognized stock exchange exists, with the following characteristics:			
	a. it has clear, transparent and consistent rules and procedures for transactions, defined in law and/or regulation;	5	0	
	b. it has well-defined sanctions for non-compliance with the rules and procedures, and the power to enforce the sanctions;	5	0	
	c. it enforces sanctions in a non-discriminatory, non-discretionary and transparent manner;	5	0	
	d. it certifies and decertifies brokers and other agents;	5	0	
	e. the business community is generally satisfied with the operations and performance of the stock exchange; and	5	0	
	f. officials of the exchange regularly issue opinions on matters of	5	0	

	company law.			
15	Private-sector transfer agents provide services to larger companies such as share registry, shareholder meeting support, proxy services and other assistance at a reasonable cost.	5	2	
16	Stock brokers are available and offer services on a competitive basis.	10	0	
<b>Trade and Special Interest Groups</b>		<b>50</b>	<b>9</b>	<b>18%</b>
17	Banking associations, business groups and chambers of commerce actively monitor company law practice and developments, and issue opinions and appeals for change based on the results of monitoring.	10	4	
18	Foreign investor associations provide input to policy makers and business associations on international standards in company law.	10	1	
19	The national media report regularly and accurately on matters related to company law, giving the business community and general public a greater understanding of company-related issues.	10	1	
20	Associations of corporate officers and directors exist and provide support for best practices in corporate governance.	10	0	
21	General private sector confidence in company law environment is demonstrated by dynamic growth in new company formation.	10	3	
<b>TOTAL SUPPORTING INSTITUTIONS: COMPANY</b>		<b>230</b>	<b>39</b>	<b>17%</b>

A.4	SOCIAL DYNAMICS: COMPANY LAW	Ref.	Score	%
<b>Market for Improved Laws</b>		<b>285</b>	<b>101</b>	<b>35%</b>
<b>Demand for Improved Laws</b>		<b>100</b>	<b>36</b>	<b>36%</b>
<b>Government</b>		<b>30</b>	<b>15</b>	<b>50%</b>
1	At least one high-level government official is knowledgeable of modern company law and works to advance issues related to it in each of the following:			
	a. the legislature;	5	3	
	b. the ministry responsible for company law policy;	5	3	
	c. the Company Registrar; and	5	3	
	d. the ministry responsible for promotion of foreign investment.	5	1	
2	International lending institutions and donor agencies provide assistance to or condition loans upon reform of company law.	10	5	
<b>Private Sector</b>		<b>70</b>	<b>21</b>	<b>30%</b>
3	Professional associations:			
	a. have specialized sections or committees dedicated to company law or policy issues;	5	0	
	b. have established formal mechanisms with policy makers for providing input and feedback on company law issues;	5	1	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on company law issues;	5	2	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on company law issues; and	5	4	
	e. conduct programs and events for their members and the general public to promote better understanding of the need for and benefits of modern company law.	5	2	
4	Trade and special interest groups:			
	a. have specialized sections or committees dedicated to company law or policy issues;	5	1	
	b. have established formal mechanisms with policy makers for providing input and feedback on company law issues;	5	1	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on company law issues;	5	1	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on company law issues; and	5	3	
	e. conduct programs and events for their members and the general public to promote better understanding of the need for and benefits of modern company law.	5	2	
5	Banks, pension fund managers and investor associations actively lobby for more efficient company law.	10	3	
6	Universities offer courses on company law issues that generally support modernization in accordance with international standards and best practices.	10	1	
<b>Supply of Improved Laws</b>		<b>185</b>	<b>65</b>	<b>35%</b>
<b>Government</b>		<b>105</b>	<b>31</b>	<b>30%</b>
7	The government has created an environment generally supportive of growth in limited liability companies, including:			

	a. clearly stated policies promoting company law reform;	5	3	
	b. active initiatives to combat abuse of majority shareholder positions that compromise the rights of minority shareholders and creditors; and	5	0	
	c. an annual legislative agenda for company policy reform that is actively pursued.	5	0	
8	A specialized administrative unit has been established to review existing or proposed laws and regulations with the aim of reducing the cost and complexity of starting a company.	10	0	
9	The government (through a specialized unit or otherwise) has the technical capacity to draft laws and regulations necessary for improved company law policy.	10	5	
10	The Government provides for meaningful private sector participation in the company law reform process by:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available (e.g., in bookstores) to the business community or other end user;	10	3	
	b. providing the business community with meaningful notice of and opportunity to comment on draft <i>laws or legislative amendments</i> affecting company law:			
	1. before they are submitted for legislative approval, and	10	4	
	2. before they become effective; and	10	2	
	c. providing the business community with meaningful notice of and opportunity to comment on draft <i>implementing regulations</i> :			
	1. before they are submitted for legislative approval; and	10	4	
	2. before they become effective.	10	2	
11	Formal mechanisms for soliciting input from the business and professional community for formulating and amending company law policy:			
	a. have been established by the government;	5	2	
	b. are actively used by the government; and	5	2	
	c. according to the business and professional communities, generally satisfy private sector demand for providing input.	10	4	
	<b>Private Sector</b>	<b>80</b>	<b>34</b>	<b>43%</b>
12	The business and professional communities perceive the legal and regulatory environment generally to be:			
	a. stable, as evidenced by:			
	1. infrequent changes to relevant laws and regulations, and	5	3	
	2. a relative lack of conflicting laws and regulations;	5	3	
	b. predictable, as evidenced by relative consistency in interpretation and enforcement of major laws and regulations.	10	4	
	c. transparent in that equal treatment is generally accorded for end users in similar positions and circumstances.	10	4	
13	The business and professional communities perceive the laws and regulations issued by the government to be relatively:			
	a. precise in that they can be generally read and understood by a business person (or end user) and provide adequate indication of what is required hereunder;	10	3	
	b. complete in that they address the main needs of the business community and do not contain significant gaps; and	10	4	
	c. responsive to their needs as reflected in "favorable" (e.g., pro-business) policy measures.	10	4	

14	The business and professional communities generally feel that they have a meaningful role to play in shaping policy reform in area of company law.	10	5	
15	The business and professional communities generally feel that the state is effectively meeting basic needs for legal reform in the area of company law.	10	4	
<b>Market for Effective Implementing Institutions</b>		<b>160</b>	<b>76</b>	<b>48%</b>
<b>Demand for Effective Implementing Institutions</b>		<b>70</b>	<b>28</b>	<b>40%</b>
<b>Government</b>		<b>40</b>	<b>17</b>	<b>43%</b>
16	At least one high level government official with responsibility for implementation of company law has broad knowledge of the issues and works toward more efficient and effective provision of services by the Company Registrar.	10	5	
17	The director of the Company Registrar is committed to improving services and responsiveness to end-user needs.	10	3	
18	A formal mechanism exists for reviewing the performance and effectiveness of the Company Registrar on a regular basis (at least annually).	10	4	
19	International lending institutions and donor agencies have instituted assistance programs with the government to upgrade and improve the Company Registrar.	10	5	
<b>Private Sector</b>		<b>30</b>	<b>11</b>	<b>37%</b>
20	The business community understands and generally agrees with the service mandate of the Company Registrar.	10	5	
21	The business community regularly uses the services of the Company Registrar.	10	5	
22	In service areas where the Company Registrars are weak, the private sector offers competing or replacement services to fill the gap.	10	1	
<b>Supply of Effective Implementing Institutions</b>		<b>90</b>	<b>48</b>	<b>53%</b>
<b>Government</b>		<b>40</b>	<b>16</b>	<b>40%</b>
23	The Company Registrar actively utilizes:			
	a. an internal plan, reviewed annually, for improving services provided to the private sector and government;	5	2	
	b. a system of accountability for its performance to the government institution responsible for its oversight; and	5	3	
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services.	10	1	
24	The Company Registrar provides a written basis for all decisions made based on existing, published law.	10	5	
25	The Company Registrar makes all regulations, forms, applications and other important documents and information easily available to the end-users, for no more than a nominal cost.	10	5	
<b>Private Sector</b>		<b>50</b>	<b>32</b>	<b>64%</b>
26	End-users feel that the manner in which the Company Registrar executes its mandate:			
	a. transparent;	5	3	
	b. non-discretionary;	5	2	
	c. non-discriminatory; and	5	4	
	d. reasonably priced.	5	5	
27	End-users feel that they have adequate opportunities to provide feedback to the Company Registrar on its performance.	10	3	

28	The general business and professional communities consider to be decisions made by the Company Registrar to be:			
	a. predictable for similar facts and circumstances;	5	4	
	b. appropriate under existing law;	5	4	
	c. understandable; and	5	3	
	d. generally supportive of liberalized trade.	5	4	
<b>Market for Supporting Institutions</b>		<b>70</b>	<b>23</b>	<b>33%</b>
<b>Demand for Supporting Institutions</b>		<b>40</b>	<b>12</b>	<b>30%</b>
29	Private sector supporting institutions provide services needed for an efficient operation of companies and improvement of company law in each of the following sectors:			
	a. professional associations;	10	3	
	b. specialized services;	10	3	
	c. trade and special interest groups; and	10	3	
30	For specialized services, there are generally competing service providers.	10	3	
<b>Supply of Supporting Institutions</b>		<b>30</b>	<b>11</b>	<b>37%</b>
31	The business community generally considers the supporting institutions for subject matter area to be adequate in facilitating or supporting the implementation of the framework law in terms of:			
	a. number of institutions; and	10	5	
	b. quality of institutions.	10	3	
32	A sufficient mass of private sector associations supports modern, free-market company law principles to counterbalance opposing forces.	10	3	
<b>SUB-TOTAL -- DEMAND</b>		<b>210</b>	<b>76</b>	<b>36%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>305</b>	<b>124</b>	<b>41%</b>
<b>TOTAL SOCIAL DYNAMICS: COMPANY</b>		<b>515</b>	<b>200</b>	<b>39%</b>

B.1	LEGAL FRAMEWORK: CONTRACT	Ref.	Score	%
<b>Contract Formation</b>		<b>190</b>	<b>86</b>	<b>45%</b>
1	One or more laws of national application (such as a Civil Code, Commercial Code, or Law of Obligations) are in place and establish a framework for contract law.	10	5	
2	The framework laws clearly define:			
	a. the elements of an enforceable commercial contract; and	10	4	
	b. the remedies available for breach of contract.	10	4	
3	The framework laws make distinctions between business/commercial contracts and contracts involving non-merchants.	10	5	
4	Related laws concerning specific types of contracts are consistent with the framework law, including contracts related to:			
	a. land ownership;	10	3	
	b. secured transactions; and	10	5	
	c. company law.	10	5	
5	The framework laws recognize freedom of contracts between all parties (natural and legal persons, foreign parties).	10	5	
6	For commercial purposes, state-owned enterprises have rights and obligations similar to private persons with respect to contracts to which they are parties.	10	5	
7	The framework laws provide clear requirements for the special form of some contracts (e.g., notarization, written form, execution at special exchanges).	10	5	
8	The framework laws substantially conform to emerging international standards:			
	a. with respect to commercial transactions (sale and purchase agreements);	10	4	
	b. with respect to intangible property; and	10	4	
	c. with respect to real property.	10	2	
9	The framework laws support market-oriented commercial practices such as trade usage or industry standards for commercial contracts.	10	5	
10	Contracting parties are free to agree on customized terms including:			
	a. liquidated damages;	10	5	
	b. choice of forum;	10	5	
	c. choice of law; and	10	5	
	d. other remedies.	10	5	
11	The country is a party to the UN Convention on the International Sale of Goods.	10	5	
<b>Remedies and Enforcement</b>		<b>110</b>	<b>46</b>	<b>42%</b>
12	The framework laws guarantee:			
	a. equal contract enforcement rights to natural and legal persons (including governmental and quasi governmental entities); and	10	5	
	b. enforcement of any contract that is not contrary to law, even if not explicitly permitted or otherwise regulated by law.	10	5	
13	Relevant supporting legislation enacted to facilitate the implementation and enforcement of contract laws is in place, including:			
	a. procedural law;	10	3	
	b. regulation of notary services; and	10	3	
	c. enforcement of judicial and arbitral awards including foreign judgments and awards.	10	5	

14	The framework laws provide for adequate legal remedies including:			
	a. liquidated damages;	10	5	
	b. specific performance; and	10	4	
	c. money damages.	10	5	
15	The framework laws provide clear measures for calculating monetary damages.	10	4	
16	Courts or other appropriate government entities have the authority to enforce judgements.	10	4	
17	The country is a signatory to the U.N. Convention on the Enforcement of Foreign Arbitral Awards.	10	3	
<b>Definition of Implementing and Supporting Institutions</b>		<b>100</b>	<b>27</b>	<b>27%</b>
18	The law clearly defines:			
	a. the institution or institutions responsible for interpretation and enforcement of contracts and contract law (including courts and administrative tribunals);	10	4	
	b. the roles, responsibilities and operational procedures of each relevant institution;	10	3	
	c. the procedures for bringing a claim to enforce a contract; and	10	3	
	d. the standards and procedures for appealing a decision.	10	3	
19	The law requires that the implementing institutions render decisions relating to the law:			
	a. based on published laws, regulations and standards; and	10	3	
	b. through written documentation clearly setting forth the basis for the decision.	10	3	
20	The law clearly defines:			
	a. the role and responsibilities of notaries;	10	2	
	b. the type of contracts and contract-related documents that must be notarized;	10	2	
	c. the requirements and formalities of notarization; and	10	2	
	d. the fee schedule for notarization.	10	2	
<b>TOTAL LEGAL FRAMEWORK: CONTRACTS</b>		<b>400</b>	<b>159</b>	<b>40%</b>

<b>B.2</b>	<b>IMPLEMENTING INSTITUTIONS: CONTRACTS</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Courts: Organization</b>		<b>120</b>	<b>40</b>	<b>33%</b>
1	The laws that establish the courts as implementing institutions:			
	a. clearly identify the courts as the institution for resolving commercial contract disputes;	<b>10</b>	<b>5</b>	
	b. provide a clear mandate for the court's jurisdiction; and	<b>10</b>	<b>5</b>	
	c. define relevant procedures or mandate development of relevant procedures for resolving civil commercial disputes.	<b>10</b>	<b>4</b>	
2	The courts have the following characteristics:			
	a. a clearly defined mandate to interpret, apply, and enforce contract law;	<b>10</b>	<b>5</b>	
	b. sufficient staffing to carry out their mandate;	<b>10</b>	<b>2</b>	
	c. sufficient authority and support to carry out their mandate, including clear policy statements and support from the government;	<b>10</b>	<b>3</b>	
	d. sufficient funding through the state budget, fees collected, or a combination of both to maintain its equipment and services;	<b>10</b>	<b>3</b>	
	e. salaries are sufficient to attract and retain qualified judges;	<b>10</b>	<b>4</b>	
	f. salaries are sufficient to attract and retain qualified administrative staff; and	<b>10</b>	<b>2</b>	
	g. detailed internal regulations and operating procedures.	<b>10</b>	<b>2</b>	
3	There is general consistency in the understanding of the role of the courts among the government, the courts and the end users.	<b>10</b>	<b>5</b>	
4	The courts have an active, current web site, including contact information and relevant legal materials pertaining to civil litigation.	<b>10</b>	<b>0</b>	
<b>Courts: Operations</b>		<b>170</b>	<b>44</b>	<b>26%</b>
5	Courts are established and effectively resolve contract disputes.	<b>10</b>	<b>3</b>	
6	Courts consistently render decisions:			
	a. based on published laws, regulations and standards; and	<b>10</b>	<b>4</b>	
	b. through written documentation clearly setting forth the basis for the decision in both fact and law.	<b>10</b>	<b>4</b>	
7	Courts have experience with the application of relevant international conventions and the substantive law of other forums	<b>10</b>	<b>1</b>	
8	Courts are willing to apply the substantive law chosen by the parties in contract disputes.	<b>10</b>	<b>1</b>	
9	Courts are willing to consider evidence of custom, trade usage, or international practice when resolving contract disputes.	<b>10</b>	<b>2</b>	
10	The business community generally finds that the Courts:			
	a. are competent to decide contract disputes and enforce judgements;	<b>10</b>	<b>3</b>	
	b. decide cases in accordance with the law and facts of the case;	<b>10</b>	<b>3</b>	
	c. are transparent in their decision-making process;	<b>10</b>	<b>4</b>	
	d. are unbiased toward foreigners in disputes with nationals; and	<b>10</b>	<b>3</b>	
	e. calculate damages in a fair and transparent manner.	<b>10</b>	<b>2</b>	
11	Court fees for commencing a lawsuit are relatively inexpensive and do not act as a disincentive for parties to use the courts for contract disputes.	<b>10</b>	<b>4</b>	
12	Courts encourage settlement by the parties through such means as arbitration, mediation or reconciliation.	<b>5</b>	<b>1</b>	
13	If parties obtain decisions through alternative dispute resolution mechanisms (including arbitration, mediation and reconciliation), courts will enforce the decisions of the body that has resolved the dispute.	<b>10</b>	<b>5</b>	

14	The court docket is computerized.	10	0	
15	The Courts maintain and publish reports of their decisions and make these readily available to the public.	10	0	
16	The Courts provide reasonable public access to litigation records.	10	3	
17	The Courts collect and maintain performance data and statistics, which are made available to the public.	5	1	
<b>Government Contracts and Administrative Decisions</b>		<b>60</b>	<b>11</b>	<b>18%</b>
18	Administrative bodies that handle commercial disputes between the government and private sector:			
	a. operate according to clear, transparent, published rules and procedures;	10	1	
	b. make their rules and procedures available to the public;	10	1	
	c. issue written decisions based on the published, established law; and	10	3	
	d. actually decide in favor of the private sector parties a reasonable percentage of cases, according to professionals (lawyers, judges, legal analysts) who monitor decisions.	10	1	
19	Private sector parties who have contract disputes with the government are generally satisfied with the fairness of the administrative bodies.	10	0	
20	Decisions of the administrative bodies can be appealed to the court system.	10	5	
<b>TOTAL IMPLEMENTING INSTITUTIONS: CONTRACTS</b>		<b>350</b>	<b>95</b>	<b>27%</b>

<b>B.3</b>	<b>SUPPORTING INSTITUTIONS: CONTRACTS</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Government Entities</b>		<b>60</b>	<b>5</b>	<b>8%</b>
1	If notarization is required to validate or to make a contract enforceable, contracting parties consider notaries to be reasonably available and accessible.	10	0	
2	Notary fees are considered reasonable by end-users and do not discourage the formation of contracts.	10	0	
3	Notaries are reasonably familiar with the standards prescribed by the Civil Code and related laws for written agreements.	10	0	
4	The government customs authorities have clear and articulated standards related to import and export of goods that can be incorporated into written agreements.	10	5	
5	Bailiffs have sufficient authority to enforce judicial decisions.	10	0	
6	The business community considers bailiffs to be effective at enforcing decisions.	10	0	
<b>Professional Associations</b>		<b>50</b>	<b>14</b>	<b>28%</b>
7	Professional associations, including those for lawyers, accountants, and other professions dealing in contract issues, support contract law development by proposing changes and refinements to the Civil Code and related commercial laws.	10	3	
8	Lawyers' associations have engaged in legal education and training programs for members of the bar concerning the Civil Code and related commercial laws.	10	4	
9	Lawyers' associations have specialized groups dedicated to contract law issues.	10	0	
10	Professors have published academic treatises or interpretations of the Civil Code to provide courts and lawyers with guidance.	10	3	
11	The Law school curriculum includes components on domestic contract law and the Civil Code as well as international conventions and practices.	10	4	
<b>Specialized Services</b>		<b>70</b>	<b>5</b>	<b>7%</b>
12	An experienced group of commercial arbitrators is developing within the jurisdiction.	10	2	
13	Private sector commercial arbitration services are available as an alternative to Courts.	10	0	
14	Specialized publishers have published the following materials:			
	a. reference material relating to the Civil Code and contract law;	10	0	
	b. books containing specimen contracts; and	10	0	
	c. periodicals and other publications that report regularly and accurately on matters related to contract law in order to give the business community and the public a great understanding of commercial matters.	10	0	
15	Universities increasingly deal with issues of contract law in support of the development of a market economy.	10	3	
16	Certification and inspection services have adopted uniform standards and procedures that can be easily incorporated into commercial contracts.	10	0	
<b>Trade and Special Interest Groups</b>		<b>70</b>	<b>2</b>	<b>3%</b>
17	Trade and industry associations have affiliations with international trade organizations and are involved in the harmonization of contract and commercial law and practice with international standards.	10	2	

18	Trade and industry associations (including chambers of commerce, bankers associations and business groups) have developed standardized or "form" contracts.	10	0	
19	Standardized contracts that have been developed conform to international commercial standards (for example, International Chamber of Commerce standards or guidelines).	10	0	
20	Standardized contracts provide for specific remedies in the event of breach that are perceived as effective by end users.	10	0	
21	The media has increased its reporting of business and commercial matters and court decisions.	10	0	
22	Foreign investor associations provide input to policymakers and other trade associations on international standards in commercial contracting.	10	0	
23	Trade and industry associations are informed in technology developments as they relate to contract law and have advocated new commercial practices and reforms to existing law to accommodate changes (e.g., digital signatures).	10	0	
<b>TOTAL SUPPORTING INSTITUTIONS: CONTRACTS</b>		<b>250</b>	<b>26</b>	<b>10%</b>

<b>B.4</b>	<b>SOCIAL DYNAMICS: CONTRACTS</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
	<b>Market for Improved Laws</b>	<b>335</b>	<b>87</b>	<b>26%</b>
	<b>Demand for Improved Laws</b>	<b>105</b>	<b>26</b>	<b>25%</b>
	<b>Government</b>	<b>30</b>	<b>14</b>	<b>47%</b>
1	At least one high-level government official in each of the following areas is knowledgeable of issues of contract law and works toward an efficient contract law:			
	a. the legislature;	5	4	
	b. the ministry responsible for promotion of investment;	5	3	
	c. the Ministry of Justice; and	5	2	
	d. the Courts.	5	2	
2	International lending institutions and donor agencies provide assistance to or condition loans upon reform of the courts in their capacity to adjudicate and enforce contract disputes.	10	3	
	<b>Private Sector</b>	<b>75</b>	<b>12</b>	<b>16%</b>
3	Professional associations:			
	a. have specialized sections or committees dedicated to contract law and enforcement issues;	5	0	
	b. have established formal mechanisms with policy makers for providing input and feedback on contract law and enforcement issues;	5	2	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on contract law and enforcement issues;	5	2	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on contract law and enforcement issues; and	5	2	
	e. conduct programs and events for their members and the general public to promote better understanding of the need for and benefits of more efficient contract law and enforcement.	5	1	
4	Trade and special interest groups:			
	a. have specialized sections or committees dedicated to standardization of common contract clauses and terms;	5	0	
	b. have established formal mechanisms with policy makers for providing input and feedback on contract law and enforcement issues;	5	1	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers in support of adopting international harmonized standards in commercial and trade contracts;	5	1	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on contract law and enforcement issues;	5	1	
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of international harmonized standards for commercial contracts; and	5	0	
	f. use standardized forms and contracts in their areas of commercial activity.	5	0	
5	Associations of foreign investors (including bi-lateral chambers of commerce) lobby for adoption of international norms and standards in common commercial contracts.	10	0	
6	Universities offer courses on commercial contract law.	10	2	
	<b>Supply of Improved Laws</b>	<b>200</b>	<b>61</b>	<b>31%</b>

	<b>Government</b>	<b>120</b>	<b>38</b>	<b>32%</b>
7	The government has created an environment generally supportive of efficient contract law and enforcement, including:			
	a. use of standardized forms for government procurement of goods and services;	5	0	
	b. adoption of a modern collateral law;	5	4	
	c. implementation of an ongoing program of improved judicial efficiency;	5	0	
	d. creation of the judiciary as an independent branch of government;	5	4	
	e. clearly stated policies regarding the rule of law; and	5	4	
	f. active anti-corruption initiatives to combat corrupt practices involving government procurement.	5	2	
8	A specialized administrative unit has been established to oversee judicial reform.	10	3	
9	The government (through a specialized unit or otherwise) has the technical capacity to draft laws and regulations necessary for more efficient contract law.	10	4	
10	The Government provides for meaningful private sector participation in the legal reform process by:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available (e.g., in bookstores) to the business community or other end user;	10	5	
	b. providing the business community with meaningful notice of and opportunity to comment on draft <i>laws or legislative amendments</i> affecting contract law and enforcement:			
	1. before they are submitted for legislative approval, and	10	3	
	2. before they become effective; and	10	1	
	c. providing the business community with meaningful notice of and opportunity to comment on draft <i>implementing regulations</i> :			
	1. before they are submitted for legislative approval, and	10	2	
	2. before they become effective.	10	2	
11	Formal mechanisms for soliciting input from the business and professional community for formulating and amending trade policy:			
	a. have been established by the government;	5	1	
	b. are actively used by the government; and	5	1	
	c. according to the business and professional communities, generally satisfy private sector demand for providing input.	10	2	
	<b>Private Sector</b>	<b>80</b>	<b>23</b>	<b>29%</b>
12	The business and professional communities perceive the legal and regulatory environment generally to be:			
	a. stable, with stability evidenced by:			
	1. infrequent changes to relevant laws and regulations, and	5	1	
	2. a relative lack of conflicting laws and regulations.	5	1	
	b. predictable, evidenced by relative consistency in interpretation and enforcement of major laws and regulations; and	10	2	
	c. transparent in that equal treatment is generally accorded for parties to contracts in similar positions and circumstances.	10	4	
13	The business and professional communities perceive the laws and regulations issued by the government and affecting contract law to be relatively:			
	a. precise in that they can be generally read and understood by a business person (or end user) and provide adequate indication of what is required thereunder;	10	3	

	b. complete in that they address the main needs of the business community and do not contain significant gaps; and	10	2	
	c. responsive to their needs as reflected in "favorable" (e.g., pro-business) policy measures.	10	3	
14	The business and professional communities generally feel that they have a meaningful role to play in shaping policy reform in area of contract law.	10	5	
15	The business and professional communities generally feel that the state is effectively meeting basic needs for legal reform in the area of contract law.	10	2	
<b>Market for Effective Implementing Institutions</b>		<b>170</b>	<b>41</b>	<b>24%</b>
<b>Demand for Effective Implementing Institutions</b>		<b>80</b>	<b>15</b>	<b>19%</b>
<b>Government</b>		<b>40</b>	<b>11</b>	<b>28%</b>
16	A high-level government official with responsibility for implementation of this area of law champions the cause of more efficient and effective provision of services by the courts.	10	3	
17	The country's highest court is committed to improving services and responsiveness to litigants throughout the judicial system.	10	3	
18	A formal mechanism exists for reviewing the performance and effectiveness of the judicial system on a regular basis (at least annually).	10	0	
19	International lending institutions and donor agencies have instituted assistance programs with the government to upgrade and improve the courts.	10	5	
<b>Private Sector</b>		<b>40</b>	<b>4</b>	<b>10%</b>
20	The business community understands and agrees with the mandate of the courts with respect to contract interpretation and enforcement.	10	4	
21	Professional associations, trade organizations and special interest groups actively pressure the courts to improve their services.	10	4	
22	The business community regularly uses the courts to settle contract disputes.	10	3	
23	In subject matter areas where the courts are not considered adequate, the private sector offers competing or replacement dispute resolution services to fill the gap.	10	0	
<b>Supply of Effective Implementing Institutions</b>		<b>90</b>	<b>26</b>	<b>29%</b>
<b>Government</b>		<b>40</b>	<b>8</b>	<b>20%</b>
24	The courts actively utilize:			
	a. an internal plan, reviewed annually, for improving the administration of justice and enforcement of contracts;	5	0	
	b. a system of accountability for its performance to the government institution responsible for court oversight; and	5	0	
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of services.	10	0	
25	Courts provide a written basis for all decisions made based on existing, published law, and the facts of the case.	10	5	
26	Courts makes all regulations, forms, applications and other important documents and information necessary for using the courts available to litigants.	10	2	
27	Courts provide expedited enforcement proceedings for claims involving non-payment of debt.	5	1	
28	Bailiffs effectively enforce judgments against recalcitrant debtors.	5	0	
<b>Private Sector</b>		<b>50</b>	<b>18</b>	<b>36%</b>
The provision of services and execution of functions is considered satisfactory by the private sector in the following ways:				

29	End-users feel that the manner in which the courts decide cases and enforce contracts is:			
	a. transparent;	5	2	
	b. non-discretionary;	5	1	
	c. non-discriminatory; and	5	3	
	d. reasonably priced.	5	3	
30	Litigants feel that they have adequate opportunities to provide feed-back to the institution on its performance.	10	0	
31	The general business and professional communities consider decisions made by the courts to be:			
	a. predictable for similar facts and circumstances;	5	2	
	b. appropriate under existing law;	5	3	
	c. understandable; and	5	1	
	d. generally supportive of a market-oriented economy.	5	3	
<b>Market for Supporting Institutions</b>		<b>60</b>	<b>12</b>	<b>20%</b>
<b>Demand for Supporting Institutions</b>		<b>40</b>	<b>7</b>	<b>18%</b>
32	Private sector supporting institutions exist and support more efficient contract law in each of the following sectors:			
	a. professional associations;	10	3	
	b. specialized services; and	10	1	
	c. trade and special interest groups.	10	3	
33	For specialized services, there are generally competing service providers.	10	0	
<b>Supply of Supporting Institutions</b>		<b>20</b>	<b>5</b>	<b>25%</b>
34	The business community generally considers the supporting institutions for subject matter area to be adequate in meeting its needs in facilitating or supporting the implementation of the framework law in terms of:			
	a. number of institutions; and	10	3	
	b. quality of institutions.	10	2	
<b>SUB-TOTAL -- DEMAND</b>		<b>225</b>	<b>48</b>	<b>21%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>310</b>	<b>92</b>	<b>30%</b>
<b>TOTAL SOCIAL DYNAMICS: CONTRACTS</b>		<b>535</b>	<b>140</b>	<b>26%</b>

<b>C.1</b>	<b>LEGAL FRAMEWORK: REAL PROPERTY</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Ownership of Real Property</b>		<b>80</b>	<b>0</b>	<b>0%</b>
1	The law provides that private persons and legal entities can own land and other real property (including the right to exclusive possession, exclusive use, and alienation), as follows:			
	a. citizens and domestic legal entities can own land and other real property used for residential, commercial, and industrial purposes;	<b>10</b>		
	b. foreign citizens and foreign legal entities can own land and other real property used for residential, commercial, and industrial purposes;	<b>10</b>		
	c. citizens and domestic legal entities can own agricultural land (and land shares if applicable); and	<b>10</b>		
	d. foreign citizens and foreign legal entities can own agricultural land (and land shares if applicable).	<b>5</b>		
2	The law requires the privatization of:			
	a. over 50 percent of all residential, commercial, and industrial real property, and provides incentives to relevant government bodies to carry out privatization; and	<b>10</b>		
	b. over 50 percent of all agricultural land.	<b>10</b>		
3	The law provides:			
	a. that persons and legal entities can own property in common (including apartment owners organized in condominium associations);	<b>10</b>		
	b. for a well-defined regime of easements and other servitudes that affect real property; and	<b>5</b>		
	c. for a clear, but limited, authority of the state to terminate real property rights. Rights can be so terminated only for clear public purposes, and with payment of full market value as compensation.	<b>10</b>		
<b>Transfers of Real Property</b>		<b>50</b>		<b>0%</b>
4	The law allows owners of land and other real property to sell, lease, donate, exchange, and bequeath all, or portions of, their interests.	<b>10</b>		
5	Owners of land and other real property may sell, lease, donate, exchange, and bequeath their interests without permission from a public official.	<b>5</b>		
6	Owners of land and other real property may sell or lease their interests at a freely negotiated price.	<b>10</b>		
7	The law provides for a streamlined procedure for transactions in land and other real property which minimizes the number of documents necessary, and which requires the signature of only the parties and the notary.	<b>5</b>		
8	The law safeguards the interests of heirs who are late in registering their inheritance of land and other real property.	<b>5</b>		
9	Appraisal, survey, notary, registration and other transaction costs are affordable, do not represent an excessive proportion of the transaction value, and do not preclude conclusion of real property deals.	<b>10</b>		
10	The law does not impose a minimum lease period for the lease of agricultural land.	<b>5</b>	<b>5</b>	
<b>Registration of Legal Rights to Real Property</b>		<b>60</b>	<b>0</b>	<b>0%</b>
11	The law on registration provides:			
	a. that legal rights arise from the moment of registration;	<b>10</b>		
	b. for registration of ownership rights, lease rights, and encumbrances on real property (mortgages, servitudes, tax liens, etc.);	<b>10</b>		
	c. for protection of the interests of owners and others whose interests are registered;	<b>10</b>		

	d. for protection of the interests of buyers who rely upon the real property registry;	10		
	e. for registration of land and buildings together (unified registry);	5		
	f. a document for the land owner which certifies his registered legal rights; and	10		
	g. access to registration information by interested parties.	5		
<b>Mortgage of Real Property</b>		<b>40</b>	<b>0</b>	<b>0%</b>
12	The law on mortgage provides:			
	a. for the ability to pledge real property, including agricultural land, as collateral to secure a loan;	10		
	b. a list of essential items in mortgage agreement (description of rights being mortgaged, appraisal, description of obligation being secured);	5		
	c. for the mortgagor to transfer his mortgaged real property, subject to a due-on sale clause;	5		
	d. for secondary mortgages and mortgage bonds/mortgage-backed securities;	5		
	e. fair and efficient foreclosure rules that do not unduly discourage mortgage lending; and	10		
	f. that any special rules to protect mortgagors (restrictions on eviction, restrictions on bank ownership, etc.) be limited so as not to unduly discourage mortgage lending.	5		
<b>Land Use and Zoning</b>		<b>30</b>	<b>0</b>	<b>0%</b>
13	Land use and zoning law:			
	a. permits a wide range of development within defined use categories;	10		
	b. permits local government bodies the latitude to re-categorize real property to reflect local conditions;	5		
	c. does not attempt to regulate for "rational use" other nebulous concepts which can lead to corrupt practices;	5		
	d. does not penalize non-use of agricultural land; and	5		
	e. penalizes violations in proportion to the harm, and does not include confiscation as a remedy.	5		
<b>General/Miscellaneous</b>		<b>30</b>	<b>0</b>	<b>0%</b>
14	Real property taxation should:			
	a. be based upon market value;	10		
	b. strike a balance between encouraging property development, raising revenue, and not driving cash-poor people to sell under duress;	10		
	c. define collection and enforcement mechanisms; and	5		
	d. direct most resulting revenue to local budgets (this would also encourage local government support for privatization).	5		
<b>TOTAL LEGAL FRAMEWORK: REAL PROPERTY</b>		<b>290</b>	<b>0</b>	<b>0%</b>

<b>C. 2</b>	<b>IMPLEMENTING INSTITUTIONS: REAL PROPERTY</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
	<b>Real Property Registry</b>	<b>115</b>	<b>0</b>	<b>0%</b>
1	The Real Property Registry has the following programmatic characteristics:			
	a. the Registry has a clear mandate to register legal rights to real property, including clear support from the state;	<b>10</b>		
	b. the Registry's core function of registering legal rights is not diluted by other responsibilities which divert its resources and attention;	<b>10</b>		
	c. the Registry utilizes a clear procedure that minimizes the discretion of registry officials to deny registration arbitrarily;	<b>5</b>		
	d. the Registry registers both land and buildings together;	<b>10</b>		
	e. the Registry's records are organized by land parcel, with each parcel having a unique identification number; and	<b>10</b>		
	f. the Registry is sufficiently decentralized so that users may have access, and that local offices may make registration decisions without requiring higher-level approvals.	<b>5</b>		
2	The Real Property Registry has the following organizational characteristics:			
	a. sufficient staffing to carry out its mandate;	<b>5</b>		
	b. sufficient funding from the state budget or fees for services rendered;	<b>5</b>		
	c. it has, or has immediate access to, sufficient technical capacity to carry out its functions competently and in a timely manner;	<b>5</b>		
	d. detailed internal regulations and operating procedures; and	<b>5</b>		
	e. an active staff training and development program to improve professionalism and competence.	<b>5</b>		
3	The Real Property Registry has the following operational characteristics:			
	a. the Registry publishes materials to inform the public about the Registry's functions and how to use the system;	<b>5</b>		
	b. the procedure for the Registry accepting an application for registration of a right, reviewing it, and registering it (or declining to do so) is clear and transparent;	<b>10</b>		
	c. the process of registration of a legal right is carried out quickly;	<b>10</b>		
	d. the Registry charges affordable fees that do not discourage use of the system; and	<b>10</b>		
	e. interested parties can receive extracts from the Registry.	<b>5</b>		
	<b>Zoning and Land Use Regulatory Authority</b>	<b>110</b>	<b>0</b>	<b>0%</b>
4	The authority has the following programmatic characteristics:			
	a. land use rules and construction norms are based upon on legitimate social needs and interests;	<b>10</b>		
	b. the public has input into defining the characteristics of different types of zones (residential, mixed-use, commercial, etc.), and the drawing of the zoning map; and	<b>10</b>		
	c. zoning and land use activities are primarily carried out at the local (city) level.	<b>10</b>		
5	The authority has the following organizational characteristics:			
	a. sufficient staffing to carry out its mandate;	<b>5</b>		
	b. sufficient funding from the state budget or fees for services rendered;	<b>5</b>		
	c. sufficient technical capacity to carry out its functions competently and in a timely manner;	<b>5</b>		
	d. detailed internal regulations and operating procedures; and	<b>5</b>		

	e. an active staff training and development program to improve professionalism and competence.	5		
6	The authority has the following operational characteristics:			
	a. the authority provides ample information to the public about proposed changes in the zoning map, the requirements for gaining approval of a land use or construction project, and the regulations surrounding use of one's real property;	10		
	b. the number of government bureaucracies which are required to give approval to a land use (construction) application is not excessive;	10		
	c. the requirements for gaining final land use (construction) approval, and the steps along the way, are clear and unambiguous;	10		
	d. an applicant for a land use approval receives the decision in writing. If the decision is negative, a written explanation is also provided;	10		
	e. the construction industry, and the general public, feel that decisions on land use requests are made in a timely manner, are based upon legitimate social interests, and are not dependent upon the payment of bribes; and	5		
	f. enforcement actions to penalize violations of land use norms come only after notice and an opportunity to remedy the violation have been provided.	10		
<b>Courts</b>		<b>65</b>	<b>0</b>	<b>0%</b>
7	Courts hear and decide real property disputes in a timely manner, and are affordable to the public.	10		
8	Courts are empowered and legally competent to hear and decide:			
	a. contract claims regarding real property transactions;	10		
	b. issues arising out of the registration process;	10		
	c. foreclosures on mortgage real property;	10		
	d. disputes arising out of the processes of enforcing land use norms, approving land use (construction) applications; and	5		
	e. other issues, such as boundary disputes and conflicts between members of condominium associations.	5		
9	Land owners, land users, and the professionals in the real property community generally find that the courts decide cases in accordance with the law and in an independent and impartial manner.	10		
10	In case court access is expensive and too time consuming, an extra-judicial system for conflict resolution exists which is reasonably quick, moderately priced, and delivers fair results.	5		
<b>TOTAL IMPLEMENTING INSTITUTIONS: REAL PROPERTY</b>		<b>290</b>	<b>0</b>	<b>0%</b>

C.3	SUPPORTING INSTITUTIONS: REAL PROPERTY	Ref.	Score	%
<b>Government Entities</b>		<b>10</b>	<b>0</b>	<b>0%</b>
1	Participants in real property transfer deals view notary services as appropriate and affordable.	5		
2	The taxing authority is able to carry out or access mass appraisals of real property for taxation purposes.	5		
<b>Professional Associations</b>		<b>35</b>	<b>0</b>	<b>0%</b>
3	Real property brokerage groups:			
	a. have developed methods (such as multiple listing services) to bring together large numbers of buyers and sellers/lessors and lessees; and	10		
	b. gather and disseminate information on prices for real property and trends in the market.	10		
4	Lawyers' associations have specialized groups dedicated to real property legal issues.	5		
5	Associations of mortgage bankers have developed legally secure systems and methods, including model forms, for use in completing mortgage transactions.	10		
<b>Specialized Services</b>		<b>20</b>	<b>0</b>	<b>0%</b>
6	Real property appraisers participate in the market, and value real property using internationally-recognized appraisal methods.	10		
7	Specialized publishers collaborate with notaries, registration authorities, and lawyers to prepare and make available standardized forms for most common real property transactions.	5		
8	Real property surveyors participate in market activity, and use internationally-recognized survey methods.	5		
<b>Trade and Special Interest Groups</b>		<b>40</b>	<b>0</b>	<b>0%</b>
9	Private farmers' associations:			
	a. monitor implementation of real property law as it affects their members and rural society in general, and propose amendments to laws to advance farmers' prospects;	5		
	b. gather and disseminate information about land prices, lease rates, and numbers of transactions; and	10		
	c. facilitate provision of legal assistance to low-income rural landowners.	5		
10	Local media provides extensive coverage of real property issues and the real property market, and does so in a way that invites interest and participation from all socio-economic groups.	10		
11	Mortgage banker associations, construction firm trade groups, and mortgage broker associations monitor real property law and practice, and make recommendations for needed change.	10		
<b>TOTAL SUPPORTING INSTITUTIONS: REAL PROPERTY</b>		<b>105</b>	<b>0</b>	<b>0%</b>

<b>C.4</b>	<b>SOCIAL DYNAMICS: REAL PROPERTY</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
	<b>Market for Improved Laws</b>	<b>230</b>	<b>0</b>	<b>0%</b>
	<b>Demand for Improved Laws</b>	<b>90</b>	<b>0</b>	<b>0%</b>
	<b>Government</b>	<b>10</b>	<b>0</b>	<b>0%</b>
1	One or more high-level public officials publicly champion private ownership of land and other real property, and development of an active market in such property.	<b>10</b>		
	<b>Private Sector</b>	<b>80</b>	<b>0</b>	<b>0%</b>
2	A significant proportion of the population, as evidenced by sample surveys:			
	a. has expressed support for private ownership of non-agricultural real property, including transactions and mortgage; and	<b>10</b>		
	b. has expressed support for private ownership of agricultural land, including transactions and mortgage.	<b>10</b>		
3	Financial institutions, real estate brokers, and construction firms actively lobby the government for laws to enable development and operation of a modern real property market.	<b>10</b>		
4	Professional associations:			
	a. have specialized committees dedicated to real property issues;	<b>5</b>		
	b. have established formal mechanisms with the policy apparatus for providing input and feedback on real property issues, and regularly do so;	<b>5</b>		
	c. regularly suggest changes to existing laws and regulations, and provide commentary on draft laws and regulations; and	<b>5</b>		
	d. conduct events for their members and the general public to promote understanding of the benefits of a market-based real property market.	<b>5</b>		
5	Trade and special interest groups:			
	a. have specialized committees dedicated to real property issues;	<b>5</b>		
	b. have established formal mechanisms with the policy apparatus for providing input and feedback on real property issues, and regularly do so;	<b>5</b>		
	c. regularly suggest changes to existing laws and regulations, and provide commentary on draft laws and regulations; and	<b>5</b>		
	d. conduct events for their members and the general public to promote understanding of the benefits of a market-based real property market.	<b>5</b>		
6	Universities offer courses on real property law that supports a market-oriented system.	<b>10</b>		
	<b>Supply of Improved Laws</b>	<b>140</b>	<b>0</b>	<b>0%</b>
	<b>Government</b>	<b>60</b>	<b>0</b>	<b>0%</b>
7	The government has created an environment generally supportive of a real property market, including:			
	c. clearly stated policies in support of private control over possession, use, and transfer of real property; and	<b>5</b>		
	d. an actively pursued annual legislative agenda for reform and modernization of the real property legal regime.	<b>5</b>		

8	The government has the technical capacity to draft laws and regulations needed for a market-based real property system.	10		
9	The government provides for meaningful private sector participation in the legal reform process by:			
	a. making copies of laws, regulations, and related materials readily available to professionals and participants in the real property market; and	10		
	b. providing real property professionals (brokers, mortgage bankers, builders, etc.) with meaningful notice of and opportunity to comment on draft laws and implementing regulations affecting the real property market before they are submitted for legislative action.	10		
10	Formal mechanisms for soliciting input from the real property professionals for formulating and amending real property law and policy:			
	a. have been established by the government;	5		
	b. are actively used by the government; and	5		
	c. according to the real property professionals, generally satisfy private sector demand for providing input.	10		
<b>Private Sector</b>		<b>80</b>	<b>0</b>	<b>0%</b>
11	The user groups and the professional community perceive the legal and regulatory environment with regard to private ownership and markets in real property to be:			
	a. stable, as demonstrated by an absence of drastic changes to relevant laws and regulations;	10		
	b. predictable, as evidenced by relative consistency in interpretation and enforcement of laws and regulations; and	10		
	c. transparent, in that fairness and equal treatment is generally accorded for end users in similar positions and circumstances.	10		
12	The user groups and the professional community perceive the legal and regulatory environment with regard to private ownership and markets in real property to be:			
	a. precise in that they can be generally read and understood by a user, and provide adequate indication of what is required;	10		
	b. complete in that they address the main needs of the market, and do not contain significant gaps; and	10		
	c. responsive to their needs as reflected in favorable policy measures.	10		
13	The user groups and the professional community generally feel that they have a meaningful role to play in developing the legal base for private ownership and the real property market.	10		
14	The user groups and the professional community generally feel that the government is meeting the basic needs for legal reform in the area of private ownership and the real property market.	10		
<b>Market for Effective Implementing Institutions</b>		<b>210</b>	<b>0</b>	<b>0%</b>
<b>Demand for Effective Implementing Institutions</b>		<b>70</b>	<b>0</b>	<b>0%</b>
<b>Government</b>		<b>40</b>	<b>0</b>	<b>0%</b>
15	One or more high-level public officials with responsibility for implementation of the law on registration of real property rights champion the cause of the real property registry providing efficient and effective services.	10		
16	A formal mechanism exists for reviewing the performance and effectiveness of the real property registry on a regular basis (at least annually).	10		

17	One or more high-level public officials with responsibility for zoning and land use regulation champions the cause of carrying out needed land use and zoning regulatory activities in such a way as to serve the end users, and enable profitable private sector capital investment.	10		
18	A formal mechanism exists for reviewing the performance and effectiveness of the zoning and land use regulatory authority on a regular basis (at least annually).	10		
<b>Private Sector</b>		<b>30</b>	<b>0</b>	<b>0%</b>
19	The user groups and the real property industry understand and agree with the service mandate of the real property registry.	10		
20	The user groups and the real property industry regularly use the real property registry.	10		
21	The user groups and the real property industry understand, and generally agree with, the mandate of the zoning and land use regulatory authority.	5		
22	The user groups and the real property industry regularly seek the needed approvals and carried out the measures required by the zoning and land use regulatory authority.	5		
<b>Supply of Effective Implementing Institutions</b>		<b>140</b>	<b>0</b>	<b>0%</b>
<b>Government</b>		<b>45</b>	<b>0</b>	<b>0%</b>
23	The real property registry actively utilizes:			
	a. an internal plan, reviewed annually, for improving services which it provides;	5		
	b. a system of accountability for its performance to the government agency responsible for its oversight, and to the general public; and	5		
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services.	10		
24	The real property registry provides a written basis for all decisions made based upon existing, published laws and regulations.	10		
25	The zoning and land use regulatory authority actively utilizes:			
	a. an internal plan, reviewed annually, for improving services which it provides, and its regulatory methods;	5		
	b. a system of accountability for its performance to the government agency responsible for its oversight, and to the general public; and	5		
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services, and of its overall performance in relation to private sector needs.	5		
<b>Private Sector</b>		<b>95</b>	<b>0</b>	<b>0%</b>
26	Users of the real property registry feel that the manner in which it provides its services is:			
	a. transparent;	5		
	b. not arbitrary;	5		
	c. non-discriminatory; and	5		
	d. reasonably priced.	5		
27	Users of the real property registry feel that they have adequate opportunities to provide feedback to the real property registry on its performance.	10		
28	The real property professional community consider the decisions made by the real property registry:			
	a. predictable under similar facts and circumstances;	5		
	b. reasonable and appropriate under existing law;	5		
	c. understandable; and	5		

	d. protective of legally valid rights and interests in real property.	5		
29	Market actors who interact with the zoning and land use regulatory authority feel that the manner in which it carries out its mandate is:			
	a. transparent;	5		
	b. not arbitrary; and	5		
	c. non-discriminatory.	5		
30	Market participants and the real property professional community feel that they have adequate opportunities to provide feedback to the zoning and land use regulatory authority on its performance	5		
31	The real property professional community thinks that the decisions made by the zoning and land user regulatory authority:			
	a. are predictable under similar facts and circumstances;	5		
	b. are generally reasonable and appropriate under existing law;	5		
	c. are understandable; and	5		
	d. strike an appropriate balance between private rights to use land and social interests and needs.	10		
<b>Market for Supporting Institutions</b>		<b>90</b>	<b>0</b>	
<b>Demand for Supporting Institutions</b>		<b>70</b>	<b>0</b>	<b>0%</b>
32	Private sector supporting institutions provide services needed for an active market in real property in each of the following sectors:			
	a. professional associations;	10		
	b. specialized services; and	10		
	c. trade and special interest groups.	10		
33	Within each region (municipality, district, etc.) services are provided on a competitive basis by more than one:			
	a. real property broker;	10		
	b. mortgage lender;	10		
	c. real property appraiser;	5		
	d. notary; and	10		
	e. surveyor.	5		
<b>Supply of Supporting Institutions</b>		<b>20</b>	<b>0</b>	<b>0%</b>
34	The end users and the real property professional community considers the supporting institutions for each special task to be adequate in facilitating or supporting the framework law in terms of:			
	a. number of institutions; and	10		
	b. quality of institutions.	10		
<b>SUB-TOTAL -- DEMAND</b>		<b>230</b>	<b>0</b>	<b>0%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>300</b>	<b>0</b>	<b>0%</b>
<b>TOTAL SOCIAL DYNAMICS: REAL PROPERTY</b>		<b>530</b>	<b>0</b>	<b>0%</b>

D.1	LEGAL FRAMEWORK: COLLATERAL	Ref.	Score	%
<b>Forms of Collateral</b>		<b>140</b>	<b>70</b>	<b>50%</b>
1	The Collateral Law recognizes and provides for:			
	a. direct personal guarantees;	10	5	
	b. third-party guarantees;	10	5	
	c. bank guarantees;	10	5	
	d. non-possessory pledges in tangibles;	10	5	
	e. property interests that allow holders to execute against secured property;	10	5	
	f. general (or generic) description of items subject to security interests;	10	5	
	g. pledges which cover after-acquired property; and	10	5	
	h. values expressed in foreign currency.	10	0	
2	The Collateral Law recognizes and provides for specialized pledges on:			
	a. accounts receivable;	10	5	
	b. shares;	10	5	
	c. specified groups of goods or objects;	10	5	
	d. warehouse receipts and other documents of title;	10	5	
	e. agricultural produce;	5	5	
	f. livestock; and	5	5	
	g. an enterprise as a going concern.	10	5	
<b>Establishment and registration</b>		<b>50</b>	<b>23</b>	<b>46%</b>
3	The Collateral Law clearly defines:			
	a. the requirements for establishing a secured interest;	10	5	
	b. the procedures for registering a secured interest;	10	5	
	c. priorities and their legal basis; and	10	5	
	d. rights of third-party, bona fide purchasers.	10	3	
4	The Collateral Law separately defines and delineates the use of possessory pledges.	10	5	
<b>Enforcement Procedures</b>		<b>50</b>	<b>23</b>	<b>46%</b>
5	The Collateral Law specifies mechanisms and procedures for:			
	a. judicial enforcement, including accelerated enforcement proceedings;	10	5	
	b. self help;	10	5	
	c. satisfaction or extinction of secured interests; and	10	5	
	d. sales of secured property.	10	5	
6	The Collateral Law specifies responsibility for unauthorized disposal of the collateralized property by the debtor.	10	3	
<b>Definition of Implementing Institution: Collateral Registry</b>		<b>40</b>	<b>20</b>	<b>50%</b>
7	The law clearly defines:			
	a. the institution or institutions responsible for implementation; and	10	5	
	b. the roles, responsibilities and operational procedures of each relevant institution.	10	5	
8	The law requires that the institution(s) render decisions relating to the law:			
	a. based on published laws, regulations and standards; and	10	5	

	b. through written documentation clearly setting forth the basis for the decision.	<b>10</b>	<b>5</b>	
<b>TOTAL LEGAL FRAMEWORK: COLLATERAL</b>		<b>280</b>	<b>136</b>	<b>49%</b>

<b>D.2 IMPLEMENTING INSTITUTIONS: COLLATERAL</b>		<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Collateral Registry: Organization</b>		<b>70</b>	<b>28</b>	<b>40%</b>
1	The Collateral Registry, or other institution responsible for registration of collateral, has the following characteristics:			
	a. a clearly defined mandate to implement collateral law;	5	5	
	b. sufficient staffing to carry out its mandate;	5	3	
	c. sufficient authority and support to carry out its mandate, including clear policy statements and support from the government;	5	3	
	d. sufficient funding through state budget, fees collected, or a combination of both to maintain its equipment and services;	5	5	
	e. detailed internal regulations and operating procedures; and	5	2	
	f. an active staff training and development program utilizing appropriate training materials, guidebooks or procedural manuals to improve staff competency and service.	5	1	
2	There is general consistency in understanding the Registry's role and functions among the government, the Registry and the end users.	10	5	
3	The Registry has a "customer-oriented" approach to fulfilling its mandate.	10	4	
4	The Registry is sufficiently decentralized to enable users throughout the country to have reasonable access.	10	0	
5	The Registry has an active, current, web site, including contact information, registration requirements, and relevant legal materials.	10	0	
<b>Collateral Registry: Operations</b>		<b>110</b>	<b>39</b>	<b>35%</b>
6	With respect to the Registry's primary services, i.e the registration of collateral:			
	a. The Registry distributes (or makes available for a nominal fee) copies of all procedures, relevant laws, government regulations, fee schedules and other information governing registration and any other activities of the Registry;	10	0	
	b. The procedures for registration or de-registration are transparent, clear and consistent;	10	4	
	c. The manner in which the Registry executes the registration procedures is perceived by the end users to be transparent, non-discretionary, non-discriminatory and free from bribery;	10	5	
	d. When rejecting a registration, the Registry provides a written explanation based on published law and regulations;	10	5	
	e. The Registry provides certified copies of records for a nominal fee;	5	5	
	g. The registration process is computerized;	5	5	
	h. Records contain sufficient data for identification of the debtors or their legal successors;	10	5	
	i. Records clearly indicate priority of security interests;	10	0	
	j. The cost and procedures for registration are perceived as reasonable by the business community; and	10	3	
	k. It takes no more than one day to register a collateral interest in movables.	10	4	
7	With respect to secondary services, the Registry:			
	a. produces and publishes periodic newsletters, reports or other informational pieces for end-users;	5	0	

	b. maintains and publishes statistics on total entries in various collateral categories (e.g. vehicles, other equipment, floating liens on generic goods, etc.); and	5	3	
	c. The Registry provides reasonable public access to collateral registration records.	10	0	
<b>Courts</b>		<b>55</b>	<b>29</b>	<b>53%</b>
8	Courts are empowered to hear:			
	a. suits against the Collateral Registry for failure to comply with laws governing collateral registration;	5	5	
	b. claims, including accelerated claims, for execution on collateral for non-payment; and	5	5	
	c. injunctions against or damages for inappropriate use of self-help mechanisms.	5	5	
9	The business community considers the courts generally competent to hear suits relating to collateral law.	10	5	
10	The business community generally finds that the courts decide cases:			
	a. in accordance with clear, published laws, regulations and standards;	5	2	
	b. without regard to the nationality or residence of the litigants;	5	5	
	c. in a transparent manner evidenced through published decisions; and	10	1	
	d. independently, without regard to inappropriate political pressures or non-judicial considerations.	10	1	
<b>TOTAL IMPLEMENTING INSTITUTIONS: COLLATERAL</b>		<b>235</b>	<b>96</b>	<b>41%</b>

<b>D.3</b>	<b>SUPPORTING INSTITUTIONS: COLLATERAL</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Government Entities</b>		<b>40</b>	<b>8</b>	<b>20%</b>
1	Notary services for Collateral registration and other needs under Collateral law are perceived by end users as:			
	a. relatively inexpensive;	5	0	
	b. sufficiently available throughout the country; and	5	0	
	c. not overly complex or burdensome.	5	0	
2	The business community perceives that enforcement agents (e.g., bailiffs):			
	a. possess adequate authority to execute judgments against collateral; and	5	3	
	b. are effective in enforcing judgments against collateral.	10	3	
3	Creditors do not generally resort to extra-legal enforcement mechanisms (e.g., thuggery) to enforce their interests in a debtor's property.	10	2	
<b>Professional Associations</b>		<b>40</b>	<b>4</b>	<b>10%</b>
4	Accountants apply Generally Accepted Accounting Principles (GAAP) or other internationally recognized standards and norms to valuations of collateralized property.	10	3	
5	Lawyers' associations have specialized groups dedicated to Collateral Law issues.	10	0	
6	Professional associations regularly propose amendments and modifications to the content and implementation of Collateral Laws.	10	0	
7	Professional associations are generally satisfied with operations of the Collateral Registry and have a collaborative working relationship with the officials of the Registry.	10	1	
<b>Specialized Services</b>		<b>40</b>	<b>4</b>	<b>10%</b>
8	Filing and registration services are available through banks and other private-sector service providers at a cost and quality considered reasonable by the end users.	10	4	
9	Universities, foundations and think tanks regularly examine and issue reports and opinions on content and enforcement of Collateral Law.	10	0	
10	Specialized publishers, in collaboration with the Collateral Registry and professional associations, develop and make available standardized forms for most common transactions.	10	0	
11	Seminars and conferences on Collateral law and new Collateral formation are available and are conducted on a for-pay basis - i.e., not funded by foreign donor agencies.	10	0	
<b>Trade and Special Interest Groups</b>		<b>40</b>	<b>12</b>	<b>30%</b>
12	Banking associations, business groups and chambers of commerce actively monitor Collateral law practice and developments, and issue opinions and appeals for change based on the results of monitoring	10	5	
13	Local media have the knowledge and training to effectively report on Collateral Law issues.	5	0	
14	Foreign investor associations provide input to policy makers and business associations on international standards in Collateral Law.	10	2	
15	Specialized professional publications report regularly and accurately on matters related to Collateral law, giving the business community and general public a greater understanding of Collateral-related issues.	n/a	0	

16	General private sector confidence in Collateral Law environment is demonstrated by dynamic growth in the use of collateral transactions as a source of corporate financing.	15	5	
<b>TOTAL SUPPORTING INSTITUTIONS: COLLATERAL</b>		<b>160</b>	<b>28</b>	<b>18%</b>

<b>B.4</b>	<b>SOCIAL DYNAMICS: COLLATERAL</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Market for Improved Laws</b>		<b>330</b>	<b>102</b>	<b>31%</b>
	<b>Demand for Improved Laws</b>	<b>100</b>	<b>32</b>	<b>32%</b>
	<b>Government</b>	<b>30</b>	<b>7</b>	<b>23%</b>
1	At least one high-level government official is knowledgeable of, and works toward, the cause of a modern collateral system.	10	3	
2	Elected politicians regularly espouse positions supporting adoption and implementation of a modern collateral system.	10	0	
3	International lending institutions and donor agencies provide assistance to or condition loans upon reform of the Collateral Law regime.	10	4	
	<b>Private Sector</b>	<b>70</b>	<b>25</b>	<b>36%</b>
4	Professional associations:			
	a. have specialized sections or committees dedicated to Collateral Law or secured-lending issues;	5	1	
	b. have established formal mechanisms with policy makers for providing input and feedback on Collateral Law issues;	5	1	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on Collateral Law issues;	5	4	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on Collateral Law issues; and	5	4	
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of a modern collateral system.	5	0	
5	Trade and special interest groups:			
	a. have specialized sections or committees dedicated to Collateral Law or secured-lending issues;	5	2	
	b. have established formal mechanisms with policy makers for providing input and feedback on Collateral Law issues;	5	1	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on Collateral Law issues;	5	3	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on Collateral Law issues; and	5	3	
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of a modern collateral system.	5	2	
6	Financial institutions, other lenders, and equipment and vehicle vendors actively lobby the government to improve the collateral-lending system.	10	4	
7	Universities offer courses on Collateral Law and secured lending that support market-oriented collateral systems.	10	0	
	<b>Supply of Improved Laws</b>	<b>180</b>	<b>70</b>	<b>39%</b>
	<b>Government</b>	<b>100</b>	<b>38</b>	<b>38%</b>
8	The government has created an environment generally supportive of liberalized collateral, including:			
	a. stable macroeconomic policy;	5	2	
	b. freely convertible currency;	5	5	
	c. clearly stated policies promoting enforcement of secured transaction contracts; and	5	2	
	d. an annual legislative agenda for reform and modernization of the commercial lending sector, including collateral lending, that is actively pursued.	5	0	

9	The government (through a specialized unit or otherwise) has the technical capacity to draft laws and regulations necessary to improve collateral policy.	10	5	
10	The Government provides for meaningful private sector participation in the legal reform process by:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available (e.g., in bookstores or online) to the business community or other end user;	10	5	
	b. providing the business community with meaningful notice of and opportunity to comment on draft laws or legislative amendments affecting collateral and secured lending:			
	1. before they are submitted for legislative approval, and	10	3	
	2. before they become effective; and	10	3	
	c. providing the business community with meaningful notice of and opportunity to comment on draft <i>implementing regulations</i> :			
	1. before they are submitted for legislative approval.	10	3	
	2. before they become effective.	10	3	
11	Formal mechanisms for soliciting input from the business and professional community for formulating and amending collateral and secured lending policy:			
	a. have been established by the government;	5	2	
	b. are actively used by the government; and	5	2	
	c. according to the business and professional communities, generally satisfy private sector demand for providing input.	10	3	
	<b>Private Sector</b>	<b>80</b>	<b>32</b>	
12	The business and professional communities perceive the legal and regulatory environment with regard to collateral generally to be:			
	a. stable, as evidenced by:			
	1. infrequent changes to relevant laws and regulations; and	5	4	
	2. a relative lack of conflicting laws and regulations.	5	4	
	b. predictable, as evidenced by relative consistency in interpretation and enforcement of major laws and regulations.	10	4	
	c. transparent, in that equal treatment is generally accorded for end users in similar positions and circumstances.	10	5	
13	The business and professional communities perceive the laws and regulations issued by the government with respect to collateral to be relatively:			
	a. precise because they can be generally read and understood by a business person (or end user) and provide adequate indication of what is required thereunder;	10	3	
	b. complete in that they address the main needs of the business community and do not contain significant gaps; and	10	3	
	c. responsive to their needs as reflected in "favorable" (e.g., pro-business) policy measures.	10	3	
14	The business and professional communities generally feel that:			
	a. they have a meaningful role to play in shaping policy reform in the area of collateral; and	10	5	
	b. the state is effectively meeting basic needs for legal reform in the area of collateral.	10	1	
	<b>Market for Effective Implementing Institutions</b>	<b>160</b>	<b>60</b>	<b>38%</b>
	<b>Demand for Effective Implementing Institutions</b>	<b>70</b>	<b>15</b>	<b>21%</b>
	<b>Government</b>	<b>40</b>	<b>10</b>	<b>25%</b>

15	At least one high-level government official responsible for the implementation of Collateral Law has a broad knowledge of the issues and works toward more efficient and effective provisions of services by the Collateral Registry.	10	3	
16	The director of the Collateral Registry is committed to improving services and responsiveness to end-user needs.	10	3	
17	A formal mechanism exists for reviewing the performance and effectiveness of the Collateral Registry on a regular basis (at least annually).	10	2	
18	International lending institutions and donor agencies have instituted assistance programs with the government to upgrade and improve the Collateral Registry.	10	2	
<b>Private Sector</b>		<b>30</b>	<b>5</b>	<b>17%</b>
19	The business community understands and generally agrees with the service mandate of the Collateral Registry.	10	5	
20	The business community regularly uses the services of the Collateral Registry.	10	0	
21	In service areas where the Collateral Registry or enforcement agents are weak, the private sector offers competing or replacement services to fill the gap.	10	0	
<b>Supply of Effective Implementing Institutions</b>		<b>90</b>	<b>45</b>	<b>50%</b>
<b>Government</b>		<b>40</b>	<b>15</b>	<b>38%</b>
22	The Collateral Registry actively utilizes:			
	a. an internal plan, reviewed annually, for improving services provided to the private sector and government;	5	2	
	b. a system of accountability for its performance to the government institution responsible for its oversight; and	5	3	
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services.	10	1	
23	The Collateral Registry provides a written basis for all decisions made based on existing, published law.	10	4	
24	The implementing institution makes all regulations, forms, applications and other important documents and information available to the end-users.	10	5	
<b>Private Sector</b>		<b>50</b>	<b>30</b>	<b>60%</b>
The provision of services and execution of functions is considered satisfactory by the private sector in the following ways:				
25	End-users feel that the manner in which the Collateral Registry supplies services is:			
	a. Transparent;	5	4	
	b. non-discretionary;	5	3	
	c. non-discriminatory; and	5	5	
	d. reasonably priced.	5	4	
26	End users feel that they have adequate opportunities to provide feed-back to the Collateral Registry on its performance.	10	2	
27	The general business and professional communities consider to be decisions made by the Collateral Registry to be:			
	a. predictable for similar facts and circumstances;	5	3	
	b. appropriate under existing law;	5	3	
	c. Understandable; and	5	3	
	d. generally supportive of liberalized collateral.	5	3	
<b>Market for Supporting Institutions</b>		<b>70</b>	<b>11</b>	<b>16%</b>
<b>Demand for Supporting Institutions</b>		<b>40</b>	<b>2</b>	<b>5%</b>

28	Private sector supporting institutions provide services needed for an efficient operation of companies and improvement of company law in each of the following sectors:			
	a. professional associations;	10	2	
	b. specialized services; and	10	0	
	c. trade and special interest groups.	10	0	
29	For specialized services, there are generally competing service providers.	10	0	
	<b>Supply of Supporting Institutions</b>	<b>30</b>	<b>9</b>	<b>30%</b>
30	The business community generally considers the supporting institutions for Collateral law to be adequate in facilitating or supporting the implementation of the law in terms of:			
	a. number of institutions; and	10	3	
	b. quality of institutions.	10	2	
31	A sufficient mass of private sector associations supports a free-market collateral system to counterbalance any groups that might unduly restrict or burden secured lending.	10	4	
	<b>SUB-TOTAL -- DEMAND</b>	<b>210</b>	<b>49</b>	<b>23%</b>
	<b>SUB-TOTAL -- SUPPLY</b>	<b>300</b>	<b>124</b>	<b>41%</b>
	<b>TOTAL SOCIAL DYNAMICS: COLLATERAL</b>	<b>510</b>	<b>173</b>	<b>34%</b>

<b>E.1</b>	<b>LEGAL FRAMEWORK: COMMERCIAL DISPUTE RESOLUTION</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Law on courts and civil procedure</b>		<b>80</b>	<b>0</b>	<b>0%</b>
1	Framework law or laws are in place:			
	a. law on courts and the judiciary;	<b>10</b>		
	b. civil procedure;	<b>10</b>		
	c. execution (enforcement) of judgments;	<b>10</b>		
	d. administrative procedure; and	<b>10</b>		
	e. access to court or government records.	<b>10</b>		
2	The law on courts or other related framework law clearly sets forth the types of commercial disputes over which the court (or courts) have jurisdiction.	<b>10</b>		
3	There are framework laws conferring jurisdiction on specialized courts of different types of commercial/economic disputes (e.g., bankruptcy, tax, commercial courts).	<b>10</b>		
4	The term economic dispute (or commercial dispute) is clearly defined in the framework law such that lawyers and business entities would understand for what types of business-related disputes and injuries they could bring a lawsuit.	<b>10</b>		
<b>Commencement of proceedings</b>		<b>50</b>	<b>0</b>	<b>0%</b>
5	The relevant law on civil procedure (or other relevant framework law) provides clear procedures for commencing a lawsuit relating to commercial or economic disputes.	<b>10</b>		
6	The costs for filing a claim are outlined in the civil procedures law or related regulations or decrees.	<b>10</b>		
7	The relevant laws on civil procedure or evidence provide parties with clear guidance on the type of evidence that is admissible in a commercial dispute.	<b>10</b>		
8	The law on civil procedure (or other related law) clearly provides the standards and procedures by which a judgment concerning a commercial dispute may be appealed.	<b>10</b>		
9	Any monetary threshold for initiating a lawsuit is included in a framework law or related administrative regulations or rules.	<b>10</b>		
<b>Definition of Implementing and Supporting Institutions</b>		<b>30</b>	<b>0</b>	<b>0%</b>
10	The law clearly defines:			
	a. the institution or institutions responsible for the resolution of commercial disputes (including courts and administrative tribunals); and	<b>5</b>		
	b. the roles, responsibilities and operational procedures of each relevant institution.	<b>5</b>		
11	The law requires that the implementing institution(s) render decisions relating to the law:			
	a. based on published laws, regulations and standards;	<b>5</b>		
	b. through written documentation clearly setting forth the basis for the decision; and	<b>5</b>		
	c. with a reasonable time frame	<b>5</b>		
12	The law clearly defines the role of bailiffs or other types of government administrators responsible for enforcing court judgments.	<b>5</b>		
<b>Law(s) on Arbitration and Enforcement of Arbitral Awards</b>		<b>60</b>	<b>0</b>	<b>0%</b>
13	A framework law is in place permitting parties to use arbitration to resolve commercial disputes.	<b>10</b>		
	a. The law permits foreign as well as domestic parties to use arbitration to resolve commercial disputes.	<b>5</b>		
	b. The law sets forth the qualifications and terms of appointment for arbiters.	<b>5</b>		
14	A framework law allows courts to enforce foreign arbitral awards.	<b>10</b>		
15	The procedures by which a foreign arbitral award may be enforced in a domestic court are clearly outlined in the relevant law.	<b>10</b>		
16		<b>10</b>		

The procedures by which a domestic arbitral award may be enforced in

	a domestic court are clearly outlined in the relevant law.			
17	The country is a signatory to the 1958 New York Convention on the recognition and enforcement of foreign arbitral awards.	<b>10</b>		
<b>TOTAL LEGAL FRAMEWORK: COMMERCIAL DISPUTE RESOLUTION</b>		<b>220</b>	<b>0</b>	<b>0%</b>

<b>E.2</b>	<b>IMPLEMENTING INSTITUTIONS: COMMERCIAL DISPUTE RESOLUTION</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Courts: Organization</b>		<b>70</b>	<b>0</b>	<b>0%</b>
1	The laws that identify the courts as implementing institutions:			
	a. clearly define the courts as the institutions for resolving enumerated types of commercial disputes;	5		
	b. provide a clear mandate for each type of court's jurisdiction including:			
	i. threshold value of claims that can be brought in the court, and	5		
	ii. the types of parties who may bring suit (natural and/or legal persons);	5		
	c. ensure there are no ambiguities between, or perceived overlapping jurisdictions for, different types of disputes such as tax, bankruptcy, etc; and	5		
	d. define relevant procedures or mandate development of relevant procedures for resolving civil commercial disputes.	5		
2	The courts have the following characteristics:			
	a. clearly defined mandate to resolve commercial disputes;	5		
	b. sufficient staffing (judicial and administrative) to carry out their mandate;	10		
	c. sufficient authority and support (from the government) to carry out their mandate, including clear policy statements; and	10		
	d. sufficient funding through the state budget, fees collected or a combination of both to maintain its equipment and services at an adequate level.	10		
3	There is a general consistency in the understanding of the role of the courts in commercial dispute resolution among the government, the courts and end users.	10		
<b>Courts: Operations</b>		<b>115</b>	<b>0</b>	<b>0%</b>
4	The business community generally finds that courts:			
	a. are competent to decide commercial (economic) disputes and to enforce judgments;	5		
	b. decide cases in accordance with the relevant law, in an unbiased and transparent manner, regardless of whether parties are domestic or foreign entities; and	10		
	c. are a meaningful alternative if informal or alternative methods of dispute resolution fail to provide a desirable outcome for a party.	5		
5	The business community tends to be aware of major commercial disputes that are in the courts and how such cases have been resolved.	5		
6	Courts are established and operating effectively with respect to resolving commercial contract disputes.			
	a. courts are able to resolve commercial disputes brought before them efficiently, in a timely manner, and are able to manage their caseload;	5		
	b. courts have detailed internal regulations and operating procedures; and	5		

	c. court fees for commencing a proceeding are relatively inexpensive and do not act as a disincentive for parties to use the courts to resolve disputes.	5		
7	The salaries of the administrative staff are sufficient to attract and retain qualified staff.	5		
8	The court filing system and docket is computerized.	10		
9	The business community finds it relatively simple to commence a lawsuit and to file litigation papers with the relevant court.	10		
10	The business community perceives that the courts administrative officers are efficient and well organized.	5		
11	The courts maintain and provide reasonable public access to, in terms of procedures and costs, litigation records and decisions, to all parties to a dispute, as well as third parties.	10		
13	The courts have an active, current web site, including contact information and relevant legal materials pertaining to civil litigation.	5		
14	Courts are willing to enforce domestic and foreign arbitral awards.	10		
15	Courts have experience with the application of relevant international treaties and conventions and the substantive law of other fora.	10		
16	Courts encourage (or require) parties to attempt settlement through such means as mediation, arbitration or conciliation prior to a lawsuit being adjudicated.	10		
<b>The Judiciary</b>		<b>50</b>	<b>0</b>	<b>0%</b>
17	The business community perceives that judges:			
	a. have adequate knowledge and experience to resolve commercial disputes;	5		
	b. are aware of recent developments and changes to commercial laws; and	5		
	c. handle commercial cases in a fair, and impartial manner.	10		
18	Judges receive relevant training and education relating to commercial dispute resolution.	10		
19	Judges have adequate resources (treatises, legislative materials and other references) to assist them with legal research relating to commercial law.	10		
20	Judges salaries are adequate to recruit and retain qualified personnel.	10		
<b>Administrative Tribunals: Organization</b>		<b>85</b>	<b>0</b>	<b>0%</b>
21	The laws that identify administrative tribunals or bodies that are implementing institutions (e.g., for resolving disputes relating government entities – tax disputes, licensing disputes, competition related complaints):			
	a. clearly define administrative tribunals or commissions as the institutions for resolving enumerated types of commercial disputes;	5		
	b. provide a clear mandate for each tribunal’s jurisdiction including threshold value of claims that can be brought in the court, the types of parties who may bring suit (natural and/or legal persons), and nature of complaints that may be brought before the tribunal;	10		
	c. remove any ambiguities or perceived overlapping jurisdictions for different types of disputes such as tax, bankruptcy, etc; and	10		

	d. define relevant procedures or mandate development of relevant procedures for resolving administrative commercial (economic) disputes.	10		
22	Administrative tribunals have the following characteristics:			
	a. clearly defined mandate to resolve administrative commercial disputes;	5		
	b. sufficient staffing to carry out their mandate;	5		
	c. sufficient authority and support (from the state) to carry out their mandate, including clear policy statements; and	5		
	d. sufficient funding through the state budget, fees collected or a combination of both to maintain its equipment and services at an adequate level.	5		
23	There is a general consistency in the understanding of the role of administrative tribunals in commercial dispute resolution among the government, the tribunals and end-users.	10		
24	Administrative tribunals operate according to a common or unified set of administrative procedures or rules such as a uniform administrative procedures act.	10		
25	The interrelationship between administrative tribunals and courts is also clearly set forth in relevant framework laws (e.g., when decisions of a tribunal may or must be appealed to a court of law).	10		
<b>Administrative Tribunals: Operations</b>		<b>125</b>	<b>0</b>	<b>0%</b>
26	The business community generally finds that administrative tribunals:			
	a. are competent to decide commercial (economic) disputes and are able to enforce any decisions or remedies that the tribunal orders;	10		
	b. decide cases in accordance with the relevant law in an transparent and unbiased manner regardless of whether parties are domestic or foreign entities;	10		
	c. provide a meaningful alternative process if informal or alternative methods of dispute resolution fail to provide a desirable outcome for a party; and	10		
	d. will not lead to future adverse treatment by the relevant government ministry because a business decided to challenge a ministerial decision before the tribunal.	10		
27	The procedures by which administrative tribunals operate are known by members of the legal community.	10		
28	The business community tends to use tribunals frequently for challenging administrative decisions rather than simply leaving a grievance unresolved.	5		
29	Administrative tribunals are established and operating effectively, as demonstrated by:			
	a. the ability to resolve commercial disputes brought before them efficiently, in a timely manner, and are able to manage their caseload;	5		
	b. following, reviewing and revising as needed detailed internal regulations and operating procedures; and	5		

	c. maintaining fees for commencing a proceeding at a relatively reasonable level so as to not act as a disincentive for parties to use the tribunals to resolve disputes.	5		
30	It is not necessary to retain a lawyer to bring a claim before an administrative tribunal.	10		
31	In addition to administrative tribunals, other ministries have established alternative or informal means of dispute resolution (e.g., conciliation, mediation, hearings by mail, ombudsman).	5		
32	The salaries of tribunal staff are sufficient to attract and retain qualified personnel.	10		
33	The business community finds it relatively simple to file a claim challenging major types of administrative decisions (e.g., tax, licensing, zoning, antitrust).	5		
34	The administrative tribunals maintain and provide reasonable public access to, in terms of procedures and costs, litigation records and decisions, to all parties to a dispute, as well as third parties.	10		
35	Ministries or tribunals have active, current web sites, including contact information and relevant legal materials pertaining to procedures for filing claims or grievances.	5		
36	Administrative tribunals maintain and publish their decisions and make them available to the public for free or at a relatively low cost.	10		
<b>Administrative Tribunals: Operations</b>		<b>95</b>	<b>0</b>	<b>0%</b>
37	There is one or more court or chambers of arbitration established within the jurisdiction.	10		
38	Arbitration courts (chambers) are currently in operation and handle arbitration matters between domestic as well as foreign and domestic parties.	10		
39	The business community generally finds:			
	a. arbitration is a viable alternative for resolving commercial disputes; and	5		
	b. arbitration courts render decisions in a fairly and impartially, according to relevant law, and that they provide reasoned bases for their decisions; and	10		
	c. the relevant courts will enforce arbitral awards.	10		
40	There is a sufficient supply of qualified local arbitrators who participate in domestic and international arbitration proceedings.	5		
41	The chamber of commerce or other organization that hosts the arbitration court provides:			
	a. training for arbitrators;	5		
	b. certification or licensing of arbitrators; and	5		
	c. training/outreach for the business community about arbitration.	5		
42	The cost of commencing arbitration proceedings is not a disincentive to using arbitration as a means for resolving disputes.	5		
43	Domestic business parties include arbitration clauses within their contracts.	10		
44	There are lawyers that have experience with commercial arbitration.	5		
45	The rules of procedure of the arbitration courts are in accordance with relevant international standards and best practice.	10		
<b>Small Claims Courts</b>		<b>30</b>	<b>0</b>	<b>0%</b>

46	In addition to traditional civil courts or commercial courts, the jurisdiction has established small claims courts or other less formal courts for resolving smaller value claims (including commercial disputes).	10		
47	Business parties find that such courts render their decisions in a fair and impartial manner and are efficient at adjudicating small value claims.	10		
48	The business community is aware of the existence of small claims courts.	5		
49	The procedures for the filing a claim in small claims court are easy to understand and fees to do so are reasonable.	5		
<b>Mediation</b>		<b>35</b>	<b>0</b>	<b>0%</b>
50	Courts and trade associations provide mediation as a means of alternative dispute resolution for commercial disputes.	10		
51	The business community uses mediation as an alternative means of resolving commercial disputes.	5		
52	The manner in which mediation is conducted and mediation agreements are enforced is governed by the relevant framework laws, regulations, or a uniform or model act concerning alternative dispute resolution generally or mediation specifically.	10		
53	There is an adequate supply of professional mediators available to help resolve commercial disputes who possess relevant knowledge and experience relating to commercial disputes (e.g., experience with business, law, dispute resolution).	10		
<b>TOTAL IMPLEMENTING INSTITUTIONS: COMMERCIAL DISPUTE RESOLUTION</b>		<b>605</b>	<b>0</b>	<b>0%</b>

<b>E.3</b>	<b>SUPPORTING INSTITUTIONS: COMMERCIAL DISPUTE RESOLUTION</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
	<b>Bailiffs (or other institution responsible for enforcing court judgments).</b>	<b>105</b>	<b>0</b>	<b>0%</b>
1	The institution responsible for enforcing court judgments, often the "Bailiff's office," is vested with clear authority from the courts (or ministry of justice) for enforcing court judgments.	10		
2	The bailiff's office has adequate staffing to enforce judgments arising from commercial disputes.	10		
3	Bailiffs enforce judgments in a consistent and fair manner.	10		
4	The procedures for court enforcement of a judgment are clearly outlined in the relevant law or in court procedure	10		
5	The cost of enforcing a judgment is minimal so as to encourage parties to enforce judgments.	5		
6	The measures by which a bailiff may enforce judgments are clearly outlined in the relevant law or in court procedures (e.g., freezing assets, seizing property, garnishing wages, etc.).	10		
7	Bailiffs execute judgments in accordance with the law and in a peaceable manner.	10		
8	Bailiffs receive adequate training in order to perform their duties.	10		
9	Bailiffs are familiar with their duties and responsibilities as set forth by law or regulation.	10		
10	Bailiffs are subject to licensing or another type of credentialing process.	10		
11	The business community perceives the institution of the bailiff to be a reliable and effective at enforcing judgments.	5		
12	Bailiffs have a professional membership organization that provides educational and training opportunities to its members.	5		
	<b>Attorneys/Legal Profession/Bar Associations</b>	<b>90</b>	<b>0</b>	<b>0%</b>
13	There is an established bar association that includes lawyers who represent the business community in commercial disputes.	10		
14	The business community believes that there are an adequate number of lawyers who have an expertise in commercial dispute resolution.	5		
15	Lawyers' associations have specialized groups related to commercial law and/or commercial dispute resolution.	5		
16	Lawyers' associations hold continuing legal education and training programs to educate members about commercial legal developments and commercial dispute resolution.	10		
17	Lawyers' associations hold continuing legal education and training programs to educate members about alternative dispute resolution including arbitration	10		
18	Law school curricula include components on commercial law and different means of commercial dispute resolution.	10		
19	Professors have published academic treatises books or practice commentary on commercial law (including the civil code and the different means of commercial dispute resolution):	10		
20	There is an adequate supply of attorneys who can represent:			
	a. small and medium size enterprises;	5		
	b. larger domestic enterprises;	5		
	c. multinational enterprises; and	5		

	d. sole proprietors.	5		
21	The business community finds it relatively easy to retain an attorney for commercial dispute resolution.	10		
<b>Trade and Special Interest Groups</b>		<b>40</b>	<b>0</b>	<b>0%</b>
22	Trade and industry associations provide information to members about commercial litigation, arbitration and legal representation in contract disputes.	10		
23	Trade and industry associations educate their members about the various methods of resolving commercial disputes including litigation, meditation, arbitration, and self-enforcement of contracts.	10		
24	Trade and industry associations provide lists of attorneys or law firms that can provide assistance to their members.	5		
25	Trade and industry associations publish pamphlets, books or other publications that provide members with a basic overview of commercial/business law.	5		
26	Trade and industry associations (e.g., bankers associations, securities brokers associations, chambers of commerce) offer alternative dispute resolution services for their members (e.g., have an internal mediation or arbitration scheme).	5		
27	Foreign investor associations provide input to policymakers and other trade associations with respect to international standards in commercial dispute resolution (including arbitration).	5		
<b>Specialized Services</b>		<b>25</b>	<b>0</b>	<b>0%</b>
28	An experienced group of commercial arbitrators and mediators is developing within the jurisdiction.	10		
29	Specialized legal publishers have published material such as form books or practice commentary on the various aspects of commercial dispute resolution, including contracts litigation, administration law and practice, and commercial arbitration.	5		
30	Specialized publishers circulate periodicals that report regularly and accurately on matters relating to civil litigation and commercial dispute resolution in order to give the business community and the public a better understanding of commercial matters.	5		
31	Specialized services have developed to help creditors trace debtor's assets to assist with enforcement of judgments.	5		
<b>TOTAL SUPPORTING INSTITUTIONS: COMMERCIAL DISPUTE RESOLUTION</b>		<b>260</b>	<b>0</b>	<b>0%</b>

<b>E.4</b>	<b>SOCIAL DYNAMICS: COMMERCIAL DISPUTE RESOLUTION</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Market for Improved Laws -Total</b>		<b>275</b>	<b>0</b>	<b>0%</b>
<b>Demand for Improved Laws - Total</b>		<b>125</b>	<b>0</b>	<b>0%</b>
<b>Demand for Improved Laws - Government</b>		<b>35</b>	<b>0</b>	<b>0%</b>
1	High level government officials are knowledgeable of and have taken tangible steps to improve the efficiency of commercial dispute resolution in each of the following:			
	a. legislature;	5		
	b. ministry of justice; and	5		
	c. the courts.	5		
2	International financial institutions and donor agencies provide assistance to or condition loans upon reform of the courts in their capacity to adjudicate contract disputes.	10		
3	International financial institutions and donor agencies insist on the use of international commercial arbitration as a means of resolving contract disputes with the government.	10		
<b>Demand for Improved Laws - Private Sector</b>		<b>90</b>	<b>0</b>	<b>0%</b>
4	Trade and industry associations:			
	a. have specialized sections or committees focused on commercial litigation and alternative dispute resolution including commercial arbitration;	5		
	b. have established formal mechanisms with policy makers for providing input and feedback on commercial litigation, and alternative dispute resolution including commercial arbitration;	10		
	c. regularly provide substantive input and feedback (including studies, statistics, research documents) in support of adopting international harmonized standards for on commercial litigation, and alternative dispute resolution including commercial arbitration;	10		
	d. regularly provide comment on draft laws, regulations, and suggested amendments to lawmakers on commercial litigation or arbitration related issues; and	10		
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of commercial litigation, and alternative dispute resolution including commercial arbitration.	5		
	f. have sought to develop industry-specific means of commercial dispute resolution, such as specially trained mediators or arbitrators who have a high-level understanding of the subject matter.	5		
5	Associations of foreign investors (including bi-lateral chambers of commerce) lobby for the adoption of international norms and standards for:			
	a. commercial litigation (e.g., rules governing forum selection, choice of law, jurisdiction, service of process); and	5		
	b. commercial arbitration.	5		
6	Bar associations:			
	a. have specialized sections or committee dedicated to commercial litigation and arbitration;	5		
	b. have established formal mechanisms with policy makers for providing input on commercial litigation and arbitration issues;	10		

	c. regularly provide comment on draft laws, regulations, suggested amendments and similar inputs to lawmakers on commercial litigation and arbitration issues; and	10		
	d. conduct programs and events for their members and the general public to promote better understanding and the needs and benefits of commercial litigation and commercial arbitration.	5		
7	Law school faculty or other qualified members of academia regularly publish commentary or speak on needed developments, recent decisions, or draft laws and regulations in the field of commercial dispute resolution.	5		
<b>Supply of Improved Laws - Total</b>		<b>150</b>	<b>0</b>	<b>0%</b>
<b>Supply of Improved Laws - Government</b>		<b>80</b>	<b>0</b>	<b>0%</b>
8	The government has created an environment generally supportive of efficient commercial dispute resolution, including:			
	a. implementation of an ongoing plan of improved court/judicial efficiency with respect to civil procedure, administrative law and procedure, as well as resources for judicial and court reform;	10		
	b. active anti-corruption initiatives to combat corrupt practices involving government ministries involved in commercial/economic activity; and	10		
	c. enactment of legislation to support use of alternative dispute resolution as an alternative to commercial litigation.	10		
9	The government (through a specialized unit or the Ministry of Justice) has the technical capacity to draft laws and regulations necessary for more efficient commercial dispute resolution.	10		
10	The government provides for meaningful private sector participation in the legal reform process regarding commercial dispute resolution by:			
	a. publishing laws, regulations, instructions, rules of procedure available to the business community or other end users; and	10		
	b. providing the business and legal communities with meaningful notice and opportunity to comment on draft laws, legislative amendments, or implementing regulations affecting commercial dispute resolution throughout the legislative and rule-making process.	10		
11	Formal mechanisms for soliciting input from the business and professional community for formulating and amending commercial dispute resolution policy (or related policies dealing with commercial and business laws) (e.g., through consultative groups, business dialogues or roundtables, working groups, expert committees):			
	a. have been established and are actively used by the government; and	10		
	b. according to the business and professional communities, are generally satisfying private sector demand for input.	10		
<b>Supply of Improved Laws - Private Sector</b>		<b>70</b>	<b>0</b>	<b>0%</b>
12	The business and professional communities perceive the legal and regulatory environment for commercial litigation and administrative dispute resolution (for commercial disputes between business entities and the government) generally to be:			
	a. stable, as evidenced by infrequent changes and/or a lack of conflicting laws and regulations;	10		
	b. predictable, evidenced by relative consistency in interpretation and enforcement of major laws and regulations; and	10		
	c. transparent in that equal treatment is generally accorded for the parties in dispute.	10		

13	The business and professional communities perceive the laws and regulations issued by the government and affecting commercial litigation and administrative dispute resolution (for commercial disputes between business entities and the government) to be relatively:			
	a. precise in that they can be generally read and understood by a businessperson (or end user) and provide adequate indication of what is required under the law;	10		
	b. complete in that they address the main needs of the business community and do not contain significant gaps or ambiguities; and	10		
	c. responsive to their needs as reflected in favorable (e.g., pro-business) policy measures.	10		
14	The business and professional communities generally feel that they have a meaningful role to play in shaping policy in the area of commercial dispute resolution.	10		
<b>Market for Effective Implementing Institutions - Total</b>		<b>340</b>	<b>0</b>	<b>0%</b>
<b>Demand for Effective Implementing Institutions - Total</b>		<b>115</b>	<b>0</b>	<b>0%</b>
<b>Demand for Effective Implementing Institutions - Government</b>		<b>60</b>	<b>0</b>	<b>0%</b>
15	One or more high level government officials with responsibility for implementation is knowledgeable of and works for the cause of more efficient and effective provision of services by the courts.	10		
16	The highest court that deals with commercial disputes (e.g., the Supreme Court) is committed to improving services and responsiveness to commercial litigants.	10		
17	The highest court that deals with commercial disputes is committed to reviewing the performance of the judiciary and to dealing with any problems that may arise related to malfeasance, corruption or breach of any code of ethics.	10		
18	A formal mechanism exists for reviewing the performance and effectiveness of the judicial system on a regular basis (at least annually).	10		
19	The government (or the courts) maintains statistics concerning commercial disputes, such as data on different types of economic disputes, the number of cases that settle before being formally adjudicated, and enforcement and execution of judgments, and makes these statistics available to the public.	10		
20	International lending institutions and donor agencies have instituted assistance programs with the government to upgrade and improve the courts and the judiciary, administrative tribunals, commercial arbitration services and those charged with enforcement of decisions.	10		
<b>Demand for Effective Implementing Institutions - Private Sector</b>		<b>55</b>	<b>0</b>	<b>0%</b>
21	The business community understands and uses courts' commercial dispute resolution mechanisms.	10		
22	Trade and industry associations actively pressure the courts to improve their services.	5		
23	The business community utilizes the following mechanisms as an alternative to resolving commercial disputes in the courts:			
	a. relational contracting (i.e., business entities contract with parties with whom they have a prior relationship or affiliation);	5		
	b. use of self-enforcing contracts (e.g., creditors requiring prepayment for goods and services, letters of credit, barter);	5		

	c. third party or reputation enforcement (i.e., alerting other business parties or business community when a counter party to contract has failed to perform or breached a contract);	5		
	d. informal settlement between parties; and	5		
	e. alternative dispute resolution (mediation or arbitration).	5		
24	The business community regularly uses commercial arbitration or other forms of alternative dispute resolution to resolve disputes.	10		
25	The business community regularly challenges government decisions concerning economic activities before administrative tribunals.	5		
<b>Supply of Effective Implementing Institutions - Total</b>		<b>225</b>	<b>0</b>	<b>0%</b>
<b>Supply of Effective Implementing Institutions - Government</b>		<b>75</b>	<b>0</b>	<b>0%</b>
26	The courts and administrative tribunals maintain:			
	a. an internal organizational and accountability plan, reviewed regularly, for improving and evaluating the administration of justice with respect to commercial or economic disputes;	5		
	b. an external system of accountability for its performance to the government institution responsible for court oversight; and	5		
	c. a mechanism for obtaining feedback from end users about the cost and quality of services.	5		
27	The courts are engaged in active efforts to:			
	a. improve the case management and court record keeping processes; and	5		
	b. provide end users with a user-friendly system for filing claims and commencing cases.	5		
28	The judiciary is engaged in active efforts to train and educate judges concerning changes in commercial laws and commercial dispute resolution.	10		
29	Courts and administrative tribunals make all regulations, forms, applications, and rules of procedure available to litigants and the public.	10		
30	Courts and administrative tribunals provide a written basis for all decisions made, based on existing, published laws.	10		
31	Administrative tribunals are engaged in active efforts to:			
	a. ensure end users that the process for filing and administrative claim is simple and easy;	5		
	b. educate the public of their right to challenge a government decision through use of an administrative hearing or adjudication;	5		
	c. ensure that disputes involving government related decisions are resolved in a timely fashion, in accordance with mandated time frames; and	5		
	d. ensure that end users are ware of any rights of appeal that they may have to another tribunal or to a court.	5		
<b>Supply of Effective Implementing Institutions - Private Sector</b>		<b>150</b>	<b>0</b>	<b>0%</b>
32	The business community feels that the manner in which the courts resolve commercial disputes are:			
	a. transparent, unbiased, in accordance with law, and predictable for similar facts and circumstances;	10		
	b. reasonably speedy, efficient, and understandable (i.e., the number of steps or procedures required is not cumbersome); and	10		
	c. generally supportive of a market economy.	10		
33	The legal community feels that the manner in which the courts resolve commercial disputes are:			
	a. transparent, unbiased, in accordance with law, and predictable for similar facts and circumstances;	10		

	b. reasonably speedy, efficient, and understandable (i.e., the number of steps or procedures required is not cumbersome); and	10		
	c. generally supportive of a market economy.	10		
34	Business entities that are litigants feel that they have adequate opportunity to provide feedback to the courts and the judiciary on their performance, either directly to the courts or through a trade or professional organization which regularly communicates with the courts.	10		
35	The business and professional communities feel that the courts are doing an adequate job of disseminating information and decisions relating to major commercial (economic) cases.	10		
36	In subject matters where the courts are not considered adequate, the private sector offers competing or replacement dispute resolution services to fill the gap.	10		
37	The business community feels that the manner in which administrative tribunals resolve commercial disputes involving a government entity is:			
	a. transparent, unbiased, in accordance with law, and predictable for similar facts and circumstances;	10		
	b. reasonably speedy, efficient, and understandable (i.e., the number of steps or procedures required is not cumbersome); and	10		
	c. generally supportive of a market economy.	10		
38	The legal community feels that the manner in which administrative tribunals resolve commercial disputes involving a government entity is:			
	a. transparent, unbiased, in accordance with law, and predictable for similar facts and circumstances;	10		
	b. reasonably in its fees, speedy, efficient, and understandable (i.e., the number of steps or procedures required is not cumbersome); and	10		
	c. generally supportive of a market economy.	10		
<b>Market for Efficient Supporting Institutions</b>		<b>70</b>	<b>0</b>	<b>0%</b>
<b>Demand for Effective Supporting Institutions - Total</b>		<b>25</b>	<b>0</b>	<b>0%</b>
<b>Demand for Effective Supporting Institutions - Government</b>		<b>20</b>	<b>0</b>	<b>0%</b>
39	The government is actively involved in advocating reform of the process for enforcing judgments including reform of the entity tasked with enforcing court judgments, often called the "bailiff."	10		
40	The government monitors and as assists as needed with the with proper enforcement of administrative awards and decisions by the relevant government ministries.	10		
<b>Demand for Effective Supporting Institutions - Private Sector</b>		<b>5</b>	<b>0</b>	<b>0%</b>
41	The business community perceives a need for reform in the procedures for enforcing judgments and administrative awards.	5		
<b>Supply of Effective Supporting Institutions - Total</b>		<b>45</b>	<b>0</b>	<b>0%</b>
<b>Supply of Effective Supporting Institutions - Government</b>		<b>25</b>	<b>0</b>	<b>0%</b>
42	The entities tasked with enforcing court judgments, or "bailiffs," are actively trying to:			
	a. improve the timing/speed with which judgments are enforced;	5		
	b. make the enforcement process more efficient (less cumbersome);	5		
	c. enforce court judgments in a way that maximizes monetary recovery and minimizes the chance of debtor default or wasting of assets;	5		
	d. secure additional resources to provide more efficient service; and	5		
	e. provide training and ongoing assessment of staff performance.	5		
<b>Supply of Effective Supporting Institutions - Private Sector</b>		<b>20</b>	<b>0</b>	<b>0%</b>
43	The business community generally considers that bailiffs:			
	a. are adequately staffed and trained to provide efficient service;	5		

	b. enforce judgments in a fair, transparent, and timely manner (i.e., free of corruption);	5		
44	The private sector is developing as, or is already considered, a source of qualified mediators and arbiters.	5		
45	The private sector has legitimate means to enforce or assist in the enforcement of decisions made through (both public and private) commercial dispute resolution, such as collection agencies.	5		
<b>SUB-TOTAL -- DEMAND</b>		<b>265</b>	<b>0</b>	<b>0%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>420</b>	<b>0</b>	<b>0%</b>
<b>TOTAL SOCIAL DYNAMICS: COMMERCIAL DISPUTE RESOLUTION</b>		<b>685</b>	<b>0</b>	<b>0%</b>

<b>F.1</b>	<b>LEGAL FRAMEWORK: BANKRUPTCY</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Bankruptcy Law</b>		<b>90</b>	<b>37</b>	<b>41%</b>
1	A nationally applicable bankruptcy law is in force	10	5	
2	No direct conflict exists between the bankruptcy law and related laws concerning secured transactions and collateral.	10	5	
3	The law provides an efficient balance among stakeholders in controlling the process (e.g., secured lenders, unsecured lenders, the debtor, employees, the government and shareholders).	10	4	
4	The bankruptcy law does not make a distinction between foreign creditors/debtors and domestic parties.	5	5	
5	The role of the courts or implementing institutions is clearly defined in the bankruptcy law.	10	5	
6	The assets that are subject to the bankruptcy law and those that are excluded are clearly defined.	10	4	
7	The law does not treat for-profit and non-for-profit entities differently for the purposes of bankruptcy.	5	0	
8	The following persons are within the scope of the bankruptcy law:			
	a. natural persons;	5	0	
	b. legal persons; and	5	5	
	c. state-owned or controlled enterprises.	5	0	
9	The laws regarding bankruptcy or other legislation deals with insolvency of financial institutions.	5	0	
10	Prior indebtedness can be expunged through operation of the bankruptcy law.	10	4	
<b>Commencement of Proceedings and the Filing of Claims</b>		<b>115</b>	<b>81</b>	<b>70%</b>
11	The triggering events for initiating bankruptcy proceedings are clearly defined.	10	5	
12	The bankruptcy law primarily employs a liquidity/cash flow standard for insolvency (insolvency is triggered when the debtor is unable to meet its liabilities as they fall due).	5	5	
13	The bankruptcy law also recognizes a balance-sheet test as a trigger criterion.	5	3	
14	The bankruptcy law places an obligation on the debtor to initiate proceedings when insolvent.	10	3	
15	The bankruptcy law or related legislation also provides sanctions if the debtor fails to initiate proceedings when insolvent.	5	3	
16	A governmental agency (public prosecutor's office or, for regulated entities like financial institutions, the relevant regulatory agency) has the right to initiate proceedings.	10	5	
17	The law limits the discretion of the courts or other implementing institution in deciding whether to commence bankruptcy proceedings.	5	5	
18	A bankruptcy proceeding starts with the filing of an insolvency petition.	5	5	
19	The law protects debtors against creditors filing specious or abusive petitions that could result in harm to the debtor enterprise.	5	4	
20	The bankruptcy law clearly defines a "claim."	10	5	
21	The claims determination procedure:			
	a. is open to all creditors and does not impose additional costs for filing of claims;	5	5	
	b. establishes clear order and priority for claims;	10	5	
	c. provides sufficient data that allows for the identification of the property of the debtor and the legal successor; and	5	5	

	d. provides for identification of the debtor's secured transactions.	5	5	
22	The creditor has the right to set-off mature claims against the debtor that arose before the filing of the petition.	5	5	
23	If secured creditors are involved, the collateral is valued at the time of the opening of the proceedings.	5	3	
24	The secured creditor can request a release of the collateral if it is not adequately protected.	5	5	
25	The part of a secured claim not recovered through the sale of the collateral is recognized as an unsecured claim.	5	5	
<b>Reorganization</b>		<b>60</b>	<b>37</b>	<b>62%</b>
26	The laws regarding bankruptcy allow for reorganization whereby a majority of the creditors can reach a settlement with the debtor that is binding on all creditors.	10	5	
27	The laws regarding bankruptcy encourage reorganization of companies whose liquidation value is less than the value of the going concern.	10	5	
28	The laws regarding bankruptcy allow for debt forgiveness in reorganization situations.	5	5	
29	No more than a two-thirds majority vote of the shareholders is required for approval of a reorganization plan.	5	5	
30	The voting requirements for creditor approval of a reorganization proposal are defined in the bankruptcy laws.	5	5	
31	The laws regarding bankruptcy provide for a stay of legal proceedings by all creditors during a reorganization.	10	5	
32	The laws regarding bankruptcy require an expert opinion regarding the feasibility of a reorganization plan.	5	2	
33	The bankruptcy law provides for the concept of a "debtor in possession", where the debtor continues to operate the enterprise on a day-to-day basis, but under close supervision of a bankruptcy administrator ("Administrator").	10	5	
<b>Liquidation</b>		<b>205</b>	<b>137</b>	<b>67%</b>
34	The bankruptcy law provides for the appointment of an Administrator (e.g., liquidator or trustee) during liquidation proceedings.	10	5	
35	The role of the Administrator is clearly defined in the bankruptcy law.	10	4	
36	The duties of the Administrator include the authority to:			
	a. investigate the debtor's financial affairs;	5	5	
	b. verify the claims of all creditors;	5	5	
	c. dispose of the assets through liquidation;	10	5	
	d. distribute proceeds of a liquidation;	5	5	
	e. review suspect transactions and challenge them;	10	5	
	f. reject or assume pre-insolvency contracts, so long as the contract has not been fully or substantially executed by the parties involved;	5	5	
	g. assign contractual rights, even in the case of a contractual "non-assignment" clause; and	5	5	
	h. take on all rights of the directors and the role of the management of the debtor.	10	4	
37	The bankruptcy law or related legislation requires Administrators to have special qualifications (e.g., license, experience as an accountant or financial professional).	5	2	
38	Creditors have a right to propose and recommend an Administrator.	5	5	
39	The courts have the authority to formally appoint and monitor the work of the Administrator.	5	5	
40	Creditors, either through a credit committee or collectively during a creditor's meeting, have the right to dismiss and replace the court-appointed Administrator with its own appointee.	5	5	

41	The Administrator can be held liable and disqualified in the event that he breaches his fiduciary duties.	10	5	
42	There is a specific government body which regulates Administrators.	5	0	
43	The law creates a presumption that certain transactions between a debtor and third parties are reviewable and voidable including:			
	a. transactions between related parties (i.e., not at arm's length);	10	5	
	b. below fair (market) value; and	10	5	
	c. anticipatory or fraudulent transfers.	10	5	
44	The exclusion period for voidable transfers is defined to be six months or more.	5	2	
45	Secured claims have first priority during bankruptcy proceedings (even over the cost of proceedings, government taxes, employee wages).	10	5	
46	The following transactions are protected from interference by the Administrator or the court:			
	a. transactions concluded in the normal course of business prior to the filing of the petition.	5	5	
	b. asset transfers made prior to the filing of the petition and in exchange for consideration equal to the fair market value of the asset transferred.	5	5	
47	Directors or management of the company may be held liable for:			
	a. continuing to do business before a company is declared legally insolvent if they have knowledge that the company has no reasonable prospect of meeting its obligations;	5	5	
	b. providing false or inaccurate information to the Administrator or creditors; and	5	5	
	c. permitting reviewable or voidable transactions.	10	5	
48	The Administrator has the power to sell and dispose of the debtor's assets without court approval in most cases.	5	5	
49	The bankruptcy law protects a foreign currency creditor against inflation when it provides for conversion of the debt into local currency.	5	5	
50	The bankruptcy law provides for:			
	a. a public auction; and	5	5	
	b. a private sale of assets in the case of liquidation of the debtor enterprises.	5	5	
<b>TOTAL FOR BANKRUPTCY -- LEGAL FRAMEWORK</b>		<b>470</b>	<b>292</b>	<b>62%</b>

<b>F.2</b>	<b>IMPLEMENTING INSTITUTION: BANKRUPTCY</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Courts: Organization</b>		<b>55</b>	<b>38</b>	<b>69%</b>
1	The laws establishing implementing institutions in bankruptcy proceedings:			
	a. clearly identify the which courts are responsible for overseeing bankruptcy cases;	5	5	
	b. clearly define jurisdiction; and	5	5	
	c. define relevant procedures for judicial oversight of bankruptcy proceedings.	5	5	
2	The Bankruptcy Court, or other institution responsible for the implementation of the bankruptcy law, has the following characteristics:			
	a. a clearly defined mandate to implement the bankruptcy law;	5	5	
	b. sufficient staffing to carry out its mandate;	5	5	
	c. sufficient authority and support to carry out its mandate, including clear policy statements and support from the government;	5	2	
	d. sufficient funding through the state budget, fees collected, or a combination of both to maintain its equipment and services; and	5	4	
	e. detailed internal regulations and operating procedures; and	5	1	
	f. an active staff training and development program utilizing appropriate training materials, guidebooks or procedural manuals to improve staff competency and service.	5	3	
3	There is a general consistency in the understanding of the role of the Bankruptcy Courts among the government, the courts and end users (creditors, shareholders, management).	5	3	
4	The Bankruptcy Courts maintain an active web site that includes contact information, bankruptcy filing requirements, and related legal materials.	5	0	
<b>Courts: Operations</b>		<b>155</b>	<b>42</b>	<b>27%</b>
5	Bankruptcy Courts are established and operating effectively with respect to :			
	a. commencement of bankruptcy proceedings; and	10	1	
	b. closure of liquidation proceedings.	10	0	
6	Judges who oversee bankruptcy cases:			
	a. are knowledgeable about the bankruptcy law; and	5	5	
	b. have received enough training and experience to develop an expertise in bankruptcy procedures.	5	5	
7	The Bankruptcy Courts provide access (free or for a nominal fee) to copies of all procedures, relevant laws, government regulations, fee schedules and other relevant information concerning the commencement and completion of bankruptcy procedures.	n/a	0	
8	The procedures for the commencement and the closure of bankruptcy proceedings are easily understood,transparent and consistently applied.	10	3	
9	When rejecting a claim, the Bankruptcy Courts provide a written explanation based on published laws and regulations.	10	0	

10	Creditors and the debtors perceive the Bankruptcy Courts as effective in overseeing reorganization proceedings and settlement discussions between the parties.	10	0	
11	The business community perceives the Bankruptcy Courts and the judiciary as interpreting the bankruptcy law in a consistent manner.	10	1	
12	Judges and court personnel receive training and continuing education concerning implementation of the bankruptcy law.	5	5	
13	The business community considers the Bankruptcy Courts as knowledgeable about bankruptcy law.	5	4	
14	The business community does not perceive of delays or backlog in bankruptcy proceedings as a problem.	5	1	
15	The business community believes that the assessment of claims is done in a fair and transparent manner, and consistent with regulations.	10	2	
16	The Bankruptcy Courts have used their enforcement powers effectively with respect to:			
	a. debtors who have not filed for bankruptcy as required by the bankruptcy law;	5	0	
	b. management of the company for activities done in violation of the bankruptcy law; and	5	0	
	c. administrators who have violate relevant provisions of the bankruptcy law or other ancillary regulations.	5	0	
17	The business community generally perceives that the sale of assets is done in a fair and transparent manner, and consistent with regulations.	10	1	
18	The Bankruptcy Courts provide sufficient salaries to attract and retain qualified bankruptcy judges.	5	5	
19	The costs associated with bankruptcy proceedings (e.g., courts costs and the Administrator's fees) are not a disincentive for creditors to file a bankruptcy petition with the Court.	5	5	
20	The bankruptcy filing system is computerized.	5	3	
21	The Bankruptcy Courts maintain and publish reports of bankruptcy decisions and make these readily available to the public.	10	0	
22	The Bankruptcy Courts provide reasonable access to bankruptcy records, including petitions and claims.	5	1	
23	The Bankruptcy Courts collect data on bankruptcy proceedings and make the information readily available to end users.	5	0	
<b>Administrators: Organization</b>		<b>45</b>	<b>36</b>	<b>80%</b>
24	The laws establishing Administrators as an implementing institution for reorganization and liquidation proceedings:			
	a. clearly identify Administrators as an institution for directly overseeing reorganization and liquidation procedures;	5	5	
	b. provide a clear explanation of the powers and authorities of the Administrator;	5	5	
	c. define relevant procedures for the appointment of Administrators (by the Bankruptcy Courts or creditors); and	5	5	
	d. designate a primary government body or the Bankruptcy Courts as the entity responsible for monitoring and regulating Administrators.	5	5	
25	Administrators (as an institutional grouping) have the following characteristics:			

	a. a clearly defined mandate to oversee the reorganization or liquidation of an insolvent entity;	5	5	
	b. sufficient staffing to carry out their mandate;	5	4	
	c. sufficient authority and support to carry out their mandate; and	5	3	
	d. sufficient funding, through the state budget, fees, collected or a combination of both, to maintain its services.	5	2	
26	There is a general consistency in the understanding of the role of Administrators among the government, the Bankruptcy Courts, the Administrators and end users (creditors, shareholders, management).	5	2	
<b>Administrator: Operations</b>		<b>65</b>	<b>19</b>	<b>29%</b>
27	There is a sufficient number of qualified Administrators available for appointment during bankruptcy proceedings.	5	3	
28	There is a growing number of qualified Administrators who have previous experience or relevant expertise and credentials.	5	0	
29	The business community perceives Administrators as fair and efficient in the fulfillment of their duties.	10	1	
30	Generally, Administrators have used their powers effectively to:			
	a. investigate the debtor's financial affairs;	5	1	
	b. verify the claims of all creditors;	5	1	
	c. dispose of assets in a liquidation proceeding;	5	2	
	d. distribute the proceeds of a liquidation proceeding;	5	1	
	e. review suspect transactions and challenge them;	5	1	
	f. reject or assume pre-insolvency contracts;	5	1	
	g. assign contractual rights;	5	1	
	h. take on the role of directors and management of the debtor; and	5	2	
	i. sell the debtor's property in a public auction or judicial proceeding.	5	5	
<b>TOTAL FOR BANKRUPTCY -- IMPLEMENTING INSTITUTIONS</b>		<b>320</b>	<b>135</b>	<b>42%</b>

<b>F.3</b>	<b>SUPPORTING INSTITUTIONS: BANKRUPTCY</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Government Entities</b>		<b>55</b>	<b>9</b>	<b>16%</b>
1	The business community perceives that enforcement agents (e.g., bailiffs) possess adequate authority to execute judgments against the debtor estate.	5	1	
2	The business community perceives that enforcement agents (e.g., bailiffs) are effective in enforcing judgments against the bankrupt party's property.	10	1	
3	The supply of qualified notaries is sufficient to meet the business community's demand with respect bankruptcy filings.	5	0	
4	Creditors do not generally resort to extra-legal enforcement mechanisms to enforce their interest in a debtor's property.	10	3	
5	A Prosecutor initiates bankruptcy proceedings against debtors.	5	0	
6	Courts and/or company registries maintain readily accessible-to-date public records on bankruptcy, judgments and other issues relating to bankruptcy and creditworthiness of natural and legal persons.	10	2	
7	The Collateral Registrar maintains records that are easily accessible concerning pledges on a debtor's estate.	10	2	
<b>Professional Associations</b>		<b>30</b>	<b>10</b>	<b>33%</b>
8	Professional associations, including associations for accountants, lawyers and bankers, support bankruptcy law development by proposing changes and refinements to the bankruptcy law and related commercial laws.	5	5	
9	Lawyers' associations engage in legal education and training programs for members of the bar concerning the bankruptcy law and related legislation.	5	2	
10	Accountants apply generally accepted accounting principles (GAAP) or other internationally- recognized standards and norms to asset valuations of insolvent economic entities.	5	3	
11	Lawyers' associations have specialized groups to advocate on behalf of bankruptcy law issues.	5	0	
12	Administrators (liquidators, trustees) have formed a professional or trade association.	10	0	
<b>Specialized Services</b>		<b>80</b>	<b>17</b>	<b>21%</b>

13	The practice of bankruptcy law is emerging as a specialized practice of law among law firms and individual practitioners.	10	0
14	Filing and registration services available through banks and other private-sector service providers are considered adequate and reasonably priced.	10	0
15	Seminars and conferences on bankruptcy law and procedure are available and are conducted on a for-pay basis (i.e., not funded by foreign donor agencies).	5	0
16	Appraisal or accounting firms are perceived by the business community as providing fair valuation of debtor assets.	10	3
17	Appraisal firms use GAAP or IAS, or some other internationally recognizable standard when providing appraisal of the value of debtor assets.	5	1
18	Universities (law faculties, business schools) increasingly deal with issues of bankruptcy in support of the development of a market economy.	10	1
19	Professors have published academic treatises or interpretations of bankruptcy law to provide courts and lawyers with guidance in implementing the law.	5	2
20	Management consultants provide services to the management of debtor companies with respect to reorganization and exist strategies (pre insolvency as well as during reorganization).	5	3
21	If private repossession of collateral is permitted, private enforcement agents (repossession companies) are actively involved in repossessing property.	10	0
22	Private repossession companies follow the relevant legal procedures and are perceived as fair in their enforcement of creditors' rights as balanced against the rights of the debtor.	10	0
23	Trade and industry associations have affiliations with international organizations and are involved in the harmonization of bankruptcy law and practice with international standards.	10	0
24	Foreign investor associations provide input to policy makers and other trade associations on international standards in bankruptcy.	10	3
25	The media sufficiently reports bankruptcy cases and court decisions.	10	0
26	Trade and industry associates are informed about technological developments as they relate to bankruptcy and commercial law and have advocated new commercial practices and reforms to existing law to accommodate changes (e.g., electronic filing of petition)	10	1

27	Bankers' associations and other credit institutions remain actually involved in promoting the interest of secured creditors by advocating reform of bankruptcy legislation.	5	3	
28	General private sector confidence in bankruptcy law environment is demonstrated by consistent use of bankruptcy procedures when necessary (rather than looking for some extra-judicial or informal procedures for debt recovery).	10	0	
<b>TOTAL SUPPORTING INSTITUTIONS: BANKRUPTCY</b>		<b>165</b>	<b>36</b>	<b>22%</b>

F.4	SOCIAL DYNAMICS: BANKRUPTCY	Ref.	Score	%
	<b>Market for Improved Laws</b>	<b>260</b>	<b>56</b>	<b>22%</b>
	<b>Demand for Improved Laws</b>	<b>60</b>	<b>18</b>	<b>30%</b>
	<b>Government</b>	<b>20</b>	<b>8</b>	<b>40%</b>
1	At least one high-level government official recognizes the need for, and works toward, bankruptcy reform in the legislature, responsible ministry and the courts.	10	4	
2	International lending institutions and donor agencies provide assistance to or condition loans upon reform of the bankruptcy law regime.	10	4	
	<b>Private Sector</b>	<b>40</b>	<b>10</b>	<b>25%</b>
3	Professional associations, trade and special interest groups:			
	a. have specialized sections or committees dedicated to bankruptcy law or policy issues;	5	1	
	b. have established formal mechanisms with policy makers for providing input and feedback on bankruptcy-related issues;	5	2	
	c. regularly provide substantive input and feedback (including draft laws and regulations, studies, statistics, policy documents, etc.) to policymakers on bankruptcy-related issues; and	5	1	
	d. conduct programs and events for their members and the general public to promote better understanding of the benefits of improved bankruptcy policies and practices.	5	2	
4	Financial institutions and other creditors actively lobby for improved bankruptcy laws and practices.	10	4	
5	Universities offer courses on bankruptcy-related issues that generally support compliance with international norms and best practices in bankruptcy.	10	0	
	<b>Supply of Improved Laws</b>	<b>150</b>	<b>38</b>	<b>25%</b>
	<b>Government</b>	<b>70</b>	<b>16</b>	<b>23%</b>
6	The government has created an environment generally supportive of improved bankruptcy law and practices, including:			
	a. clearly stated policies that government will not bail out creditors or debtors in bankruptcy situations; and	5	2	
	b. active initiatives to combat fraudulent transfers and other abuses of creditors' rights.	5	1	
7	The government (through a specialized unit or otherwise) has the technical capacity to draft laws and regulations necessary for improved bankruptcy laws.	10	4	
8	The Government provides for meaningful private sector participation in the legal reform process by:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available (e.g., in bookstores) to the business community or other end users;	10	1	
	b. providing the business community and the public with meaningful notice of, and opportunity to comment on, draft <i>laws or legislative amendments</i> affecting creditors' rights, insolvency and other bankruptcy issues:			
	1. before they are submitted for legislative approval; and	10	3	
	2. before they become effective.	10	1	
	c. providing the business community with meaningful notice of and opportunity to comment on draft <i>implementing regulations</i> :			
	1. before they are submitted for legislative approval; and	10	2	
	2. before they become effective.	10	2	

	<b>Private Sector</b>	<b>80</b>	<b>22</b>	<b>28%</b>
9	The business and professional communities perceive the bankruptcy legal and regulatory environment generally to be:			
	a. stable, as evidenced by:			
	1. infrequent changes to relevant laws and regulations, and	<b>5</b>	<b>4</b>	
	2. a relative lack of conflicting laws and regulations;	<b>5</b>	<b>1</b>	
	b. predictable, as evidenced by relative consistency in interpretation and enforcement of major laws and regulations; and	<b>10</b>	<b>2</b>	
	c. transparent, in that equal treatment is generally accorded for end users in similar positions and circumstances	<b>10</b>	<b>2</b>	
10	The business and professional communities perceive the bankruptcy laws and regulations to be relatively:			
	a. precise in that they can be generally read and understood by a bankruptcy professional and provide adequate indication of what is required thereunder;	<b>10</b>	<b>3</b>	
	b. complete in that they address the main needs of the business community and do not contain significant gaps; and	<b>10</b>	<b>1</b>	
	c. responsive to their needs as reflected in "favorable" (e.g., pro-business) policy measures.	<b>10</b>	<b>4</b>	
11	The business and professional communities generally feel that they have a meaningful role to play in shaping policy reform in area of bankruptcy.	<b>10</b>	<b>4</b>	
12	The business and professional communities generally feel that the state is effectively meeting basic needs for legal reform in the area of bankruptcy.	<b>10</b>	<b>1</b>	
	<b>Market for Effective Implementing Institutions</b>	<b>130</b>	<b>29</b>	<b>22%</b>
	<b>Demand for Effective Implementing Institutions</b>	<b>50</b>	<b>7</b>	<b>14%</b>
	<b>Government</b>	<b>30</b>	<b>4</b>	<b>13%</b>
13	At least one high-level government official responsible for implementation of the Bankruptcy law recognizes the need for and works toward the cause of more efficient and effective provision of services by the Bankruptcy Courts.	<b>10</b>	<b>1</b>	
14	The officials in charge of Bankruptcy Courts are committed to improving services and responsiveness to end-user needs.	<b>10</b>	<b>2</b>	
15	A formal mechanism exists for reviewing the performance and effectiveness of the Bankruptcy Courts and Administrators on a regular basis (at least annually).	<b>10</b>	<b>1</b>	
	<b>Private Sector</b>	<b>20</b>	<b>3</b>	<b>15%</b>
15	The business community regularly uses the services of the Bankruptcy Courts and Administrators.	<b>10</b>	<b>2</b>	
16	In service areas where the Bankruptcy Courts and Administrators are weak, the private sector offers competing or replacement services to fill the gap.	<b>10</b>	<b>1</b>	
	<b>Supply of Effective Implementing Institutions</b>	<b>80</b>	<b>22</b>	<b>28%</b>
	<b>Government</b>	<b>30</b>	<b>1</b>	<b>3%</b>
17	The Bankruptcy Courts actively utilize:			
	a. an internal plan, reviewed annually, for improving services provided to the private sector and government;	<b>5</b>	<b>0</b>	
	b. a system of accountability for its performance to the government institution responsible for its oversight; and	<b>5</b>	<b>0</b>	
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services.	<b>10</b>	<b>0</b>	
18	The Bankruptcy Courts make all regulations, forms, applications and other important documents and information available to end-users.	<b>10</b>	<b>1</b>	
	<b>Private Sector</b>	<b>50</b>	<b>21</b>	<b>42%</b>

The provision of services and execution of functions is considered satisfactory by the private sector in the following ways:				
19	End-users feel that the manner in which the Bankruptcy Courts and Administrators supply services are:			
	a. transparent;	5	1	
	b. non-discretionary;	5	2	
	c. non-discriminatory; and	5	2	
	d. reasonably priced.	5	5	
20	End-users feel that they have adequate opportunities to provide feed-back to the Bankruptcy Courts on their performance.	10	2	
21	The general business and professional communities consider decisions made by the Bankruptcy Courts to be:			
	a. predictable for similar facts and circumstances;	5	4	
	b. appropriate under existing law;	5	3	
	c. Understandable; and	5	1	
	d. generally supportive of international standards and best practices in bankruptcy law.	5	1	
<b>Market for Supporting Institutions</b>		<b>70</b>	<b>15</b>	<b>21%</b>
<b>Demand for Supporting Institutions</b>		<b>40</b>	<b>6</b>	<b>15%</b>
22	Private sector supporting institutions provide services needed for an effective bankruptcy system in each of the following sectors:			
	a. professional associations;	10	2	
	b. specialized services; and	10	2	
	c. trade and special interest groups.	10	2	
23	For specialized services, there are generally competing service providers.	10	0	
<b>Supply of Supporting Institutions</b>		<b>30</b>	<b>9</b>	<b>30%</b>
24	The business community generally considers the supporting institutions for subject matter area to be adequate in facilitating or supporting the implementation of the framework law in terms of:			
	a. number of institutions; and	10	2	
	b. quality of institutions.	10	2	
25	A sufficient mass of private sector associations supports an effective bankruptcy system counterbalance groups who lobby for bailouts and special privileges.	10	5	
<b>SUB-TOTAL -- DEMAND</b>		<b>150</b>	<b>31</b>	<b>21%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>260</b>	<b>69</b>	<b>27%</b>
<b>TOTAL SOCIAL DYNAMICS: BANKRUPTCY</b>		<b>410</b>	<b>100</b>	<b>24%</b>

G.1	LEGAL FRAMEWORK: COMPETITION	Ref.	Score	%
<b>Principal Definitions</b>		<b>105</b>	<b>43</b>	<b>41%</b>
1	The country has law dealing with competition in place.	10	5	
2	There exists functioning, transparent, and non-arbitrary processes for the issuance of regulations that laws on competition may require. Any clauses in the competition laws calling for additional regulations have been thoroughly addressed through regulations.	10	2	
3	The competition law clearly defines:			
	a. monopolies;	5	4	
	b. cartels;	5	2	
	c. general rules regarding prohibited practices, behavior and structures;	5	5	
	d. prohibited anti-competitive behavior by government entities; and	5	1	
	e. exceptions to otherwise prohibited behavior.	5	5	
4	The competition law specifically prohibits:			
	a. price-fixing;	10	4	
	b. bid-rigging;	10	1	
	c. customer allocation;	5	1	
	d. geographic allocation;	5	1	
	e. output restriction;	5	1	
	f. exclusive dealing contracts;	5	4	
	g. tying contracts; and	5	1	
	h. import and export cartels.	5	1	
5	The laws on competition distinguish between vertical and horizontal agreements.	5	3	
6	The laws on competition establish increased scrutiny level for vertical and horizontal mergers of firms with higher market shares.	5	2	
<b>Enforcement and Sanctions</b>		<b>70</b>	<b>16</b>	<b>23%</b>
7	The competition law provides rights for private parties as well as the government to seek termination of prohibited practices.	10	5	
8	The legal framework promotes consumer protection.	5	1	
9	Sanctions for violations of the law (e.g., civil penalties, criminal liability) are sufficient to compel compliance and are actively enforced.	10	4	
10	The competition law specifically permits break-up of privatized firms that abuse their historically dominant position or fail to adopt competitive practices within a few years of privatization.	10	1	
11	The legal framework permits prosecution of state bodies for anti-competitive acts.	5	1	

12	The competition law has clear and simple criteria for screening of proposed mergers and acquisitions.	10	1	
13	The competition law permits an efficiency exception for appropriate collaboration and mergers.	10	1	
14	The legal framework recognizes internationally accepted protections for intellectual property as an exception to anti-competitive practices.	10	2	
<b>Natural Monopolies</b>		<b>20</b>	<b>0</b>	<b>0%</b>
15	A legal structure exists for identifying and regulating natural monopolies.	10	0	
16	The legal framework establishes specialized supervision agencies for natural monopolies.	10	0	
<b>Government Practices</b>		<b>20</b>	<b>12</b>	<b>60%</b>
17	The legal framework restricts the right and capacity of central and local authorities to establish and support monopolies.	5	5	
18	The legal framework promotes open competition in government procurement.	5	2	
19	The overall legal framework does not create or permit unnecessary licensing or market entry restrictions favoring incumbents.	10	5	
<b>Definition of Implementing Institution</b>		<b>50</b>	<b>20</b>	<b>40%</b>
20	The law clearly defines:			
	a. the institution or institutions responsible for implementation of laws relating to investment, including foreign investment; and	10	2	
	b. the roles, responsibilities and operational procedures of each relevant institution.	10	4	
21	The law requires that the institution(s) render decisions relating to the laws on competition:			
	a. based on published laws, regulations and standards; and	10	4	
	b. through written documentation clearly setting forth the basis for the decision, in both law and fact.	10	5	
22	Law provides for judicial review of the decisions of the competition / anti-monopoly agency	10	5	
<b>TOTAL FOR LEGAL FRAMEWORK: COMPETITION</b>		<b>265</b>	<b>91</b>	<b>34%</b>

G.2	IMPLEMENTING INSTITUTIONS: COMPETITION	Ref.	Score	%
<b>Implementing Institution: Organization</b>		<b>75</b>	<b>30</b>	<b>40%</b>
1	Implementing institutions dealing with the laws on competition are established and operational.	10		
2	The institutions responsible for implementation of the competition laws have the following characteristics:			
	a. a clearly defined mandate to implement the competition law;	5	5	
	b. sufficient professional and administrative staffing to carry out its mandate;	5	3	
	c. sufficient authority and support to carry out its mandate, including clear policy statements and support from the government;	5	4	
	d. sufficient funding through state budget, fees collected, or a combination of both to maintain its equipment and services;	5	3	
	e. clearly delineated parameters and authority with respect to other government bodies whose actions and decisions directly affect competition policy and enforcement;	5	3	
	f. detailed internal regulations and operating procedures; and	5	1	
	g. an active staff training and development program utilizing appropriate training materials, guidebooks or procedural manuals to improve staff competency and service.	5	1	
3	There is general consistency in understanding the implementing institution's role and functions among the government, the implementing institution and the end users.	10	3	
4	The implementing agency has:			
	a. adopted a "customer-oriented" approach to fulfilling its mandate;	5	2	
	b. an active, current web site, including contact information and relevant legal materials;	5	0	
	c. access to economists with sufficient experience to provide appropriate economic analysis; and	5	1	
	d. access to statisticians with sufficient experience to provide appropriate statistical analysis.	5	1	
<b>Implementing Institution: Operations</b>		<b>70</b>	<b>24</b>	<b>34%</b>
5	The implementing institution has implemented formal mechanisms and procedures for receiving, evaluating and investigating private sector complaints of anti-competitive activity.	10	1	
6	The implementing institution maintains active contacts with counterpart organizations in other countries to ensure compliance with international standards.	5	2	
7	The implementing institution distributes (or makes available for a nominal fee) copies of all procedures, relevant laws, government regulations, fee schedules and other information its work and the implementation of competition policy.	10	2	
8	The implementing institution actively enforces competition law and policy.	10	3	
9	When enforcing the competition law, the implementing institution is perceived by the business community and consumers to operate:			
	a. consistently in accordance with published law governing its operations;	5	5	
	b. in a transparent manner;	5	2	
	c. in a non-discriminatory manner;	5	2	
	d. independently of inappropriate political influence; and	5	3	

	e. effectively.	5	2	
10	The implementing institution collects data or information relevant to the subject matter of its mandate and makes this information readily available to end users.	5	1	
11	The implementing institution has an effective public education program for both private sector and government counterpart groups, including periodic newsletters, programs and presentations.	5	1	
<b>Independent Regulators</b>		<b>45</b>	<b>0</b>	<b>0%</b>
12	A separate institution exists and is functioning for regulation of natural monopolies.	10	0	
13	In regulating natural monopolies, the regulator is perceived by the business community and consumers to operate:			
	a. consistently in accordance with published law governing its operations.	5	0	
	b. in a transparent manner.	5	0	
	c. in a non-discriminatory manner.	5	0	
	d. independently of inappropriate political influence.	5	0	
	e. effectively.	5	0	
14	The regulator is sufficiently funded and staffed to carry out its mandate.	10	0	
<b>Courts</b>		<b>10</b>	<b>1</b>	<b>10%</b>
15	Courts consistently adjudicate appeals involving the implementing institution and regulator in a transparent, impartial manner.	5	0	
16	Courts make decisions regarding competition issues independently, without regard to inappropriate political pressures or non-judicial considerations.	5	1	
<b>TOTAL IMPLEMENTING INSTITUTIONS: COMPETITION</b>		<b>200</b>	<b>55</b>	<b>28%</b>

G.3	SUPPORTING INSTITUTIONS: COMPETITION	Ref.	Score	%
<b>Government Entities</b>		<b>40</b>	<b>5</b>	<b>13%</b>
1	Ministries or government agencies with responsibility for the following areas assist and support the implementing institution in its work:			
	a. economic growth and development;	5	1	
	b. administration of justice;	5	1	
	c. trade and trade policy;	5	1	
	d. foreign direct investment; and	5	1	
	e. government procurement.	10	1	
2	The entity responsible for privatization collaborates with the implementing institution to ensure competitive privatization.	10	0	
<b>Professional Associations</b>		<b>40</b>	<b>7</b>	<b>18%</b>
3	Professional associations:			
	a. monitor anti-competitive practices;	5	2	
	b. have established mechanisms for reporting anti-competitive behavior to the relevant implementing institution; and	10	0	
	c. provide information to the public in support of a more competitive commercial environment.	5	2	
4	Economists regularly publish articles supporting market-oriented competition policy.	10	3	
5	Lawyers' associations have specialized groups dedicated to competition law issues.	10	0	
<b>Specialized Services</b>		<b>40</b>	<b>11</b>	<b>28%</b>
6	Independent monitoring services exist that track economic trends by industry.	10	4	
7	Universities, foundations and think tanks issue reports and opinions on competition law enforcement.	10	2	
8	Universities offer courses in economics and law that support the principle of market-oriented competition.	10	4	
9	Management consultants assist companies to comply with competition law restrictions.	10	1	
<b>Trade and Special Interest Groups</b>		<b>35</b>	<b>15</b>	<b>43%</b>
10	The national media report on:			
	a. anti-competitive business practices and the impact of such practices;	5	4	
	b. the functions and performance of the implementing institution; and	5	0	
	c. how consumers can report or help to halt anti-competitive practices.	5	0	
11	Non-governmental organizations (including consumer protection organizations), business associations and chambers of commerce:			
	a. monitor anti-competitive practices and competition law development;	5	5	
	b. actively interact with the implementing institution to report violations and concerns; and	5	3	
	c. have established mechanisms for providing input to policymakers on competition law issues.	5	2	
12	Associations of entrepreneurs monitor and report to government on anti-competitive barriers to market entry.	5	1	
<b>TOTAL SUPPORTING INSTITUTIONS: COMPETITION</b>		<b>155</b>	<b>38</b>	<b>25%</b>

<b>G.4</b>	<b>SOCIAL DYNAMICS: COMPETITION</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
	<b>Market for Improved Laws</b>	<b>365</b>	<b>70</b>	<b>19%</b>
	<b>Demand for Improved Laws</b>	<b>125</b>	<b>33</b>	<b>26%</b>
	<b>Government</b>	<b>55</b>	<b>19</b>	<b>35%</b>
1	One or more high-level government officials champion the cause of free-market competition in each of the following:			
	a. legislature;	5	5	
	b. the ministry responsible for competition policy;	5	3	
	c. the implementing institution;	5	1	
	d. the entity responsible for privatization; and	5	1	
	e. the office responsible for government procurement.	5	1	
2	Elected officials regularly espouse positions supporting free-market competition policies.	10	4	
3	Foreign governments seek to include the country in bi-lateral or multilateral agreements on competition law and policy, or seek to enforce existing agreements.	10	2	
4	International lending institutions and donor agencies provide assistance to or condition loans upon reform of the competition law regime.	10	2	
	<b>Private Sector</b>	<b>70</b>	<b>14</b>	<b>20%</b>
5	Professional associations:			
	a. have specialized sections or committees dedicated to competition law or policy issues;	5	1	
	b. have established formal mechanisms with policy makers for providing input and feedback on competition-related issues;	5	2	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on competition-related issues;	5	1	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on competition-related issues; and	5	1	
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of liberalized competition policies.	5	0	
6	Trade and special interest groups:			
	a. have specialized sections or committees dedicated to competition law or policy issues;	5	0	
	b. have established formal mechanisms with policy makers for providing input and feedback on competition-related issues;	5	1	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on competition-related issues;	5	1	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on competition-related issues; and	5	1	
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of liberalized competition policies.	5	0	
7	Entrepreneurs and industry associations actively lobby for improved competition policy.	10	2	
8	Universities offer courses on competition-related issues that generally support market-oriented competition.	10	4	
	<b>Supply of Improved Laws</b>	<b>195</b>	<b>52</b>	<b>27%</b>
	<b>Government</b>	<b>115</b>	<b>33</b>	<b>29%</b>

9	The government has created an environment generally supportive of free-market competition, including:			
	a. large scale privatization;	5	2	
	b. small scale privatization;	5	4	
	c. stable macroeconomic policy;	5	4	
	d. freely convertible currency;	5	5	
	e. clearly stated policies promoting free-market competition;	5	4	
	f. active anti-corruption initiatives to combat corrupt practices involving anti-competitive practices; and	5	1	
	g. an annual legislative agenda for competition policy reform that is actively pursued.	5	1	
10	The government (through a specialized unit or otherwise) has the technical capacity to draft laws and regulations necessary for improved competition policy.	10	3	
11	The Government provides for meaningful private sector participation in the legal reform process by:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available (e.g., in bookstores) to the business community or other end user;	10	1	
	b. providing the business community with meaningful notice of and opportunity to comment on draft laws or legislative amendments affecting competition:			
	1. before they are submitted for legislative approval, and	10	1	
	2. before they become effective; and	10	1	
	c. providing the business community with meaningful notice of and opportunity to comment on draft <i>implementing regulations</i> :			
	1. before they are submitted for legislative approval, and	10	1	
	2. before they become effective.	10	1	
12	Formal mechanisms for soliciting input from the business and professional community for formulating and amending competition policy:			
	a. have been established by the government;	5	1	
	b. are actively used by the government; and	5	1	
	c. according to the business and professional communities, generally satisfy private sector demand for providing input.	10	2	
	<b>Private Sector</b>	<b>80</b>	<b>19</b>	<b>24%</b>
13	The business and professional communities perceive the legal and regulatory environment generally to be:			
	a. stable, as stability evidenced by:			
	1. infrequent changes to relevant laws and regulations, and	5	0	
	2. a relative lack of conflicting laws and regulations;	5	0	
	b. predictable, evidenced by relative consistency in interpretation and enforcement of major laws and regulations; and	10	1	
	c. transparent in that equal treatment is generally accorded for end users in similar positions and circumstances.	10	1	
14	The business and professional communities perceive the laws and regulations issued by the government to be relatively:			
	a. precise in that they can be generally read and understood by a business person (or end user) and provide adequate indication of requirements thereunder;	10	4	
	b. complete in that they address the main needs of the business community and do not contain significant gaps; and	10	2	
	c. responsive to their needs as reflected in "favorable" (e.g., pro-business) policy measures.	10	3	
15	The business and professional communities generally feel that they have a meaningful role to play in shaping policy reform in area of competition.	10	5	

16	The business and professional communities generally feel that the state is effectively meeting basic needs for legal reform in the area of competition.	10	3	
<b>Market for Effective Implementing Institutions</b>		<b>170</b>	<b>20</b>	<b>12%</b>
<b>Demand for Effective Implementing Institutions</b>		<b>80</b>	<b>11</b>	<b>14%</b>
<b>Government</b>		<b>40</b>	<b>6</b>	<b>15%</b>
17	One or more high level government officials with responsibility for implementation champion the cause of more efficient and effective provision of services by the implementing institution.	10	1	
18	The director of the implementing institution is committed to improving services and responsiveness to end-user needs.	10	2	
19	A formal mechanism exists for reviewing the performance and effectiveness of the implementing institution on a regular basis (at least annually).	10	1	
20	International lending institutions and donor agencies have instituted assistance programs with the government to upgrade and improve the implementing institution.	10	2	
<b>Private Sector</b>		<b>40</b>	<b>5</b>	<b>13%</b>
21	The business community understands and agrees with the service mandate of the implementing institution.	10	1	
22	Professional associations, trade organizations and special interest groups that favor liberalized trade actively pressure the implementing institution more actively than protectionist groups to apply the laws in a manner favoring their positions.	10	1	
23	The business community regularly uses the services of the implementing institution.	10	0	
24	In service areas where the implementing institutions are weak, the private sector offers competing or replacement services to fill the gap.	10	3	
<b>Supply of Effective Implementing Institutions</b>		<b>90</b>	<b>9</b>	<b>10%</b>
<b>Government</b>		<b>40</b>	<b>3</b>	<b>8%</b>
25	The implementing institution actively utilizes:			
	a. an internal plan, reviewed annually, for improving services provided to the private sector and government;	5	0	
	b. a system of accountability for its performance to the government institution responsible for its oversight; and	5	1	
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services.	10	1	
26	The implementing institution provides a written basis for all decisions made based on existing, published law.	10	0	
27	The implementing institution makes all regulations, forms, applications and other important documents and information available to the end-users.	10	1	
<b>Private Sector</b>		<b>50</b>	<b>6</b>	<b>12%</b>
28	End-users feel that the manner in which the implementing institution supplies services is:			
	a. transparent;	5	1	
	b. non-discretionary;	5	1	
	c. non-discriminatory; and	5	2	
	d. reasonably priced.	5	1	
29	End-users feel that they have adequate opportunities to provide feed-back to the institution on its performance.	10	1	
30	The general business and professional communities consider decisions made by the implementing institution to be:			
	a. predictable for similar facts and circumstances;	5	0	
	b. appropriate under existing law;	5	0	
	c. understandable; and	5	0	

	d. generally supportive of liberalized competition.	5	0	
<b>Market for Supporting Institutions</b>		<b>70</b>	<b>17</b>	<b>24%</b>
<b>Demand for Supporting Institutions</b>		<b>40</b>	<b>10</b>	<b>25%</b>
31	The private sector creates supporting institutions as needed to provide services required for effective competition and a competition environment in each of the following areas:		4	
	a. professional associations;	10	4	
	b. specialized services; and	10	1	
	c. trade and special interest groups.	10	1	
32	For specialized services, there are generally competing service providers.	10	0	
<b>Supply of Supporting Institutions</b>		<b>30</b>	<b>7</b>	<b>23%</b>
33	Private sector supporting institutions provide services needed for an open, competitive economy in each of the following sectors:			
	a. number of institutions; and	10	1	
	b. quality of institutions.	10	1	
34	A sufficient mass of private sector associations supports free-market competition principles to counterbalance anti-competitive interests.	10	5	
<b>SUB-TOTAL -- DEMAND</b>		<b>245</b>	<b>54</b>	<b>22%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>315</b>	<b>68</b>	<b>22%</b>
<b>TOTAL SOCIAL DYNAMICS: COMPETITION</b>		<b>560</b>	<b>122</b>	<b>22%</b>

H.1	LEGAL FRAMEWORK - INTERNATIONAL TRADE	Ref.	Score	%
<b>General Environment for Trade</b>		<b>95</b>	<b>30</b>	<b>32%</b>
1	The country's legal framework for international trade is characterized by the following:			
	a. Member of a multilateral trade regime (WTO);	10	0	
	b. Member of a regional trade regime or generally consistent bi-lateral trade agreements with neighboring states;	10	5	
	c. Bilateral trade agreement with EU;	5	0	
	d. Bilateral trade agreement with US; and	5	0	
	e. Bilateral trade agreement with Japan.	5	0	
2	The state does not hold or attempt to hold a monopoly on the trade of any goods or non-government services.	10	4	
3	Competition law prohibits monopolies or cartels of goods or services.	10	5	
4	There are no special registration requirements for import/export activities (except with regard to "sensitive" or quota products).	10	5	
5	Internal administrative districts (states, regions, counties) observe and enforce trade laws without alteration.	10	3	
6	Trade law provides for non-discriminatory trade dispute resolution through international bodies or through local bodies in conformity with international law.	10	3	
7	Tariffs are the principal trade policy instrument used by state to regulate international trade.	10	5	
<b>Customs &amp; Tariff Regime</b>		<b>60</b>	<b>26</b>	<b>43%</b>
8	Customs tariff schedule is based on Harmonized Tariff System (HS).	10	5	
9	Tariffs are calculated on ad valorem basis.	10	5	
10	Preferences are extended to trading partners under the Global System of Trade Preferences.	10	3	
11	Trade laws include the principle of non-discrimination by including "most favored nation" provisions.	10	5	
12	Trade laws accord "national treatment" to goods and services.	10	5	
13	Laws contain safeguard mechanisms that clearly specify trigger mechanisms.	10	3	
<b>Non-tariff Barriers</b>		<b>140</b>	<b>65</b>	<b>46%</b>
14	No special registration requirements are imposed for import/export activities (except with regard to "sensitive" or quota products).	10	5	
15	Import licenses are required only for enumerated "sensitive" goods (e.g., weapons, explosives, toxins).	10	5	
16	No quantitative restrictions are placed on importation of goods (except where criteria for safeguard measures are met).	10	4	
17	National domestic technical standards are in conformity with practices and procedures of the International Standards Organization (ISO).	10	5	
18	Regional (sub-national) standards are in substantial conformity with national domestic standards (i.e., no additional rules imposed internally by regions or states).	10	5	
19	Goods are accorded national treatment for the purpose of applying technical standards.	10	5	
20	Principle of non-discrimination exists in definition of technical standards.	10	5	
21	Principle of non-discrimination exists in definition of sanitary and phyto-sanitary standards.	10	5	
22	Rules of origin are in place and consistent with internationally accepted practice.	10	5	

23	Anti-dumping provisions are enacted.	10	4	
24	Countervailing duty provisions are enacted.	10	4	
25	The overall commercial law regime supports secured trade finance on imported and exported goods.	10	5	
26	Safeguards provisions enacted.	10	4	
27	Rules for establishing free trade zones and other preferential trade zones are enacted.	10	4	
<b>Definition of Implementing Institution</b>		<b>40</b>	<b>16</b>	<b>40%</b>
28	The framework law clearly defines:			
	a. the institution or institutions responsible for implementation of laws relating to trade; and	10	3	
	b. the roles, responsibilities and operational procedures of each relevant institution.	10	3	
29	The framework law requires that the institution(s) render decisions relating to the law:			
	a. based on published laws, regulations and standards; and	10	5	
	b. through written documentation clearly setting forth the basis for the decision.	10	5	
<b>TOTAL LEGAL FRAMEWORK: INTERNATIONAL TRADE</b>		<b>335</b>	<b>137</b>	<b>41%</b>

<b>H.2</b>	<b>IMPLEMENTING INSTITUTIONS: INTERNATIONAL TRADE</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Trade Authorities: Organization</b>		<b>70</b>	<b>22</b>	<b>31%</b>
1	The Trade Commission, Ministry of Foreign Trade, and/or other institution responsible for the trade laws (hereinafter "the trade authorities"), and each relevant sub-unit, if any, has the following characteristics:			
	a. a clearly defined mandate to implement the trade law;	5	3	
	b. sufficient professional and administrative staffing to carry out its mandate;	5	3	
	c. sufficient authority and support to carry out its mandate, including clear policy statements and support from the government;	5	2	
	d. sufficient funding through state budget, fees collected, or a combination of both to maintain its equipment and services;	5	2	
	e. detailed internal regulations and operating procedures; and	5	2	
	f. an active staff training and development program utilizing appropriate training materials, guidebooks or procedural manuals to improve staff competency and service.	5	2	
2	There is general consistency in understanding the trade authorities' roles and functions among the government, the trade authorities themselves, and the end users.	10	3	
3	The trade authorities have adopted a "customer-oriented" approach to fulfilling its mandate.	10	3	
4	The trade authorities are sufficiently decentralized to enable users throughout the country to have reasonable access.	10	2	
5	The trade authorities have an active, current web site, including contact information, trade legislation and policy papers, and other relevant materials.	10	0	
<b>Trade Authorities: Operations</b>		<b>80</b>	<b>10</b>	<b>13%</b>
6	The trade authorities maintain active contacts with counterpart organizations in other countries to ensure compliance with international standards.	10	3	
7	The trade authorities distribute (or makes available for a nominal fee) copies of all procedures, relevant laws, government regulations, fee schedules and other information governing trade and related activities.	10	1	
8	Principal Services: International Trade Policy.			
	a. The trade authorities actively monitor levels of compliance with terms of WTO accession requirements and other trade agreements.	10	3	
	b. The trade authorities actively pursue increased compliance with trade agreements.	10	3	
9	Principal Services: Enforcement of Trade Policy.			
	a. A separate or special unit is specifically responsible for interpretation and enforcement of defensive instruments (i.e., antidumping, countervailing, safeguards) and implementation and coordination of customs policy and administration.	5	0	
	b. The special unit has established mechanisms for private sector enterprises to seek protection from unfair trade practices through enforcement of defensive instruments.	5	0	

	c. The special unit enforces the laws in a non-discretionary, non-discriminatory, consistent and transparent manner even when decisions will result in a negative impact on domestic enterprises.	5	0	
	d. Private-sector businesses generally consider the special unit to provide satisfactory protection from unfair trade practices.	5	0	
10	The trade authority or other responsible agency provides import and export licences transparently in accordance with published standards, and without imposition of bribes or other inappropriate rent-seeking behavior.	10	0	
11	The trade authority oversees and ensures proper application of customs and tariffs by the Customs Service.	10	0	
<b>Courts</b>		<b>30</b>	<b>16</b>	<b>53%</b>
12	Courts and other relevant administrative bodies consistently adjudicate disputes involving foreign investors:			
	a. in accordance with clear, published laws, regulations and standards; and	5	5	
	b. without regard to the nationality or residence of the litigants, unless explicitly required by law.	5	5	
13	Courts consistently adjudicate appeals from administrative decisions in a transparent, impartial manner.	10	3	
14	Courts make decisions regarding trade issues independently, without regard to inappropriate political pressures or non-judicial considerations.	10	3	
<b>TOTAL IMPLEMENTING INSTITUTIONS: INTERNATIONAL TRADE</b>		<b>180</b>	<b>48</b>	<b>27%</b>

H.3.	SUPPORTING INSTITUTIONS: INTERNATIONAL TRADE	Ref.	Score	%
<b>Government Entities</b>		<b>100</b>	<b>44</b>	<b>44%</b>
1	The Customs Service operates with the following characteristics:			
	a. interprets and applies customs laws uniformly throughout the territory;	10	5	
	b. has implemented a risk profiling system in which less than 50% of shipments are inspected;	10	5	
	c. processing delay for overland shipments through land border posts averages less than 2 hours;	10	3	
	d. main operations have been computerized (e.g., ASYCUDA++) and networked;	10	5	
	e. applies a "customer-oriented" approach to fulfilling its mandate; and	10	5	
	f. staff accepts international inspection certificates.	10	5	
2	There is general consistency in understanding the Customs Service's role and functions among the government, the Customs Service and end users.	10	5	
3	The Customs Service has an active, current web site, including contact information, trade legislation and policy papers, and other relevant materials.	10	5	
4	Courts apply the law related to trade in a transparent, non-discretionary, non-discriminatory manner.	10	3	
5	The body of judicial decisions is sufficiently consistent to provide reasonably predictable outcomes in similar circumstances.	10	3	
<b>Professional Associations</b>		<b>30</b>	<b>8</b>	<b>27%</b>
6	Lawyers' associations have specialized groups dedicated to trade law issues.	10	3	
7	Professional associations regularly hold meetings, seminars, or other events to examine constraints to and opportunities for improved implementation of trade laws.	10	2	
8	Economists examine trade law issues and promote better understanding of market-oriented trade policy.	10	3	
<b>Specialized Services</b>		<b>60</b>	<b>15</b>	<b>25%</b>
9	Internationally accredited inspection services are provided on a reasonable cost basis to importers and exporters.	10		
10	Sufficient facilities are maintained at land border posts to conduct on-site health, safety, environmental, etc., inspections.	10	5	
11	Importers and exporters are generally satisfied with the quantity, quality and cost of In-bond warehouses and warehouse services.	10	3	
12	Trade forms (customs documents, bills of lading, certifications) are printed and readily available locally through private publishers (whether or not under contract to relevant government agencies).	10	3	
13	Experienced local consultants and service providers are available to assist with trade missions, marketing and other trade promotion activities.	10	4	
14	There is a well developed industry of freight forwarders and customs brokers.	10		
<b>Trade and Special Interest Groups</b>		<b>40</b>	<b>14</b>	<b>35%</b>
15	Local financial institutions offer trade finance to domestic importers and exporters on reasonable terms.	10	3	
16	Market-friendly private sector associations regularly examine and promote issues related to increased trade.	10	4	
17	Local insurance agencies provide insurance on imports and exports at reasonable commercial rates in accordance with international standards.	10	3	

18	The local media report on trade-related stories, as well as covering trade-related events by local private sector associations.	10	4	
<b>TOTAL SUPPORTING INSTITUTIONS: INTERNATIONAL TRADE</b>		<b>230</b>	<b>81</b>	<b>35%</b>

H.4	SOCIAL DYNAMICS: INTERNATIONAL TRADE	Ref.	Score	%
<b>Market for Improved Laws</b>		<b>300</b>	<b>95</b>	<b>32%</b>
<b>Demand for Improved Laws</b>		<b>70</b>	<b>30</b>	<b>43%</b>
<b>Government</b>		<b>30</b>	<b>11</b>	<b>37%</b>
1	At least one high-level government official is knowledgeable of and works for liberalized trade.	10	5	
2	Foreign governments seek to include the country in bi-lateral or multilateral trade agreements, or seek to enforce liberalization provisions of existing agreements.	10	3	
3	International lending institutions and donor agencies provide assistance to or condition loans upon reform of the trade law regime.	10	3	
<b>Private Sector</b>		<b>40</b>	<b>19</b>	<b>48%</b>
4	Professional associations:			
	a. have specialized sections or committees that seek to monitor and improve the legal framework; and	5	2	
	b. regularly provide input or otherwise lobby for market-oriented solutions to the existing trade regime.	5	4	
5	The business community is well represented by trade and special interest groups.	10	4	
6	Trade and special interest groups:			
	a. have specialized sections or committees that seek to monitor and improve the legal framework; and	5	2	
	b. regularly provide input or otherwise lobby for market-oriented solutions to the existing trade regime.	5	4	
7	Importers and exporters actively lobby for improved tariff structures.	10	3	
<b>Supply of Improved Laws</b>		<b>150</b>	<b>57</b>	<b>38%</b>
<b>Government</b>		<b>70</b>	<b>29</b>	<b>41%</b>
8	The government has created an environment generally supportive of liberalized trade.	10	4	
9	The government (through a specialized unit or otherwise) has the technical capacity to draft laws and regulations necessary for improved trade policy.	10	4	
10	The Government provides for meaningful private sector participation in the legal reform process by:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available (e.g., in bookstores) to the business community or other end user.	10	5	
	b. providing the business community with meaningful notice of and opportunity to comment on draft laws or legislative amendments affecting trade.	10	4	
	c. providing the business community with meaningful notice of and opportunity to comment on draft implementing regulations.	10	4	
11	Formal mechanisms for soliciting input from the business and professional community for formulating and amending trade policy:			
	a. have been established by the government.	5	3	
	b. are actively used by the government.	5	3	
	c. according to the business and professional communities, generally satisfy private sector demand for providing input.	10	2	
<b>Private Sector</b>		<b>80</b>	<b>28</b>	<b>35%</b>
12	The business and professional communities perceive the legal and regulatory environment generally to be:			

	a. stable, with stability evidenced by:			
	1. infrequent changes to relevant laws and regulations, and	5	3	
	2. a relative lack of conflicting laws and regulations;	5	3	
	b. predictable, evidenced by relative consistency in interpretation and enforcement of major laws and regulations; and	10	3	
	c. transparent in that equal treatment is generally accorded for end users in similar positions and circumstances.	10	4	
13	The business and professional communities perceive the laws and regulations issued by the government to be relatively:			
	a. precise in that they can be generally read and understood by a business person (or end user) and provide adequate indication of what is required thereunder;	10	3	
	b. complete in that they address the main needs of the business community and do not contain significant gaps; and	10	3	
	c. responsive to their needs as reflected in "favorable" (e.g., pro-business) policy measures.	10	2	
14	The business and professional communities generally feel that they have a meaningful role to play in shaping policy reform in area of trade.	10	5	
15	The business and professional communities generally feel that the state is effectively meeting basic needs for legal reform in the area of trade.	10	2	
<b>Market for Effective Implementing Institutions</b>		<b>170</b>	<b>50</b>	<b>29%</b>
<b>Demand for Effective Implementing Institutions</b>		<b>80</b>	<b>13</b>	<b>16%</b>
<b>Government</b>		<b>40</b>	<b>13</b>	<b>33%</b>
16	At least one high-level government official with responsibility for implementation of trade rules works toward more efficient and effective provisions of services by the Trade Commission, Ministry of Foreign Trade, and/or other institution responsible for the trade laws (hereinafter "the trade authorities").	10	3	
17	The director of the trade authorities is committed to improving services and responsiveness to end-user needs.	10	3	
18	There exists a formal mechanism exists for reviewing the performance and effectiveness of the trade authorities on a regular basis (at least annually).	10	3	
19	International lending institutions and donor agencies have instituted assistance programs with the government to upgrade and improve the trade authorities.	10	4	
<b>Private Sector</b>		<b>40</b>		<b>0%</b>
20	The business community understands and agrees with the service mandate of the trade authorities.	10	3	
21	Professional associations, trade organizations and special interest groups that favor liberalized trade actively pressure the trade authorities more actively than protectionist groups to apply the laws in a manner favoring their positions.	10	4	
22	The business community regularly uses the services of the trade authorities.	10	4	
23	In service areas where the trade authorities are weak, the private sector offers competing or replacement services to fill the gap.	10	3	
<b>Supply of Effective Implementing Institutions</b>		<b>90</b>	<b>37</b>	<b>41%</b>
<b>Government</b>		<b>40</b>	<b>10</b>	<b>25%</b>
24	The trade authorities actively utilizes:			
	a. an internal plan, reviewed annually, for improving services provided to the private sector and government.	5	2	
	b. a system of accountability for its performance to the government institution responsible for its oversight.	5	2	

	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services.	10	1	
25	The trade authorities provides a written basis for all decisions made based on existing, published law.	10	2	
26	The trade authorities makes all regulations, forms, applications and other important documents and information available to the end-users.	10	3	
<b>Private Sector</b>		<b>50</b>	<b>27</b>	<b>54%</b>
27	End-users feel that the manner in which the trade authorities supply services is:			
	a. transparent;	5	4	
	b. non-discretionary;	5	3	
	c. non-discriminatory; and	5	3	
	d. reasonably priced.	5	3	
28	End-users feel that they have adequate opportunities to provide feed-back to the trade authorities on their performance.	10	5	
29	The general business and professional communities consider to be decisions made by the trade authorities to be:			
	a. predictable for similar facts and circumstances;	5	2	
	b. appropriate under existing law;	5	2	
	c. understandable;	5	2	
	d. generally supportive of liberalized trade.	5	3	
<b>Market for Supporting Institutions</b>		<b>60</b>	<b>15</b>	<b>25%</b>
<b>Demand for Supporting Institutions</b>		<b>30</b>	<b>8</b>	<b>27%</b>
30	The private sector creates supporting institutions as needed to provide services required for effective trade and a trade environment in each of the following areas:			
	a. professional associations;	10	3	
	b. specialized services; and	10	3	
	c. trade and special interest groups.	10	2	
	For specialized services, there are generally competing service providers.	n/a		
<b>Supply of Supporting Institutions</b>		<b>30</b>	<b>7</b>	<b>23%</b>
31	The business community generally considers the supporting institutions for subject matter area to be adequate in facilitating or supporting the implementation of the framework law in terms of:			
	a. number of institutions; and	10	2	
	b. quality of institutions.	10	2	
32	A sufficient mass of private sector associations supports free-market trade principles to counterbalance protectionist groups	10	3	
<b>SUB-TOTAL -- DEMAND</b>		<b>180</b>	<b>51</b>	<b>28%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>270</b>	<b>101</b>	<b>37%</b>
<b>TOTAL SOCIAL DYNAMICS: INTERNATIONAL TRADE</b>		<b>450</b>	<b>152</b>	<b>34%</b>

<b>I.1</b>	<b>LEGAL FRAMEWORK: FINANCIAL CRIMES</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Definition of Money Laundering Offenses</b>		<b>110</b>	<b>0</b>	<b>0%</b>
1	Country is a signatory to the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances Money ("Vienna Convention"), and has criminalized laundering on the basis of the Vienna Convention's requirements.	10		
2	National law defines "intent" and "knowledge" in terms consistent with the Vienna Convention	5		
3	Country is a signatory to the 2000 United Nations Convention on Transnational Organized Crime ("Palermo Convention"), and money laundering is criminalized according to the Palermo Convention's requirements.	10		
4	National law defines "intent" and "knowledge" in terms consistent with the Palermo Convention	5		
5	Country's national law criminalizing money laundering:			
	a. extends extraterritorially for offenses abroad, so long as the offense would be criminal had it occurred domestically.	5		
	b. Has sufficient scope to cover transactions of all forms of property (e.g. precious metals and stones, wire transfers, securities)	5		
	c. applies to all serious crimes.	5		
6	Criminal liability for money laundering applies to all natural and legal persons under national law.	10		
7	Criminal penalties are proportionate, yet sufficiently severe to discourage money laundering and terrorism financing.	10		
8	Civil, criminal, and administrative penalties are authorized under existing law.	10		
9	Laws authorizing civil, criminal, and administrative penalties clearly identify the conditions warranting the penalties, and the competent authority effectively imposes those penalties.	10		
10	Privacy laws and professional privileges do not create a safe harbor for criminal money laundering activity.	10		
11	National law has a range of offenses defined as "Designated Categories of Offenses" by the Organization for Economic Cooperation and Development's Financial Action Task Force on Money Laundering ("FATF") in "The Forty Recommendations".	10		
12	"Shell" banks are illegal under country's laws, and any relationship with a shell bank is void.	5		
<b>Definition of Terrorist Financing Offenses</b>		<b>45</b>	<b>0</b>	<b>0%</b>
13	Country is a signatory to, and has ratified, the 1999 United Nations International Convention for the Suppression of Financing Terrorism ("U.N. Terrorist Financing Convention")	10		
14	Terrorist Financing is a criminal offense, with significant penalties, and is a predicate offense for money laundering.	10		
15	Country's law criminalizing terrorist financing should:			
	a. extend extraterritorially for offenses abroad, so long as the offense would be criminal had it occurred domestically.	5		

	b. have sufficient scope to cover all funds that knowingly would be used to carry out a terrorist act, be used by a terrorist organization as recognized by an international organization, or be used by an individual terrorist.	5		
	c. Include a definition of "funds" that is based upon the intended use of the funds, rather than the source of the funds, per the U.N. Terrorist Financing Convention.	5		
	d. Include attempted terrorist financing as an inchoate crime punishable by significant penalties.	5		
16	Terrorist Financing is a predicate offense for money laundering	5		
<b>Enforcement Procedures for Money Laundering and Terrorist Financing</b>		<b>95</b>	<b>0</b>	<b>0%</b>
17	The national law clearly identifies a competent authority with jurisdiction to seize assets and confiscate property, proceeds, or instrumentalities used in money laundering or terrorist financing.	10		
18	Authorities may identify, track, and evaluate property that is subject to confiscation	10		
19	National law authorizes officials to freeze assets and seize property that has been laundered, or is intended to be used in a laundering operation.	10		
20	National law authorizes permanent confiscation of property involved in a laundering operation following conviction in a fair and transparent judicial or administrative proceeding.	10		
21	Confiscated property is subject to forfeiture absent a showing by the offender that the property has a lawful origin.	10		
22	Country's law grants authority of civil forfeiture in addition to criminal forfeiture.	10		
23	For terrorist financing crimes, assets used in a criminal manner are seized according to the terms of the FATF's Special Recommendation III, specifically:			
	a. For groups associated with terrorist organizations as established by the United Nations Al-Qaida and Taliban Sanctions Committee, or for individuals who attempt or attempt to commit terrorist acts, seizure of assets are immediate, and without prior notice.	5		
	b. Funds set for seizure include all assets wholly or jointly owned or controlled by designated terrorist organizations or terrorist organization financiers, and any assets derived or generated from the use of such funds.	5		
	c. The laws regarding seizure of terrorist financing clearly articulate the obligations of the financial institutions in which the assets are located, or any other institution that is holding assets set for seizure.	5		
	d. De-listing requirements for organizations listed as terrorist organizations are clear, and the process for de-listing organizations is transparent	5		
	e. Appropriate procedures are in place to allow an individual to challenge asset seizure after their asset have been seized, and the ultimate decision is reviewable by a court.	5		
24	National law recognizes the property interests of a subsequent bona fide purchaser, consistent with the Palermo Convention and with Article 8 of the U.N. Terrorist Financing Convention.	10		
<b>Definition of a Financial Intelligence Unit</b>		<b>30</b>	<b>0</b>	<b>0%</b>
25	The law clearly establishes an agency in the government with primary authority over financial crimes with a broad mandate to:			

	a. Coordinate intelligence gathering, processing, and dissemination between and within the national and local government agencies	5		
	b. Create policy framework for reporting standards to be adopted by agencies which oversee banks and financial institutions.	5		
	c. Monitor reporting compliance by financial institutions	5		
	d. Analyze trends in suspicious activity across agencies and across geographic areas, and provide analysis to appropriate law enforcement officials	5		
	e. Cooperate with foreign Financial Intelligence Units through information exchanges and policy formulation	5		
	f. Request and receive information necessary to track and investigate financial crimes in a timely manner from agencies and financial institutions.	5		
<b>Obligations of Financial Institutions and Other Supporting Institutions</b>		<b>165</b>	<b>0</b>	<b>0%</b>
26	All banks and non-bank financial institutions, including alternative remittance organizations (e.g. <i>hawaladars</i> ), must register with the government and pass a certification system ensuring adequate financial controls, and are subject to the FATF Recommendations.	10		
27	Financial Institution secrecy laws do not inhibit implementation of international monitoring and reporting standards, such as is included in the FATF's Forty Recommendations.	10		
28	Financial Institutions are obligated to apply "Customer Due Diligence" policies to its customers as defined by the FATF, and supplemented by the Basel Committee on Banking Supervision ("Basel Committee") Customer Due Diligence for Banks report.			
	a. Financial institutions must identify customers and verify them using reliable, independent sources	5		
	b. For legal persons, the financial institution is required to verify the legal status of the legal person, obtain a list of directors or responsible agents for the legal person, and obtain information about the power of the agents to bind the legal perso	5		
	c. Insurance companies must compile information on policy beneficiaries, and verify the policy holder through independent sources.	5		
	d. Financial institutions are obligated to take reasonable steps to obtain information about the respondent banks' Customer Due Diligence procedures for cross-border correspondent banking, and must apply a heightened level of scrutiny for cross-border correspondent banks.	5		
	e. For trusts, nominee and fiduciary accounts, the banks must identify and maintain records of the trustee, the settlors/grantors, the beneficiaries, and the details of the trust relationship.	5		
	f. For pooled accounts (on behalf of mutual funds, pension funds, etc.), the bank must take reasonable steps to identify beneficial owners, especially where individual sub-accounts are attributable to each of the beneficial owners.	5		
	g. Financial institutions may not allow intermediaries to open accounts on behalf of beneficial owners if the intermediary does not have the authority to provide information about the beneficial owner to the financial institution.	5		
29	Wire transfer agents must take measures to include originator information for funds transfers, and must monitor for suspicious transfers.	10		

30	After identifying and verifying the customer at the initiation of the relationship, financial institutions must continue to monitor transactions above a certain objective threshold, or transactions that appear to be uncharacteristic of the party.	10		
31	Financial institutions must conduct a risk analysis before entering into a relationship with a customer to determine if the prospective customer is a "politically exposed person" as defined by the FATF (e.g. Minister-level government employee).	5		
32	Employees of financial institutions must get senior management approval before opening an account for a politically exposed person, and must subject the account to a heightened level of scrutiny for the duration of the account.	5		
33	Non-financial private enterprises dealing in high-value commodities, and entities engaging in a high volume of transactions, such as casinos, must keep detailed records of the transaction and parties, and inform the FIU of all transactions or series of transactions.	10		
34	International non-governmental organizations and charities who fund projects overseas must take reasonable steps to ensure they are not vehicles for money laundering or terrorist financing, including:			
	a. Identifying major donors whose donations reach a certain threshold,	5		
	b. Accounting for funds received and disbursed according to an internationally-recognized accounting standard (IAS, GAAP)	5		
35	All entities with reporting or monitoring requirements under the nation's financial crimes law must keep abreast of new technologies that could increase the threat of money laundering (e.g. technologies facilitating anonymous transactions).	10		
36	All entities with reporting or monitoring requirements under the nation's financial crimes law must keep transaction records readily available for at least 5 years, and must keep information about the parties for 5 years past the duration of the business transaction.	10		
37	Financial institutions must pay special attention to complex, or unusually large transactions.	10		
38	Financial institutions are obligated to promptly report suspicious behavior to the FIU.	10		
39	All entities with reporting or monitoring requirements under the nation's financial crimes laws are protected from any criminal or civil liability for acting in good faith to comply with the letter and spirit of the financial crimes laws.	10		
40	All financial institutions and their employees are prohibited from disclosing that they have submitted a suspicious transaction report to the FIU.	10		
<b>Cross-border Transactions and International Cooperation</b>		<b>95</b>	<b>0</b>	<b>0%</b>
41	Consistent with the Palermo Convention, national law should allow for the maximum level of mutual legal assistance in financial crime investigation, prosecutions, and enforcements, including the following:			
	a. The country should be granted authority to cooperate in the production, search and seizure, and dissemination of information	10		
	b. Law enforcement authorities are allowed to cooperate with corresponding foreign authorities to collect evidence for financial crimes.	5		

	c. Authorities have the power to provide original documents and evidence directly to their equivalent authority in a foreign country.	5		
	d. Local authorities may assist foreign countries in effective service of judicial documents	5		
	e. Local authorities may cooperate with foreign agencies to facilitate the voluntary appearance of persons seeking to provide testimony or information on money laundering or terrorist financing schemes.	5		
	f. Country may provide assistance by tracking proceeds of crime, and confiscating such proceeds, as well as the instrumentalities of money laundering and terrorist financing, and assets of corresponding value.	10		
42	Mutual legal assistance is not conditioned by unduly restrictive laws, and not burdened by time-consuming administrative procedures such that the assistance is rendered useless.	10		
43	The country has a series of bilateral agreements, multilateral agreements, memoranda of understanding, or membership in regional and multilateral organizations to serve as an established information exchange.	10		
44	Money laundering and terrorist financing are extraditable offenses.	10		
45	Either citizens may be extradited to foreign countries to face money laundering and terrorist financing charges, or a system is in place for the prosecution of the crime domestically as a serious offense.	10		
46	When a cross-border transaction sends foreign profits from an enterprise that is criminal in the foreign country, but is not unlawful under domestic laws, the national law grants extradition, and has the discretion to freeze assets from such a transaction.	5		
47	All financial institutions must subject transactions to a heightened scrutiny when the transaction involves a business or financial institution from a country that has not adopted the FATF 40 Recommendations.	10		
<b>TOTAL LEGAL FRAMEWORK: FINANCIAL CRIMES</b>		<b>540</b>	<b>0</b>	<b>0%</b>

<b>I.2</b>	<b>IMPLEMENTING INSTITUTIONS: FINANCIAL CRIMES</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
	<b>Financial Intelligence Unit: Organization</b>	<b>80</b>	<b>0</b>	<b>0%</b>
1	The laws establishing the Financial Intelligence Unit ("FIU"):			
	a. Define the FIU as the central, national agency responsible for receiving (and, as permitted, requesting), analysing and disseminating to the competent authorities, disclosures of financial information concerning suspected proceeds of crime, or required by national legislation or regulation, in order to counter money laundering and terrorist financing.	<b>10</b>		
	b. Create a clear yet sufficiently broad mandate to design policies to meet its responsibilities.	<b>5</b>		
	c. Identify what authority the FIU may wield over supporting institutions to facilitate information exchange and compliance with FIU policies	<b>5</b>		
	d. Grant the FIU authority to represent the government in bilateral and multilateral cooperation agreements, including participation in the Egmont Group of Financial Intelligence Units ("Egmont Group").	<b>10</b>		
	e. Detail procedures for oversight (judicial or administrative) for review of FIU actions	<b>5</b>		
2	The FIU has the following characteristics:			
	a. A broad range of staff skilled in forensic accounting, intelligence analysis, financial policy formulation, and any other skills necessary to carry out its mandate	<b>10</b>		
	b. Sufficient support from the government to encourage the supporting institutions to accept the authority of the FIU	<b>5</b>		
	c. Sufficient funds through government budget, through the proceeds of the sale of assets seized to enforce financial crimes judgments, or a combination of both.	<b>5</b>		
	d. Sufficient technological resources to adapt to the advances made by criminals committing financial crimes.	<b>5</b>		
	e. An active staff training and development program using appropriate training materials, guidebooks or procedural manuals to disseminate international best practices in financial crimes monitoring and enforcement.	<b>5</b>		
	f. Clear and consistent internal policies and procedures	<b>5</b>		
3	The FIU has been officially recognized as an FIU and as an Egmont Group member by the Egmont Group, and by all foreign FIUs .	<b>10</b>		
	<b>Financial Intelligence Unit: Operations</b>	<b>110</b>	<b>0</b>	<b>0%</b>
4	The FIU has formal, transparent procedures for regulation and policy formulation, and takes into consideration the advice of key stakeholders in the policy-making process.	<b>10</b>		
5	The FIU actively monitors banks to ensure compliance with records, and works with non-compliant banks to identify areas for improvement.	<b>10</b>		
6	The FIU maintains adequate records regarding compliance by financial institutions, international charities, and private sector companies dealing in high-value commodities.	<b>10</b>		
7	The FIU conducts a periodic self-evaluation to determine how effectively it is meeting its mandate, identify systemic flaws, and methods for improvement.			
8	The FIU disseminates all applicable laws and policies regarding financial crimes to all stakeholders and to the public through a website and through print media.	<b>10</b>		

9	The FIU distributes and frequently updates a list of known terrorist organizations and criminal enterprises to all stakeholders.	5		
10	The FIU monitors the financial activities of any party linked to a known terrorist organization or a criminal enterprise	10		
11	The FIU receives and processes data from all local, national, and foreign government agencies dedicated to combating terrorist financing and money laundering schemes.	10		
12	The FIU operates with sufficient authority and support from the Head of Government to compel agencies into collaboration, and minimize interagency jurisdictional disputes.	10		
13	The FIU maintains formal or informal partnerships with think tanks, academic institutions, and financial institutions to remain current on new technological advances in ICT and other technologies that facilitate non face-to-face transactions.	5		
14	The FIU has strong relationships with foreign FIUs, and coordinates information exchanges and cross-border enforcement operations with the foreign FIUs.	10		
15	The FIU maintains contact with all relevant agencies in countries that have no official FIU.	5		
16	The FIU exchanges information with foreign FIUs and relevant agencies on the basis of mutuality, without any additional conditions attached to the information.	10		
17	Financial institutions and other institutions with reporting requirements perceive the FIU to be efficient, yet is not overbearing or arbitrary in its information requests.	5		
<b>Law Enforcement Agencies: Organization</b>		<b>60</b>	<b>0</b>	<b>0%</b>
18	Law Enforcement Agencies have sufficient budgetary support and manpower to conduct the complex investigations entailed in tracking financial crimes.	10		
19	Law enforcement agencies are supported by employees or contractors with highly-specialized skills, such as forensic accountants.	10		
20	Law enforcement officers have periodic training and development sessions to remain current on tactics employed by terrorist financiers and money launderers, as well as international best practices employed by foreign law enforcement officials in monitoring, tracking, and enforcement techniques.	10		
21	Law Enforcement Agencies have direct lines of contact with supporting agencies within the national and local governments	10		
22	Law Enforcement Agencies have adequate information and communications technologies to efficiently manage and share data among other relevant domestic and foreign agencies.	10		
23	An internal oversight body exists with authority to screen law enforcement officials for corruption and bribery by alleged financial criminals.	10		
<b>Law Enforcement Agencies: Operations</b>		<b>65</b>	<b>0</b>	<b>0%</b>
24	When enforcing financial crimes, law enforcement agencies are perceived to operate:			
	a. Consistently;	5		
	b. in a transparent manner;	5		
	c. in a non-discriminatory manner;	5		
	d. independently of inappropriate political influence; and	5		
e. effectively.	5			

25	Law enforcement agencies have personnel dedicated to liaison with foreign counterparts to facilitate interoperability when dealing with a financial crime that crosses borders.	10		
26	Law Enforcement Agencies have established and maintain web portal or some other appropriate for tips by members of the public.	10		
27	Law enforcement agencies protect witnesses testifying against money launderers or terrorist financiers.	10		
28	Law enforcement agencies willingly provide full support to, and accept assistance from the FIU, absent inefficient "turf" battles.	10		
<b>Courts: Organization</b>		<b>80</b>	<b>0</b>	<b>0%</b>
29	Laws of the country clearly establish which courts have jurisdiction over financial crimes, and give those courts a broad mandate to enforce financial crimes.	10		
30	Courts with jurisdiction over financial crimes cases are empowered to:			
	a. Hear all cases dealing with terrorist financing and money laundering.	5		
	b. Issue a temporary injunction, prior to conviction, to freeze assets that have been shown to be implicated in terrorist financing or money laundering, based on a preponderance of the evidence, and without prior notice to the alleged offender.	5		
	c. Compel attendance of parties and witnesses.	5		
	d. Censure parties and witnesses, as well as counsel, for knowingly providing or allowing false testimony.	5		
	e. Order the incarceration, or some other appropriate punishment, for criminals convicted of a financial crime.	5		
	f. Issue an order permanently confiscating assets held by a criminal enterprise, a terrorist organization, or any assets used in laundering the assets of such an organization.	5		
31	Some form of appeals exists, either judicial or administrative, for final decisions by the court of first instance.	10		
32	Courts have the manpower and budgetary support required to enforce and prosecute financial criminals in a timely manner.	10		
33	Salary and prestige create an incentive drawing qualified staff.	10		
34	Courts have internal procedures and systems in place to make administration efficient, including a computerized docket and filing procedures.	10		
<b>Courts: Operations</b>		<b>50</b>	<b>0</b>	<b>0%</b>
35	Generally, courts are perceived to:			
	a. apply financial crimes laws in a competent manner	5		
	b. provide an unbiased decision on the guilt or innocence of the parties involved	5		
	c. be free of corruption	5		
	d. make a decision within a reasonable period of time	5		
	e. be transparent in applying the rule of law, and always identify the source of that law.	5		
36	Courts make available to the public all procedural and prudential rules that direct the actions of litigants and their counsel.	10		
37	Court opinions are transparent and available to the public.	10		
38	Judges frequently recuse themselves when the parties or the issue presents a conflict of interest.	5		
<b>TOTAL IMPLEMENTING INSTITUTIONS: FINANCIAL CRIMES</b>		<b>445</b>	<b>0</b>	<b>0%</b>

I.3	SUPPORTING INSTITUTIONS: FINANCIAL CRIMES	Ref.	Score	%
<b>Government Entities</b>		<b>155</b>	<b>0</b>	<b>0%</b>
1	The institution charged with asset confiscation, typically Bailiffs or law enforcement officers, are granted full authority by the court to confiscate assets that are linked either to terrorist organizations or criminal enterprises.	10		
2	Bailiffs and law enforcement officers have adequate staffing to execute seizure orders.	10		
3	Seizure orders are executed fairly and efficiently.	10		
4	Bailiffs and law enforcement officers have sufficient training to execute a seizure order.	10		
5	Bailiffs and law enforcement officers have a clear understanding of their powers and limitations in executing seizure orders.	10		
6	Customs officials and export control agencies are tasked with identifying high-price low-risk commodities (such as precious stones and metals) crossing borders past some threshold quantity.	10		
7	Customs officials and export control agencies are granted authority to confiscate goods if it is determined that the goods are intended to be used to finance terrorist organizations, or for use by a criminal enterprise.	10		
8	The following government institutions have a direct line of communication, and a high level of coordination with the FIU:			
	a. Customs officials	5		
	b. Central bank	5		
	c. Tax authorities	5		
	d. National and local law enforcement agencies	5		
	e. Intelligence services	5		
	f. Securities regulatory authorities	5		
9	Competent authorities with oversight and supervisory power over financial institutions and businesses have sufficient power to ensure compliance with reporting and monitoring standards.			
	a. Competent authorities may compel production of documents, and may subject employees of financial institutions or companies to investigation for suspicious behavior	5		
	b. Competent authorities have adequate budgets and staffing to ensure compliance.	5		
	c. Competent authorities must conduct periodic audits of their internal processes, procedures, and policies, to identify any systemic flaws or areas for improvement in their oversight capabilities.	5		
10	The Central Bank and any other competent authority overseeing banks are effectively implementing the FATF recommendations, and require financial institutions to develop programs against money laundering and terrorist financing, including:			
	a. Development of internal policies, procedures, and systems, including knowledge management systems, compliance assurance systems, and screening procedures to ensure high-quality employees.	5		
	b. ongoing employee training and professional development program	5		
	c. a periodic audit to test the internal policies, procedures, and systems to identify any flaws or weaknesses.	5		

11	Governmental authorities with oversight over businesses or financial institutions must require:			
	a. Financial institutions and businesses that have business relationships with entities from countries that have not adopted the FATF 40 Recommendations or the 8 Special Recommendations must subject transactions to a heightened level of scrutiny.	5		
	b. That all procedures and policies required for businesses and financial institutions apply equally to all branches and wholly-owned subsidiaries located abroad.	5		
12	Casinos should be regulated by a competent governmental authority that requires at least that:			
	a. all casinos be registered and licensed	5		
	b. no criminal element may own or be the beneficial owner of a significant or controlling interest, manage, or operate casinos	5		
	c. casinos are effectively supervised for compliance with all FATF Recommendations.	5		
<b>Professional Associations</b>		<b>80</b>	<b>0</b>	<b>0%</b>
13	Professional associations of lawyers and accountants exist, and have incorporated a code of ethics requiring notification of terrorist financing or money laundering activities to the proper authorities, notwithstanding professional privileges.	10		
14	Accounting associations promote international best practices in forensic accounting.	10		
15	Forensic accounting exists within the academic curricula of prominent universities in the country.	10		
16	Professional accounting associations provide continuing education for forensic accountants.	10		
17	Lawyers' associations have engaged in legal education and training programs for members of the bar concerning financial crimes.	10		
18	Legal academics have drafted treatises on the further development of financial crimes.	10		
19	Prominent law schools in the country provide advanced training to lawyers and judges in the area of financial crimes.	10		
20	Lawyers' associations have taken an active role in refining the international best practices to fit within the structure of the domestic legal system.	10		
<b>Specialized Services</b>		<b>20</b>	<b>0</b>	<b>0%</b>
21	Specialized legal publishers have published form books or practice commentary on filing claims to reclaim assets confiscated with insufficient proof.	10		
22	The media is trained to report accurately on the enforcement of financial crimes, and on the passage of financial crime legislation.	10		
<b>Trade and Special Interest Groups</b>		<b>60</b>	<b>0</b>	<b>0%</b>
23	Banks and Banking associations have taken an active role in the development of monitoring and customer due diligence standards for the FIU.	10		
24	Banks and Banking associations have created industry-wide risk assessment models to monitor clients' "high risk" transactions.	10		
25	Private sector industries that frequently have high-value transactions like casinos, and dealers in precious stones, and other high-value goods, provide input to policymakers to identify industry-wide reporting standards and thresholds for monitoring activities.	10		

26	International non-governmental organizations ("NGOs") which collect donations to finance humanitarian and development assistance abroad provide input to policymakers on the appropriate levels of monitoring of their activities.	10		
27	Non-profit watchdog organizations prevent the abuse of asset forfeiture through public education campaigns, lawsuits, lobbying campaigns, or any other method of influence at their disposal.	10		
28	Foreign investment associations provide input to policymakers to ensure that financial crimes monitoring and enforcement policies are not overly restrictive to foreign investment.	10		
<b>TOTAL SUPPORTING INSTITUTIONS: FINANCIAL CRIMES</b>		<b>315</b>	<b>0</b>	<b>0%</b>

<b>I.4</b>	<b>SOCIAL DYNAMICS: FINANCIAL CRIMES</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
	<b>Market for Improved Laws</b>	<b>270</b>	<b>0</b>	<b>0%</b>
	<b>Demand for Improved Laws</b>	<b>130</b>	<b>0</b>	<b>0%</b>
	<b>Government</b>	<b>55</b>	<b>0</b>	<b>0%</b>
1	The legislature recognizes that money laundering, corruption, and terrorist financing injure the public, and thus should be criminalized.	10		
2	At least one high-level government official recognizes the need for a national initiative to combat financial crimes, and engages support in the legislature, responsible ministries, law enforcement agencies, and the courts to combat financial crimes.	10		
3	The government does not support the cause of any entity recognized as a terrorist organization by either the UN Security Council, or by any other multilateral body.	10		
4	International lending institutions and donor agencies provide assistance to or condition loans upon:			
	a. The designation of an effective FIU operating within the government	5		
	b. Measurable commitment to combat financial crimes by the beneficiary	5		
	c. Adoption of internationally accepted accounting and auditing standards	5		
	d. Strict financial controls for any institution receiving a benefit from the development assistance	5		
5	Foreign governments encourage participation of FIU in regional and multilateral organizations combatting terrorist financing and money laundering.	5		
	<b>Stakeholders</b>	<b>55</b>	<b>0</b>	<b>0%</b>
6	Professional business and financial associations:			
	a. Raise awareness of the social costs that financial crimes incur for members of the public	5		
	b. Raise awareness of the reputational risk of dealing with financial criminals for financial institutions, charities, corporations, and other conduits for financial crimes.	5		
	c. Conduct grassroots public education campaigns to generate broad support for enforcement of financial crimes, and renounce government inaction.	5		
	d. Serve as a liaison between financial institutions and the government in designing industry-wide reporting and monitoring standards, as well as the thresholds that trigger monitoring customer activity.	5		
7	Professional accounting and legal associations:			
	a. Have special sections or committees specializing in financial crimes, and especially international financial crimes	5		
	b. Have a formal process for providing input (including studies, statistics, and other forms of research) to policy-makers for financial crimes issues	5		
	c. Regularly provide input and feedback to policymakers	5		
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on financial crime issues; and	5		
	e. promote better understanding within their profession about the need for, and the implications of, a financial crimes enforcement regime	5		
8	Law schools and Universities include financial crimes courses in their curricula.	10		
	<b>Public</b>	<b>20</b>	<b>0</b>	<b>0%</b>
9	The public recognizes that money laundering and terrorist financing should be criminalized.	10		

10	There is no public support for the cause of any entity recognized as a terrorist organization by either the UN Security Council, or by any other multilateral body.	10		
<b>Supply of Improved Laws</b>		<b>140</b>	<b>0</b>	<b>0%</b>
<b>Government</b>		<b>65</b>	<b>0</b>	<b>0%</b>
11	The government has created an optimal financial crimes regime balancing the needs of society against the costs borne by financial institutions and others implicated in monitoring transactions.			
	a. Monitoring and reporting obligations are not so cumbersome as to be commercially infeasible to apply (e.g. unreasonably low thresholds).	5		
	b. Scope of financial institutions, NGOs, and private institutions included in the financial crimes laws are broad enough to cover all conduits that financial criminals would use to transfer and launder assets.	5		
	c. Penalties for non-conformance with monitoring and reporting obligations serve as an effective deterrent.	5		
12	The government provides for meaningful public and private sector participation in the design and reform of the financial crimes regime, including:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available to the public, and especially to financial institutions and others with reporting requirements	10		
	b. providing the business community with meaningful notice of and opportunity to comment on draft implementing regulations:			
	1. before they are submitted for legislative approval, and	10		
	2. before they become effective.	10		
13	The government has the technical capacity to draft laws and regulations necessary for improved financial crime laws.	10		
14	Public corruption related to financial crimes is closely monitored, and punishments are sufficiently severe to serve as a deterrent.	10		
<b>Stakeholders and the Public</b>		<b>75</b>	<b>0</b>	<b>0%</b>
15	Organizations of financial institutions, and all other parties regulated under financial crimes laws, have drafted generally-accepted industry standards that comply with the laws.	10		
16	The private sector and interested members of the public use formal and informal modes of communication to submit draft laws, comments, and concerns to the legislature and the implementing institutions.	10		
17	The private sector and interested members of the public perceive the government to be receptive, and address concerns raised with the legislature and implementing institutions.	10		
18	The public and stakeholders perceive the legal and regulatory environment generally to be:			
	a. stable, as stability evidenced by:			
	1. infrequent changes to relevant laws and regulations, and	5		
	2. a relative lack of conflicting laws and regulations;	5		
	b. predictable, evidenced by relative consistency in interpretation and enforcement of major laws and regulations; and	10		
	c. transparent in that equal treatment is generally accorded for end users in similar positions and circumstances.	10		
19	The public and stakeholders perceive the laws and regulations issued by the government to be relatively:			
	a. precise in that they can be generally read and understood by a financial institution (or any other entity with monitoring and reporting requirements) and provide adequate indication of requirements thereunder;	5		

	b. complete in that they address all techniques employed by financial criminals, and do not contain significant gaps; and	5		
	c. flexible enough to meet the changing technological and methodological advances made by financial criminals that add new levels of complexity to enforcement of financial crimes.	5		
<b>Market for Effective Implementing Institutions</b>		<b>140</b>	<b>0</b>	<b>0%</b>
<b>Demand for Effective Implementing Institutions</b>		<b>80</b>	<b>0</b>	<b>0%</b>
<b>Government</b>		<b>40</b>	<b>0</b>	<b>0%</b>
20	At least one high-level government official either with access to the head of government, or with broad public support, has responsibility for establishing and managing the FIU, and for furthering the development of financial crimes development in the country.	10		
21	The head of the FIU effectively builds political and interagency support for continued development of financial crimes policy.	10		
22	Government agencies appreciate the need for a central authority to serve as the focal point for inter-agency collaboration, and thus willingly share information with the FIU.	10		
23	International assistance organizations have provided technical assistance to support the development of financial crime laws and build capacity in the FIU.	10		
<b>Stakeholders and the Public</b>		<b>40</b>	<b>0</b>	<b>0%</b>
24	Financial Institutions and the public recognize the importance of financial crime laws, and actively support the FIU in information requests, monitoring and reporting.	10		
25	Legal academics draft papers, editorials, law review articles, and other documents to influence the design and mandate of the FIU, and in balancing the FIU's authority with privacy rights.	10		
26	The public support policymakers who enforce financial crimes, and will not support officials that do not enforce financial crimes.	10		
27	The media accurately reports on the commission and enforcement of financial crimes, and describes its negative effects on the public.	10		
<b>Supply of Effective Implementing Institutions</b>		<b>60</b>	<b>0</b>	<b>0%</b>
<b>Government</b>		<b>30</b>	<b>0</b>	<b>0%</b>
28	The FIU has an internal improvement plan, setting targets for improvement of procedures, and annually reviewing its operations to identify any systemic weaknesses for improvement.	10		
29	The FIU has an oversight mechanism, either administrative or judicial, to determine when it over-steps its mandate.	10		
30	An independent agency regularly monitors employees of the FIU for bribery and corruption by financial criminals.	10		
<b>Stakeholders and the Public</b>		<b>30</b>	<b>0</b>	<b>0%</b>
31	Financial Institutions and the public have a formal dialogue with FIU employees to ensure industry involvement in setting monitoring and reporting standards, and to remain current on new asset transfer systems and technologies.	10		
32	Financial institutions and entities that must monitor and report information perceive the FIU and the courts to be:			
	a. transparent in the enforcement of their duties	5		
	b. purposeful when drafting obligations or procedures rather than subjecting financial institutions to arbitrary regulation	5		
	c. non-discriminatory in the enforcement of the financial crime laws	5		
	d. fair and open about new laws and regulations, placing all entities on notice	5		
<b>Market for Supporting Institutions</b>		<b>50</b>	<b>0</b>	<b>0%</b>

	<b>Demand for Supporting Institutions</b>	<b>30</b>	<b>0</b>	<b>0%</b>
33	The FIU recognizes the need to create a collaborative environment between other agencies combatting financial crimes:			
	a. to maximize efficient use of resources, and to keep from duplicating efforts	<b>10</b>		
	b. to capitalize on the experiences of other agencies in producing best practices for combatting financial crime.	<b>10</b>		
34	Courts recognize the value of the contributions of legal academics to the development of financial crimes.	<b>10</b>		
	<b>Supply of Supporting Institutions</b>	<b>20</b>	<b>0</b>	<b>0%</b>
35	The FIU feels that the agencies and other supporting institutions are capable of performing their own special task, and all of the support required by the FIU is met, either through its own mandate, or through the supporting institutions.	<b>10</b>		
36	The supporting institutions that assist with the development of financial crime law, and that support the enforcement of decrees by the courts, are capable of performing their own special task, and the support required by the courts is provided.	<b>10</b>		
	<b>SUB-TOTAL DEMAND</b>	<b>240</b>	<b>0</b>	<b>0%</b>
	<b>SUB-TOTAL SUPPLY</b>	<b>220</b>	<b>0</b>	<b>0%</b>
	<b>TOTAL SOCIAL DYNAMICS: FINANCIAL CRIMES</b>	<b>460</b>	<b>0</b>	<b>0%</b>

<b>J.1</b>	<b>LEGAL FRAMEWORK: COURT ADMINISTRATION</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>General Legislation</b>		<b>160</b>	<b>0</b>	<b>0%</b>
1	Framework laws governing the establishment and administration of courts clearly establish and define:			
	a. separate roles and responsibilities of the Ministry of Justice, Judiciary and any other government entity charged with court oversight or operations.	10		
	b. the principle of judicial independence from political or extra-legal influence in the adjudication of claims and cases.	10		
	c. a budgetary process for the establishment and maintenance of the courts and the court system that is free from political influence that can be used to martial extra-legal influence.	10		
	d. geographical and subject matter jurisdiction for each type of court.	10		
	e. the bases for appellate review of decisions, which includes irregularities in court administration (judicial misconduct and procedural due process) and other limits of such review.	10		
	f. that professional staffing of the judiciary is in the control of judiciary, including that relevant personnel such as judges and court administration executives have the power to hire, remove, etc personnel as needed.	10		
2	Funding of the judicial system meets the system's needs.	10		
3	Jurisdiction for commercial disputes is effectively concentrated in only one category of courts (such as commercial courts or commercial divisions of general courts) to permit efficient use of judicial resources.	10		
4	A uniform Civil Procedure Code is in force and defines practices and procedures to be implemented and followed in each type of court throughout a jurisdictional area.	10		
5	There is no significant disparity between the requirements of the Code of Civil Procedure and the procedures actually used by courts.	10		
6	The law on civil procedure (or other related law) clearly provides the standards and procedures by which a judgment concerning a commercial dispute may be appealed.	10		
7	Laws governing court operations include norms to ensure that courts are transparent and accountable within accepted international norms.	10		
8	The relevant laws establish a clear system of judicial oversight for the courts at all levels.	10		
9	Judges have the power to levy sanctions against parties as needed to sufficiently control the proceedings and avoid abuses of the system by the parties.	10		
10	The process of selection of judges at all levels is transparent and accountable, and clearly established by law.	10		
11	Separate, specialized rules of procedure govern bankruptcy and other specialized commercial litigation.	10		
<b>Laws and Regulations Governing Commencement of proceedings</b>		<b>40</b>	<b>0</b>	
12	The relevant law on civil procedure (or other relevant framework law) provides clear procedures for commencing a lawsuit relating to commercial or economic disputes.	10		
13	The costs for filing a claim are outlined in the civil procedures law or related regulations or decrees.	10		
14	The relevant laws on civil procedure or evidence provide parties with clear guidance on the type of evidence that is admissible in a commercial dispute.	10		

15	Any monetary threshold for initiating a lawsuit is included in a framework law or related administrative regulations or rules and is reasonable so as to not discourage the filing of a lawsuit simply because of exorbitant filing fees.	10		
<b>Laws governing enforcement of judgments:</b>		<b>45</b>	<b>0</b>	
16	The framework laws require that judges produce written decisions setting forth the legal and factual bases for all decisions.	10		
17	Laws governing enforcements of judgments:			
	a. Define specific procedures for attachment of cash, accounts, intangibles, movable property, and real property.	5		
	b. Adequately define the roles of bailiffs (or similar judicial officers) in the enforcement process.	5		
	c. establish a market-oriented system of auctions and evaluations.	5		
	d. provide for the use of self-enforcing judgment orders instead of new and separate actions for enforcement.	5		
18	The framework laws provide for judicial enforcement of domestic and foreign arbitral awards, and establish the procedures for such enforcement.	5		
19	The framework laws establish a system of sanctions for delays and failure to comply with procedure, rules or court orders, which, if applied, provide sufficient disincentives to discourage inappropriate behavior by parties and their attorneys.	10		
<b>Laws governing service of process issues</b>		<b>25</b>	<b>0</b>	
20	The framework laws provide reasonable requirements for service of judicial papers (e.g., summonses, subpoenas, notices, orders) to minimize mistakes, avoidance, and fraud, including:			
	a. delivery to a designated agent for service for natural and legal persons.	5		
	b. service to an officially registered or contractually agreed upon address.	5		
	c. service by post.	5		
	d. service by the parties or their delegates.	5		
	e. severe sanctions for fraudulent assertions regarding whether documents were delivered or received.	5		
<b>Court Rules</b>		<b>65</b>	<b>0</b>	<b>0%</b>
21	Rules of court, promulgated by a central authority (e.g., MOJ, Supreme Court, National Judicial Council) set forth uniform administrative and procedural requirements for internal operations of courts.	10		
22	The rules of court adequately address specialized needs of different categories of courts.	10		
23	Court rules allow for the possibility of both oral and written proceedings.	5		
24	Hearings for cases are scheduled in a manner that ensures they are an efficient use of judges' and parties' time, court resources, and are of sufficient duration and probity to move the proceedings forward.	10		
25	Court procedures permit for expedited processes for simple cases.	10		
26	Each court is independently authorized to issue local, non-substantive rules regarding discretionary practices and procedures arising from the size, location, or local needs of the court users.	10		
27	Rules regarding the procedures for submission of evidence are clearly stated.	5		
28	The rules of court permit the introduction and use of technological tools such as faxes, e-mails, and computers.	5		
<b>Scope of Laws on Court Administration</b>		<b>50</b>	<b>0</b>	<b>0%</b>
29	Together, the framework laws, court rules and other regulations establish adequate, reasonable and affordable procedures for:			

a. case initiation, including indexation and registration.	5		
b. scheduling and calendaring.	5		
c. document generation and processing.	5		
d. hearings.	5		
e. time limits on case disposition and closure.	5		
f. enforcement of court orders.	5		
g. file, document and property management.	5		
h. court fees.	5		
i. security of information.	5		
j. reports and statistics for management.	5		
<b>TOTAL LEGAL FRAMEWORK: COURT ADMINISTRATION</b>	<b>385</b>	<b>0</b>	<b>0%</b>

<b>J.2</b>		<b>IMPLEMENTING INSTITUTIONS: COURT ADMINISTRATION</b>		
<b>Court Management</b>		<b>50</b>	<b>0</b>	
1	There is a specialized unit or individual specifically responsible for administration of commercial courts.	5		
2	Within each commercial court, there is at least one qualified judge or other court professional explicitly responsible for proper management and administration of the court.	10		
3	Judges are not overburdened with administrative tasks and decisions which could be more efficiently performed by administrative personnel.	10		
4	Local courts have input in the process of establishing the judicial system's budget.	5		
5	On a local basis, courts perform sufficient self monitoring to ensure efficient administration of cases.	10		
6	Salaries and benefits are sufficient to attract and maintain qualified administrative professionals.	10		
<b>Case Management System</b>		<b>245</b>	<b>0</b>	<b>0%</b>
7	<u>Forms control.</u> The commercial courts utilize an efficient, uniform and easily understood system of standardized forms with common data elements presented in a set format for filings, pleadings, transfer of cases, orders, judgments and other actions.	10		
8	<u>Records Control.</u> The commercial courts utilize a record control system with the following elements:			
	a. The case initiation system creates a unique numerical indicator for each new case filed.	5		
	b. Each court has a docket or register of action that provides a chronological record of initial cases or subsequent actions as they occur, including additional filings or completed events such as hearings.	5		
	c. Cases are cross indexed alphabetically by party names with the docket so that case records can be researched and identified by name, date, and docket number.	5		
	d. File folders are created, either electronically or by hand, and marked with the unique indicator and style of case upon initiation of an action and are used for chronological maintenance of all documents filed during the case.	5		
	e. Each court has a central filing system organized chronologically by year and case number for safekeeping file folders.	5		
	f. Removal and return of file folders is logged with information sufficient to locate the folder.	5		
9	<u>File, Document and Property Management.</u> The commercial courts effectively manage their files, documents and evidentiary property (e.g. charts, exhibits, samples) through utilization of a system with the following characteristics:			
	a. Cases are housed in folders or other adequate containers and stored in an orderly manner.	5		
	b. New documents are placed in the appropriate folder in a timely and accurate manner; new property is effectively stored and tracked for timely retrieval.	5		
	c. There is a record system for tracking folders that are out of place.	5		
	d. The rate of record loss or misplacement is low.	5		
10	<u>Scheduling and Calendaring:</u> The commercial courts effectively utilize a system for scheduling and calendaring events, with the following characteristics:			

	a. The system reasonable enables the responsible scheduler(s) to avoid over- or under-scheduling of available judges.	5	
	b. The system identifies and flags deadlines arising from orders or statute.	5	
	c. The system permits efficient production of calendars for internal and external (public) publication, including hearings, deadlines for filings, responses, service of documents and other judicial activities.	5	
	d. The court president or other court administrator regularly uses the schedules and calendars to manage judicial performance and sanction parties for missing deadlines.	5	
	e. Courts have sufficient incentive and capacity to collect fees and taxes associated with initiating a case, filing documents, etc.	5	
	f. service of process for all court documents is executed in a expeditious and accountable manner.	5	
	g. The case information management systems is fully automated .	10	
11	<u>Document Generation</u> : The commercial courts utilize a system for automatic (or immediate, in a manual system) generation of court-initiated notices, reminders, standardized orders and other ministerial documents.	5	
12	<u>Hearings</u> . The case management system provides for immediate issuance and delivery of summons and notices to all parties when hearing dates are set.	10	
13	<u>Hearings</u> . Courts are able to have records made of hearings and have the capacity to maintain such records. Such records are done in a manner which ensures they accurately and completely reflect the proceedings.	10	
14	<u>Case Disposition and Closure</u> : The commercial courts effectively employ standardized procedures for disposition and closure of cases, with the following characteristics:		
	a. dispositions are entered in the docket within a reasonable time frame.	5	
	b. deadlines for appeals, compliance or other time sensitive actions are calendared.	5	
	c. upon passage of deadlines, the case is closed by the court and records sent to a central filing system.	5	
	d. if the case remains open for appeal or otherwise, court records and registries are adequately updated to show the status of the case and location of folders.	5	
	e. no case is closed until all outstanding fees are paid or otherwise satisfied.	5	
	f. a system is in place for public notice and distribution of decisions.	5	
15	<u>Enforcement</u> . The commercial courts effectively utilize an enforcement system with the following characteristics:		
	a. Commercial court judges regularly issue self-enforcing judgments and orders which can be enforced upon request of the judgment creditor upon its terms without need for commencement of new actions.	5	
	b. Bailiffs and other appropriate court personnel direct attachment and seizure of property in a timely manner.	5	
-	c. Police are available and provide assistance when seizure or repossession requires police intervention.	5	-
-	d. Auctions are announced in a timely manner and conducted in a market-oriented manner to ensure that the highest values are obtained.	5	-
	e. Property held by or on behalf of the court is safeguarded effectively with minimum wear or damage.	5	
16	<u>Financial Records</u> : The case management system is effectively used to manage payment of court fees related to each case, with the following characteristics:		

	a. Court clerks or computer applications accurately calculate all fees applicable to a case and notify all relevant parties.	5		
	b. Personnel cannot effectively by-pass the system for rent seeking.	5		
	c. Receipts are posted in the case folder and given to the party making payment.	5		
	d. The system is used to track revenues from fees for each case, each court, and the court system.	5		
17	<u>Security</u> . The case management system provides adequate security in the following areas:			
	a. Files, documents and properties are reasonably secure from theft or "disappearance".	5		
	b. Confidential information is securely protected through restrictions on access and sanctions for breaches.	5		
	c. Archival and back-up systems protect electronic data within the case management system.	5		
18	<u>Reports</u> : The commercial courts (and, as applicable, other judicial or government agencies) collect data and produce management reports and statistics utilizing a system with the following characteristics:			
	a. Permanent indexes are available for case number, litigant name, type of action, and judge (at a minimum) and are consistently updated in a timely manner.	5		
	b. Case management reports are produced on a periodic basis (not less than quarterly) for judges and court presidents, which show pending motions, number of cases received and resolved, cases pending, time spent writing decision, time between hearings, treatment of parties, rates of appeal, time between case opening and first motion, and time between case opening and closing, etc.	5		
	c. Appeals reports are produced at least monthly to identify appeals filed, appeals pending, appellate court orders (e.g., affirmed, denied, redressed) and aging analysis.	5		
	d. Funds are effectively tracked and reported through daily reconciliation reports, and reports fees assessed and collected, outstanding fees, and amount of fees by type of case, among others.	5		
	e. These assessments are standardized across courts to allow for broad comparison,	5		
	f. Ministry and judiciary officials, court presidents, and judges regularly use the reports to improve management of cases, identify problem areas, and set goals and objectives to improve judicial performance.	5		
<b>Court Personnel and Facilities</b>		<b>180</b>	<b>0</b>	<b>0%</b>
19	Sufficient number of courts exist throughout the country so that individuals have adequate access are not overly burdened in trying to engage the court system.	10		
20	The commercial courts have the following:			
	a. sufficient number of properly-trained attorneys in a support of a judge's work, such as law clerks, to meet judge's needs.	10		
	b. a human resources department for hiring and firing non-judicial employees, determining salaries, and conducting regular performance reviews for all non-judicial personnel. Judges and court administrators are sufficiently empowered to remove non- and under-performing personnel.	10		
	c. a financial manager who prepares and manages an approved budget effectively to ensure prompt payment of court obligations and effective use of transparent, competitive procurement procedures for goods and services.	10		
	d. a facilities manager who ensures reasonable upkeep of the courts and judicial facilities.	10		

	e. training programs to ensure adequate training for new and existing administrators and other employees.	10		
	f. a "customer service" approach to stakeholders, including provision of court rules and a formal mechanism for obtaining feedback from users.	10		
	g. sufficient staffing to provide services without unnecessary delays and excessive backlogs.	10		
	h. a program of performance review for all judges based on published standards for professional performance.	10		
	i. sufficient access to legal materials (laws, regulations, opinions, journals, treatises, forms) to meet the reasonable needs of judges and their support staffs.	10		
	j. adequate security for court personnel.			
	k. training programs for judges and administrators in case management, general management, time management, and similar topics designed to enhance managerial capacity of judges.	10		
	l. sufficient court room space and judge's chambers to meet needs.	10		
21	Information technology capacity:			
	a. courts have the capacity for employing and improving computerized court management systems	10		
	b. court staff at all levels have sufficient training in computer systems	10		
	c. there are sufficient information technology specialists to support court computer systems.	10		
	d. IT equipment is sufficient to meet needs.	10		
	e. Court systems are sufficiently interconnected to ensure sharing of information.	10		
22	A clear and standard procurement system exists throughout the court system to efficiently order needed supplies and equipment	10		
<b>TOTAL IMPLEMENTING INSTITUTIONS: COURT ADMINISTRATION</b>		<b>475</b>	<b>0</b>	<b>0%</b>

<b>J.3</b>	<b>SUPPORTING INSTITUTIONS: COURT ADMINISTRATION</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Governmental</b>		<b>70</b>	<b>0</b>	<b>0%</b>
1	The executive and legislative branches each have a specialized department dedicated to ongoing reform and improvement of court administration.	10		
2	Efforts to reform the court system are coordinated across branches of government as well as the private sector.	10		
3	The judiciary has an administrative office or other unit responsible for overall oversight and management of the courts.	10		
4	Governmental entities involved in court administration have a system for analyzing needs and proposing reforms together.	10		
5	The Ministry of Justice has a formal mechanism for obtaining input and feedback from the judiciary regarding need for legal and practical reforms in court administration.	10		
6	There is an active Judges' Association that regularly analyzes and makes recommendations for improvement of court administrative functions.	10		
7	For legislative reforms, there is a formal mechanism for obtaining input from all interested stakeholders, and the unit responsible for drafting new laws or amendments actively seeks input from those affected.	10		
<b>Professional</b>		<b>70</b>	<b>0</b>	<b>0%</b>
8	The Bar Association has a formal mechanism for identifying needs for reform of court administration and communicating their recommendations to the courts and entities in charge of judicial reform.	10		
9	There exists a professional association for judges who represent judges interests before the government and other relevant bodies.	5		
10	Law schools and/or relevant professional associations and trade schools specialize in court administration issues for those who works with judges and other legal professionals to bring about reform and ensure that practitioners properly administer the court system.	10		
11	The public notaries have an active association or working group that collaborates with the judiciary and other legal professionals to provide input on reform needs.	5		
12	The legal community has the capacity to develop and conduct programs of continuing legal education for judges and lawyers on court administration issues and conducts such programs as needed.	10		
13	Court clerks have an active association in which they can exchange information on best practices and provide ongoing training and education for their members.	10		
14	There is a national judicial council responsible for the oversight of judges and which provides specialized and standardized training in court administration as well as in the rules and operations of specialized courts (as needed).	10		
15	Enforcement agents have an active association that provides ongoing training for its members and actively seeks improvement in the enforcement law and practice.	10		
<b>Specialized Groups and Business Associations</b>		<b>30</b>	<b>0</b>	<b>0%</b>
16	One or more schools or management organizations has the capacity to develop courses and train judges in modern management techniques and administrative disciplines such as budgeting, accounting for courts, and human resources.	10		

17	There are enough competent technology service providers (including local programmers and equipment sellers) to obtain quality services for the courts on a competitive basis.	10		
18	One or more business organizations effectively tracks court administration issues affecting the cost and quality of judicial services and lobbies for reforms.	5		
19	A foreign investors association, bi-lateral chamber of commerce or similar association actively analyzes court administration issues and recommends adoption of international best practices.	5		
<b>TOTAL SUPPORTING INSTITUTIONS: COURT ADMINISTRATION</b>		<b>170</b>	<b>0</b>	<b>0%</b>

<b>J.4 SOCIAL DYNAMIC: COURT ADMINISTRATION</b>		<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Government involvement</b>		<b>165</b>	<b>0</b>	<b>0%</b>
1	High level government officials are knowledgeable of and have taken tangible steps to improve court administration each of the following:			
	a. legislature;	5		
	b. ministry of justice; and	5		
	c. the courts.	5		
2	The government has created an environment generally supportive of efficient court administration, including:			
	a. implementation of an ongoing plan of improved court/judicial efficiency with respect to civil procedure, administrative law and procedure, as well as resources for judicial and court reform;	10		
	b. active anti-corruption initiatives to combat corrupt practices involving government ministries involved in commercial/economic activity; and	10		
3	The government has the technical capacity to draft laws and regulations necessary for more efficient court administration.	10		
4	The government provides for meaningful private sector participation in the legal reform process regarding court administration by:	10		
	a. publishing laws, regulations, instructions, rules of procedure available to the business community or other end users;	10		
	b. providing the business and legal communities with meaningful notice and opportunity to comment on relevant draft laws, legislative amendments, or implementing regulations.	10		
5	The business and professional communities are satisfied with private sector ability to participate in the process input.	10		
6	The highest court that deals with commercial disputes (e.g., the Supreme Court) is committed to improving services and responsiveness to commercial litigants.	10		
7	The highest court that deals with commercial disputes is committed to reviewing the performance of the judiciary and to dealing with any problems that may arise related to malfeasance, corruption or breach of any code of ethics, raised by parties or others	10		
8	Relevant parts of the government are attempting to educate the public of their right to challenge a government decision through use of the legal system	5		
9	Governments work with international lending institutions and donor agencies to institute assistance programs with the government to upgrade and improve the courts and the judiciary, and related other officials.	10		
10	The government is actively involved in advocating reform of the process for enforcing judgments including reform of the entity tasked with enforcing court judgments, often called the "bailiff."	10		
11	The government monitors and as assists as needed with the with proper enforcement of administrative awards and decisions by the relevant government ministries.	10		
12	The entities tasked with enforcing court judgments, or "bailiffs," are actively trying to:			
	a. improve the timing/speed with which judgments are enforced;	5		
	b. make the enforcement process more efficient (less cumbersome);	5		
	c. enforce court judgments in a way that maximizes monetary recovery and minimizes the chance of debtor default or wasting of assets;	5		
	d. secure additional resources to provide more efficient service; and	5		

	e. provide training and ongoing assessment of staff performance.	5		
<b>Trade/Attorney/Judges associations and private sector involvement</b>		<b>120</b>	<b>0</b>	<b>0%</b>
13	Trade and legal industry associations:			
	a. have specialized sections or committees focused on commercial litigation and court administration.	5		
	b. have established formal mechanisms with policy makers for providing input and feedback on issues related to court administration	5		
	c. regularly provide substantive input and feedback (including studies, statistics, research documents) on draft laws, regulations, and suggested amendments to lawmakers in support of adopting uniform, high-level standards of court administration	5		
	d. conduct programs and events for their members and the general public to promote better understanding the court system and how to use it.	5		
14	The business and professional communities perceive the laws and regulations issued by the government and affecting court administration to be:			
	a. sufficient to create a predictable, transparent and accountable system;			
	b. precise in that they can be generally read and understood by a businessperson (or end user) and provide adequate indication of what is required under the law;	10		
	c. complete in that they address the main needs of the business community and do not contain significant gaps or ambiguities;	10		
	d. responsive to their needs as reflected in favorable (e.g., pro-business) policy measures.	10		
15	The business community does not find the requirements put in place by rules of court administration so onerous as to be dissuaded from using the courts.	10		
16	The business and legal communities feel that the courts operate in a manner that is:			
	a. transparent, unbiased, in accordance with law, and predictable for similar facts and circumstances; and	10		
	b. reasonably speedy, efficient, and understandable (i.e., the number of steps or procedures required is not cumbersome); and	10		
17	Business entities that are litigants feel that they have adequate opportunity to provide feedback to the courts and the judiciary on their performance, either directly to the courts or through a trade or professional organization which regularly communicates with relevant parts of the system	10		
18	The business and professional communities feel that the courts are doing an adequate job of disseminating information and decisions relating to major commercial (economic) cases.	10		
19	The business community generally considers that bailiffs:			
	a. are adequately staffed and trained to provide efficient service;	5		
	b. enforce judgments in a fair, transparent, and timely manner (i.e., free of corruption);	5		
20	The private sector is developing as, or is already considered, a source of qualified mediators and arbiters.	5		
21	The private sector has legitimate means to enforce or assist in the enforcement of decisions made through (both public and private) commercial dispute resolution, such as collection agencies.	5		
<b>TOTAL SOCIAL DYNAMICS: COURT ADMINISTRATION</b>		<b>285</b>	<b>0</b>	<b>0%</b>

<b>F.1.</b>	<b>LEGAL FRAMEWORK - FOREIGN DIRECT INVESTMENT</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Equal Treatment of Foreign Investors</b>		<b>85</b>	<b>50</b>	<b>59%</b>
1	Laws have been enacted that provide a legal framework for direct investment, including special provisions for foreign direct investment.	10	5	
2	Investment laws contain the following characteristics:			
	a. the principle of "open admission" to foreign investors;	5	5	
	b. no unduly complicated or cumbersome admission requirements (as determined by the investors); and	5	5	
	c. national treatment for foreign investors regarding:		5	
	1. protection of person and property,	5		
	2. granting of business licenses, import and export permits and authorizations to employ persons.	5	5	
3	Exceptions to any rules of national treatment are clearly spelled out.	10	4	
4	A maximum of 10% preferential treatment is accorded to national suppliers in government procurement.	5	1	
5	Foreign investors may freely invest in any area of economic activity other than those reserved to the state as areas of national security in keeping with international norms.	10	5	
6	There is no requirement of local participation in the ownership of companies or property, except in areas reserved to the state, if any.	10	5	
7	The government does not require foreign investors to meet performance targets in terms of output or price of goods and services in order to maintain their investments (except in the context of concession contracts based on performance)	10	5	
8	The legal regime for investment does not discriminate <i>in favor of</i> foreign investors <i>against</i> local investors.	10	5	
<b>Repatriation and Transfer of Assets</b>		<b>30</b>	<b>15</b>	<b>50%</b>
9	The investment framework freely permits:			
	a. regular, periodic transfer of the wages and savings of foreign personnel;	10	5	
	b. transfer of offshore of net (after tax) revenues realized from the investment; and	10	5	
	c. free transfer of net proceeds on liquidation of investment (except in cases of foreign exchange exigencies).	10	5	
<b>Expropriation and Legislative Changes</b>		<b>40</b>	<b>19</b>	<b>48%</b>
10	The investment framework expressly prohibits expropriation except under prescribed circumstances in keeping with generally accepted principles of international law.	10	5	
11	In the event of expropriation, the law provides for just, adequate and speedy compensation.	10	5	
12	The law clearly defines the mechanism or methodology for determining what constitutes "adequate" compensation in the event of expropriation.	10	4	
13	The law, regulations or approvals of investment provide guarantees against legislative changes that substantially impair protections extended to investors.	10	5	
<b>Dispute Resolution</b>		<b>60</b>	<b>25</b>	<b>42%</b>
14	The legal framework for investment and contract permit flexibility in the following areas:			
	a. selection mechanism for dispute resolution;	10	4	
	b. choice of forum;	10	5	
	c. choice of substantive law to be applied; and	10	5	
	d. choice of procedural laws or rules.	10	5	
15	The country is a signatory to 1958 UN Convention on the Recognition & Enforcement of Foreign Arbitral Awards (New York Convention).	10	3	

16	Domestic law governing international arbitration is consistent with UNCITRAL Model Law on International Arbitration.	10	3	
<b>Investment Treaties and International Conventions</b>		<b>80</b>	<b>13</b>	<b>16%</b>
17	The country has a bilateral investment treaty (BIT) or similar agreement in force with the following:			
	a. European Union;	10	0	
	b. United States;	10	1	
	c. Neighboring countries; and	10	3	
	d. Other significant trading partners.	10	3	
18	The International Center for the Settlement of Investment Disputes (ICSID) Convention has been ratified.	10	5	
19	The Multilateral Investment Guarantee Agency (MIGA) Convention has been ratified.	10	0	
20	An Overseas Private Investment Corporation (OPIC) program (i.e., finance and political risk insurance) is in operation.	10	1	
21	An Export-Import (EXIM) program is in operation.	10	0	
<b>Ancillary Laws and Other Relevant Provisions</b>		<b>70</b>	<b>36</b>	<b>51%</b>
22	Foreign investors consider the following laws, legal restrictions or requirements to be generally sufficient or appropriate:			
	a. the tax regime;	5	4	
	b. limitations on foreign exchange accounts;	5	5	
	c. protection of intellectual property rights;	5	3	
	d. minimum capital requirements for companies or investments;	5	5	
	e. collateral and secured transactions; and	5	4	
	f. customs and tariff regimes.	5	3	
23	Visa requirements for expatriate personnel are not viewed by foreign investors as onerous.	10	5	
24	There are no direct export subsidies.	10	1	
25	Qualification for investment incentives is clearly defined according to clear, measurable standards.	10	1	
26	Only the investment incentives, not the investments themselves, are subject to approval.	10	5	
<b>Definition of Implementing Institution</b>		<b>40</b>	<b>16</b>	<b>40%</b>
27	The law clearly defines:			
	a. the institution or institutions responsible for implementation of laws relating to investment, including foreign investment; and	10	4	
	b. the roles, responsibilities and operational procedures of each relevant institution.	10	4	
28	The law requires that the institution(s) render decisions relating to the law:			
	a. based on published laws, regulations and standards; and	10	4	
	b. through written documentation clearly setting forth the basis for the decision.	10	4	
<b>TOTAL FOR FOREIGN DIRECT INVESTMENT -- FRAMEWORK LAW</b>		<b>405</b>	<b>174</b>	<b>43%</b>

F.2	IMPLEMENTING INSTITUTIONS - FOREIGN DIRECT INVESTMENT	Ref.	Score	%
<b>Foreign Investment Agency: Organization</b>		<b>60</b>	<b>26</b>	<b>43%</b>
1	The agency responsible for the promotion of investment and approval of investment incentives, has the following characteristics:			
	a. a clearly defined mandate to implement the foreign investment law;	5	5	
	b. sufficient staffing to carry out its mandate;	5	3	
	c. sufficient authority and support to carry out its mandate, including clear policy statements and support from the government;	5	3	
	d. sufficient funding through state budget, fees collected, or a combination of both to maintain its equipment and services;	5	3	
	e. detailed internal regulations and operating procedures; and	5	2	
	f. an active staff training and development program utilizing appropriate training materials, guidebooks or procedural manuals to improve staff competency and service.	5	3	
2	There is general consistency in understanding the agency role and functions among the government, the agency and the end users.	10	3	
3	The agency has adopted a "customer-oriented" approach to fulfilling its mandate.	10	2	
4	The agency has an active, current web site, including contact information, registration, application or other requirements, and relevant legal materials.	10	2	
<b>Foreign Investment Agency: Procedures and Basic Operations</b>		<b>80</b>	<b>37</b>	<b>46%</b>
5	Primary Services: Assistance to foreign investors:			
	a. The agency distributes (or makes available for a nominal fee) copies of all procedures, relevant laws, government regulations, fee schedules and other information governing registration of investments, approval of investment incentives and any other r	n/a	1	
	b. The procedures for registration (if such is required) or application for incentives are transparent, clear and consistent;	5	3	
	c. The manner in which the agency executes the approval or registration procedures is transparent, non-discretionary, non-discriminatory and relatively bribe free;	5	3	
	d. When rejecting an application, the agency provides a written explanation based on published law and regulations;	5	2	
	e. Approval procedures for investment incentives and licenses are transparent, clear, predictable, consistent and simple;	5	3	
	f. Investors consider fees for services to be reasonable and not a constraint to investment;	5	4	
	g. The application and registration processes are computerized;	5	4	
	h. The foreign investor community considers the cost and procedures for registration reasonable;	5	3	
	i. Once investors have provided all necessary documentation and information, it takes less than a month to obtain a decision on the approval or rejection of an application for investment incentives; and	5	5	
	j. If the agency does not reject a completed application within 30 days of receipt, it is automatically approved.	5	1	
6	Secondary Services			
	a. The agency produces and publishes periodic newsletters, reports or other informational pieces intended to increase end-user awareness;	5	2	
	b. The agency maintains and publishes statistics on foreign investment, including for different branches and sectors of the economy; and	5	1	

	c. The agency provides reasonable public access to all registration and approval decisions.	5	1	
7	The agency maintains active contacts and exchanges with counterpart organizations in other countries.	10	3	
8	The agency coordinates effectively with ministries and other government entities involved in matters affecting foreign investment.	10	1	
<b>Foreign Investment agency: Enforcement of Specific Legal Provisions</b>		<b>65</b>	<b>20</b>	<b>31%</b>
9	In applying relevant law, the agency:			
	a. does not discriminate against foreign investors;	10	4	
	b. does not discriminate against local investors; and	10	4	
	c. provides written justification for its decisions to deny approval or registration based on published laws, regulations and standards.	10	2	
10	In the opinion of foreign investors, the agency (or other relevant institution) efficiently processes approvals or other documentation required for repatriation of salaries, profits and assets. (Note: award full score if not required)	10	4	
11	In the opinion of domestic and foreign investors, the agency regularly applies provisions of bi-lateral investment treaties (BITs) and similar agreements in a consistent, clear, non-discretionary and non-discriminatory manner.	10	3	
12	The agency interacts with other authorities to ensure enforcement and application of investment laws and the terms of incentive approvals.	10	2	
13	In court cases involving foreign investors, the agency provides or otherwise makes available any documentation needed by the courts or litigants in a timely manner.	5	1	
<b>Courts</b>		<b>50</b>	<b>8</b>	<b>16%</b>
14	Courts and other relevant administrative bodies consistently adjudicate disputes involving foreign investors:			
	a. in accordance with clear, published laws, regulations and standards; and	10	1	
	b. without regard to the nationality or residence of the litigants, unless explicitly required by law.	10	1	
15	Courts consistently adjudicate appeals from administrative decisions in a transparent, impartial manner.	10	2	
16	Courts recognize and enforce foreign judgments and arbitral awards.	10	2	
17	Courts make decisions independently, without regard to inappropriate political pressures or non-judicial considerations.	10	2	
<b>TOTAL, FOREIGN DIRECT INVESTMENT -- IMPLEMENTING INSTITUTIONS</b>		<b>255</b>	<b>91</b>	<b>36%</b>

<b>F.3</b>	<b>SUPPORTING INSTITUTIONS - FOREIGN DIRECT INVESTMENT</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Government Entities</b>		<b>50</b>	<b>38</b>	<b>76%</b>
1	In the opinion of foreign investors, notary services are:			
	a. relatively inexpensive;	5	5	
	b. readily available throughout the country; and	5	5	
	c. not overly complex or burdensome.	5	5	
2	Registries of names, copyrights, trademarks, patents and other intellectual property are up-to-date and readily accessible to the business community.	10	4	
3	The government regularly collects and maintains data on foreign investment, including registration, levels of investment, employment, liquidation, and other statistics of interest to policy makers and the private sector.	10	4	
4	In the opinion of foreign investors, the Customs Service:			
	a. properly applies the customs and tariff laws to their imports and exports;	5	5	
	b. does not require unduly burdensome registration, application or filing procedures; and	5	5	
	c. is generally supportive when investors need assistance or clarification regarding the clearance of goods or payments of tariffs and duties.	5	5	
<b>Professional Associations</b>		<b>55</b>	<b>19</b>	<b>35%</b>
5	Foreign investors find that there is an adequate supply of local accountants who understand and apply Generally Accepted Accounting Principles (GAAP) or other internationally recognized standards and norms.	10	4	
6	Lawyers' associations have specialized groups dedicated to foreign investment law issues.	10	1	
7	Foreign investors consider lawyers who can assist with matters related to their investment and businesses to be:			
	a. sufficient in quantity;	5	1	
	b. professionally competent; and	5	2	
	c. reasonably priced.	5	3	
8	Economists and statisticians provide investors and policymakers with useful information on the impact of or need for foreign direct investment.	10	4	
9	Professional associations regularly hold meetings, seminars, or other events to promote better understanding of issues relating to foreign investment.	10	4	
<b>Specialized Services</b>		<b>55</b>	<b>36</b>	<b>65%</b>
10	Foreign investors consider filing and registration services to be:			
	a. sufficient in quantity;	5	5	
	b. professionally competent; and	5	5	
	c. reasonably priced.	5	5	
11	Management consulting, public relations, market research and similar firms facilitate inbound foreign direct investment..	10	5	
12	Universities, foundations and think tanks regularly examine and issue reports and opinions on content and enforcement of foreign investment laws and the overall investment environment.	10	3	
13	Foreign investors are able to verify the creditworthiness of local investors, purchasers, and business debtors through credit rating services.	10	3	
14	Debt collection services:			
	a. are available through the private sector; and	5	5	
	b. do not resort to extra-legal enforcement mechanisms (e.g., thuggery).	5	5	
<b>Trade and Special Interest Groups</b>		<b>50</b>	<b>21</b>	<b>42%</b>

15	Banking associations, business groups and chambers of commerce:			
	a. actively monitor foreign investment law practice and developments; and	5	4	
	b. issue opinions and appeals for change based on the results of monitoring.	5	3	
16	Foreign investor associations provide input to policy makers and business associations on international standards in foreign investment law and the investment environment.	10	3	
17	The local media report on matters related to investment law, giving the business community and general public a greater understanding of investment-related issues from a free market perspective.	10	5	
18	Foreign investors can satisfy local insurance needs through domestic insurance providers.	10	5	
19	One or more established foreign investors' associations actively seek improvements in the investment environment.	10	1	
<b>TOTAL FOR FOREIGN DIRECT INVESTMENT -- SUPPORTING INSTITUTIONS</b>		<b>210</b>	<b>114</b>	<b>54%</b>

<b>F.4</b>	<b>MARKET FOR INCREASED FOREIGN DIRECT INVESTMENT</b>	<b>Ref.</b>	<b>Score</b>	<b>%</b>
<b>Market for Improved Laws</b>		<b>355</b>	<b>108</b>	<b>30%</b>
<b>Demand for Improved Laws</b>		<b>115</b>	<b>33</b>	<b>29%</b>
<b>Government</b>		<b>45</b>	<b>15</b>	<b>33%</b>
1	At least one high-level government official from each of the following is knowledgeable of issues surrounding foreign direct investment and works to increase foreign investment :			
	a. the legislature;	5	3	
	b. the ministry responsible for FDI policy; and	5	3	
	c. the implementing institution.	5	3	
2	Elected politicians regularly espouse positions supporting liberalized FDI policies.	10	2	
3	Foreign governments seek to conclude and enforce bi-lateral investment treaties (BITs) or similar agreements.	10	1	
5	International lending institutions and donor agencies provide assistance to or condition loans upon reform of the investment environment.	10	3	
<b>Private Sector</b>		<b>70</b>	<b>18</b>	<b>26%</b>
6	Professional associations:			
	a. have specialized sections or committees dedicated to FDI law or policy issues;	5	1	
	b. have established formal mechanisms with policy makers for providing input and feedback on FDI-related issues;	5	2	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on FDI-related issues;	5	1	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on FDI-related issues; and	5	2	
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of an improved environment for foreign and domestic investment.	5	1	
7	The business community is well represented by trade and special interest groups who benefit from increased FDI or an improved investment environment.	10	3	
8	Trade and special interest groups:			
	a. have specialized sections or committees dedicated to FDI law or policy issues;	5	1	
	b. have established formal mechanisms with policy makers for providing input and feedback on FDI-related issues;	5	1	
	c. regularly provide substantive input and feedback (including studies, statistics, policy documents, etc.) to policymakers on FDI-related issues;	5	1	
	d. regularly provide draft laws, comments on regulations, suggested amendments and similar input to lawmakers on FDI-related issues; and	5	1	
	e. conduct programs and events for their members and the general public to promote better understanding of the benefits of an improved environment for foreign and domestic investment.	5	2	
9	Universities offer courses on issues related to improving the investment climate for foreign and domestic investment.	10	2	
<b>Supply of Improved Laws</b>		<b>205</b>	<b>51</b>	<b>25%</b>
<b>Government</b>		<b>125</b>	<b>27</b>	<b>22%</b>
10	The government has created an environment generally supportive of an environment conducive to FDI, including:			
	a. large scale privatization;	5	2	
	b. small scale privatization;	5	2	
	c. stable macroeconomic policy;	5	1	

	d. freely convertible currency;	5	5	
	e. clearly stated policies promoting FDI;	5	3	
	f. active anti-corruption initiatives to combat corrupt practices involving FDI; and	5	2	
	g. an annual legislative agenda for FDI policy reform that is actively pursued.	5	1	
11	A specialized administrative unit has been established to review existing or proposed laws and regulations with the aim of reducing the regulatory burden on investors.	10	0	
12	The government (through a specialized unit or otherwise) has the technical capacity to draft laws and regulations necessary for improved FDI policy.	10	2	
13	The Government provides for meaningful private sector participation in the legal reform process by:			
	a. making copies of laws, regulations, instructions, application forms and similar subsidiary instruments readily available (e.g., to private sector publishers, through bookstores, on a web site) to foreign and domestic investors;	10	2	
	b. providing foreign and domestic investors with meaningful notice of and opportunity to comment on draft laws or legislative amendments affecting FDI:			
	1. before they are submitted for legislative approval, and	10	1	
	2. before they become effective; and	10	1	
	c. providing foreign and domestic investors with meaningful notice of and opportunity to comment on draft <i>implementing regulations</i> :			
	1. before they are submitted for legislative approval, and	10	1	
	2. before they become effective.	10	1	
14	Formal mechanisms for soliciting input from business and professional community regarding formulation and amendment of FDI policy:			
	a. have been established by the government;	5	1	
	b. are actively used by the government; and	5	1	
	c. according to foreign investors, generally satisfy private sector demand for providing input.	10	1	
	<b>Private Sector</b>	<b>80</b>	<b>24</b>	<b>30%</b>
15	Foreign investors perceive the legal and regulatory environment generally to be:			
	a. stable, as evidenced by:			
	1. infrequent changes to relevant laws and regulations; and	5	2	
	2. a relative lack of conflicting laws and regulations;	5	2	
	b. predictable, evidenced by relative consistency in interpretation and enforcement of major laws and regulations; and	10	3	
	c. transparent in that equal treatment is generally accorded for end users in similar positions and circumstances.	10	3	
16	Foreign investors perceive the laws and regulations issued by the government to be relatively:			
	a. precise in that they can be generally read and understood by a business person (or end user) and provide adequate indication of what is required thereunder;	10	3	
	b. complete in that they address the main needs of foreign investors and do not contain significant gaps; and	10	3	
	c. responsive to their needs as reflected in "favorable" (e.g., pro-investment) policy measures.	10	3	
17	Foreign investors generally feel that they have a meaningful role to play in shaping policy reform in area of FDI.	10	2	

18	Foreign investors generally feel that the state is effectively meeting basic needs for legal reform in the area of FDI.	10	3	
<b>Market for Effective Implementing Institutions</b>		<b>170</b>	<b>60</b>	<b>35%</b>
<b>Demand for Effective Implementing Institutions</b>		<b>80</b>	<b>21</b>	<b>26%</b>
<b>Government</b>		<b>40</b>	<b>12</b>	<b>30%</b>
19	One or more high level government officials with responsibility for implementation champion the cause of more efficient and effective provision of services by the implementing institution.	10	3	
20	The director of the implementing institution is committed to improving services and responsiveness to end-user needs.	10	4	
21	A formal mechanism exists for reviewing the performance and effectiveness of the implementing institution on a regular basis (at least annually).	10	1	
22	International lending institutions and donor agencies have instituted assistance programs with the government to upgrade and improve the implementing institution.	10	4	
<b>Private Sector</b>		<b>40</b>	<b>9</b>	<b>23%</b>
23	The business community understands and agrees with the service mandate of the implementing institution.	10	4	
24	Professional associations, trade organizations and special interest groups that favor an improved investment environment actively pressure the implementing institution more effectively than protectionist groups to apply the laws in a manner favoring their	10	1	
25	Foreign investors regularly uses the services of the implementing institution.	10	3	
26	In service areas where the implementing institutions are weak, the private sector offers competing or replacement services to fill the gap.	10	1	
<b>Supply of Effective Implementing Institutions</b>		<b>90</b>	<b>39</b>	<b>43%</b>
<b>Government</b>		<b>40</b>	<b>10</b>	<b>25%</b>
27	The implementing institution actively utilizes:			
	a. an internal plan, reviewed annually, for improving services provided to the private sector and government;	5	2	
	b. a system of accountability for its performance to the government institution responsible for its oversight; and	5	2	
	c. a mechanism for obtaining feedback from the private sector on the cost and quality of its services.	10	1	
28	The implementing institution provides a written basis for all decisions made based on existing, published law.	10	2	
29	The implementing institution makes all regulations, forms, applications and other important documents and information available to the end-users.	10	3	
<b>Private Sector</b>		<b>50</b>	<b>29</b>	<b>58%</b>
30	Foreign investors feel that the manner in which the implementing institution supplies services is:			
	a. transparent;	5	5	
	b. non-discretionary;	5	5	
	c. non-discriminatory;	5	5	
	d. reasonably priced.	5	4	
31	Foreign investors feel that they have adequate opportunities to provide feed-back to the institution on its performance.	10	1	
32	Foreign investors consider to be decisions made by the implementing institution to be:			
	a. predictable under similar facts and circumstances;	5	2	
	b. appropriate under existing law;	5	2	

	c. understandable; and	5	2	
	d. generally supportive of an improved investment climate.	5	3	
<b>Market for Supporting Institutions</b>		<b>70</b>	<b>15</b>	<b>21%</b>
<b>Demand for Supporting Institutions</b>		<b>40</b>	<b>8</b>	<b>20%</b>
33	The private sector creates supporting institutions as needed to provide services required for an investment climate conducive to foreign investment in each of the following areas:			
	a. professional associations;	10	3	
	b. specialized services; and	10	2	
	c. FDI and special interest groups.	10	2	
34	For specialized services, there are generally competing service providers.	10	1	
<b>Supply of Supporting Institutions</b>		<b>30</b>	<b>7</b>	<b>23%</b>
35	Foreign investors generally consider the supporting institutions to be adequate in facilitating or supporting the implementation of the framework law in terms of:			
	a. number of institutions; and	10	2	
	b. quality of institutions.	10	2	
36	A sufficient mass of private sector associations supports free-market FDI principles to counterbalance protectionist groups.	10	3	
<b>SUB-TOTAL -- DEMAND</b>		<b>235</b>	<b>62</b>	<b>26%</b>
<b>SUB-TOTAL -- SUPPLY</b>		<b>325</b>	<b>97</b>	<b>30%</b>
<b>TOTAL FOR FOREIGN DIRECT INVESTMENT -- MARKET</b>		<b>560</b>	<b>159</b>	<b>28%</b>