Economy Profile Congo, Dem. Rep.

# Doing Business 2020

Comparing Business
Regulation in

190 Economies



# **Economy Profile of Congo, Dem. Rep.**

Doing Business 2020 Indicators (in order of appearance in the document)

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Employing workers	Flexibility in employment regulation and redundancy cost

# **About Doing Business**

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

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

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

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

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

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

To learn more about *Doing Business* please visit doingbusiness.org

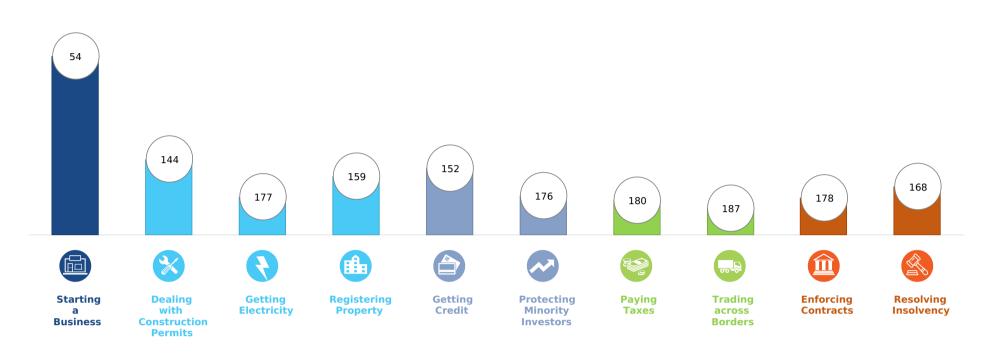
Ease of Doing Business in Congo, Dem. Rep.



Region	Sub-Saharan Africa
Income Category	Low income
Population	84,068,091
City Covered	Kinshasa



# Rankings on Doing Business topics - Congo, Dem. Rep.



# **Topic Scores**





















V	Starting a Business (rank)	54
	Score of starting a business (0-100)	91.6
	Procedures (number)	4
	Time (days)	7
	Cost (number)	16.3
	Paid-in min. capital (% of income per capita)	4.6
V	<b>Dealing with Construction Permits</b> (rank)	144
	Score of dealing with construction permits (0-100)	59.5
	Procedures (number)	13
	Time (days)	122
	Cost (% of warehouse value)	13.8
	Building quality control index (0-15)	10.0
	Getting Electricity (rank)	177
	Score of getting electricity (0-100)	34.7
	Procedures (number)	6
	Time (days)	44
	Cost (% of income per capita)	13,108.0
	Reliability of supply and transparency of tariff index (0-8)	0
	Registering Property (rank)	159
	Score of registering property (0-100)	46.6
	Procedures (number)	8
	Time (days)	38
	Cost (% of property value)	10.1
	Quality of the land administration index (0-30)	9.0

Getting Credit (rank)	152
Score of getting credit (0-100)	30.0
Strength of legal rights index (0-12)	6
Depth of credit information index (0-8)	0
Credit registry coverage (% of adults)	1.5
Credit bureau coverage (% of adults)	0.0
Protecting Minority Investors (rank)	176
Score of protecting minority investors (0-100)	22.0
Extent of disclosure index (0-10)	7.0
Extent of director liability index (0-10)	1.0
Ease of shareholder suits index (0-10)	3.0
Extent of shareholder rights index (0-6)	0.0
Extent of ownership and control index (0-7)	0.0
Extent of corporate transparency index (0-7)	0.0
Paying Taxes (rank)	180
Score of paying taxes (0-100)	40.9
Payments (number per year)	52
Time (hours per year)	346
Total tax and contribution rate (% of profit)	50.7
Postfiling index (0-100)	27.1

Trading across Borders (rank)	187
Score of trading across borders (0-100)	3.5
Time to export	
Documentary compliance (hours)	192
Border compliance (hours)	296
Cost to export	
Documentary compliance (USD)	500
Border compliance (USD)	2,223
Time to export	
Documentary compliance (hours)	174
Border compliance (hours)	336
Cost to export	
Documentary compliance (USD)	765
Border compliance (USD)	3,039
Enforcing Contracts (rank)	178
Score of enforcing contracts (0-100)	33.3
Time (days)	610
Cost (% of claim value)	80.6
Quality of judicial processes index (0-18)	5.5
Resolving Insolvency (rank)	168
Score of resolving insolvency (0-100)	0.0
Recovery rate (cents on the dollar)	No Practice
Time (years)	No Practice
Cost (% of estate)	No Practice
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	No Practice

# **=** Starting a Business

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

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

The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

#### What the indicators measure

# Procedures to legally start and formally operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration in the economy's largest business city
- Postregistration (for example, social security registration, company seal)
- Obtaining approval from spouse to start a business or to leave the home to register the company
- Obtaining any gender specific document for company registration and operation or national identification card

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day (2 procedures cannot start on the same day)
- Procedures fully completed online are recorded as ½ day
- Procedure is considered completed once final document is received
- No prior contact with officials

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

- Official costs only, no bribes
- No professional fees unless services required by law or commonly used in practice

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

• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

# **Case study assumptions**

To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.

#### The business:

- -Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
- -Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- -Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.
- -Does not qualify for investment incentives or any special benefits.
- -Is 100% domestically owned.
- -Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.
- -Is managed by one local director.
- -Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.
- -Has start-up capital of 10 times income per capita.
- -Has an estimated turnover of at least 100 times income per capita.
- -Leases the commercial plant or offices and is not a proprietor of real estate.
- -Has an annual lease for the office space equivalent to one income per capita.
- -Is in an office space of approximately 929 square meters (10,000 square feet).
- -Has a company deed that is 10 pages long.

# The owners:

- -Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.
- -Are in good health and have no criminal record.
- -Are married, the marriage is monogamous and registered with the authorities.
- -Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

# Starting a Business - Congo, Dem. Rep.

# **Standardized Company**

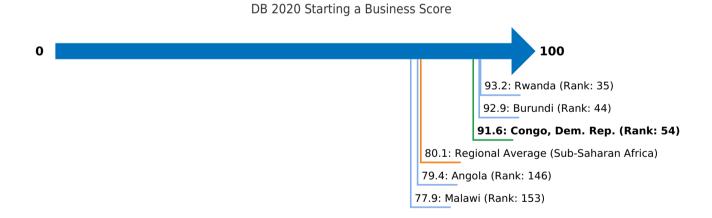
Legal form	Société à Responsabilité Limité, SARL
Paid-in minimum capital requirement	CDF 40,200
City Covered	Kinshasa

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedure - Men (number)	4	7.4	4.9	1 (2 Economies)
Time – Men (days)	7	21.5	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	16.3	36.3	3.0	0.0 (2 Economies)
Procedure – Women (number)	4	7.5	4.9	1 (2 Economies)
Time - Women (days)	7	21.6	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	16.3	36.3	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	4.6	9.3	7.6	0.0 (120 Economies)

Figure - Starting a Business in Congo, Dem. Rep. - Score

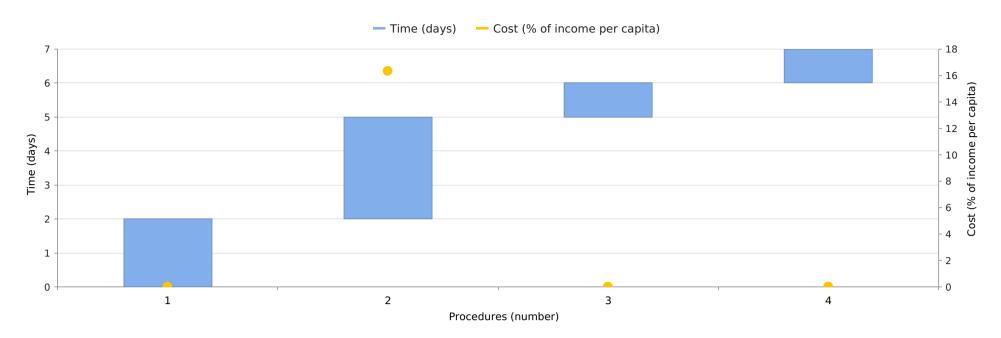


Figure - Starting a Business in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Congo, Dem. Rep. - Procedure, Time and Cost



<sup>\*</sup>This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

# Details - Starting a Business in Congo, Dem. Rep. - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	Check company name  Agency: Guichet Unique de la Création d'Entreprise  Business founders can verify the company name at the Registry free of charge.	2 days	no charge
2	Register with the Commercial Registry, the tax administration (Direction Générale des Impots), the National Institute for Social Security (INSS) and declare the establishment of the company with the Ministry of Labor  Agency: Guichet Unique de la Création d'Entreprises  At the One stop shop, companies fill in a "formulaire unique" in order to register with the Commercial Registry, the tax administration (Direction Générale des Impots), the Ministry of Labor and the National Institute for Social Security (INSS)  The following documents must be filed:  Identity card or passport (one copy).  Completed BA form  Articles of Association.  A signed declaration from the manager certifying that he has never been arrested by the police.  Declaration of conformity to the law, dated and signed by each founder.  Letter addressed to the divisional clerk of the Commercial Court (Tribunal de Commerce).  The BA form can be downloaded through the website www.guichetunique.cf, and the documents can be sent through email. However, most companies do not use this service and it is still required to go in person to the GUFE to pay the required fees.	3 days	USD 80
3	Deposit the capital amount in the bank  Agency: Bank  According to the Decree n. 002/cab/min/jgs&dh/014 and n.243/cab/min/finances/2014 of  December 30, 2014, the minimum capital funds may be deposited in a bank account opened by the shareholders in a credit institution or an accredited micro-finance institution, and the payment slip shall be deemed to be the proof of the deposit of the said funds. There is a representative of a commercial bank inside the Commercial Registry (one stop shop). The registration fees are also paid at the bank.	1 day	no charge
4	Declare the establishment of the company with the National Office of Employment (I'Office National de I' Emploi, ONEM)  Agency: ONEM  According to Article 216 of the Labor Code, any physical or legal person planning any activity that requires the hiring of workers must notify the Labor Inspection Department and the National Bureau of Employment within 15 days of the start of business. The declaration is filed in a single form, with one specimen sent to the Inspectorate of Labor and another two to the Office of Employment.	1 day	no charge

**<sup>⇒</sup>**Takes place simultaneously with previous procedure.



# Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. See the methodology for more information

#### What the indicators measure

#### Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

#### Time required to complete each procedure (calendar days)

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

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

Official costs only, no bribes

## **Building quality control index (0-15)**

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

#### Case study assumptions

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

## The construction company (BuildCo):

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

# The warehouse:

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

#### The water and sewerage connections:

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

# Dealing with Construction Permits - Congo, Dem. Rep.

# **Standardized Warehouse**

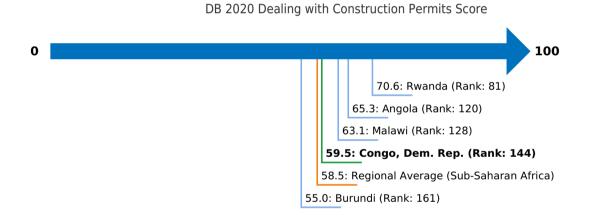
Estimated value of warehouse	CDF 43,590,122.90
City Covered	Kinshasa

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	13	15.1	12.7	None in 2018/19
Time (days)	122	145.4	152.3	None in 2018/19
Cost (% of warehouse value)	13.8	8.9	1.5	None in 2018/19
Building quality control index (0-15)	10.0	8.9	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Congo, Dem. Rep. - Score

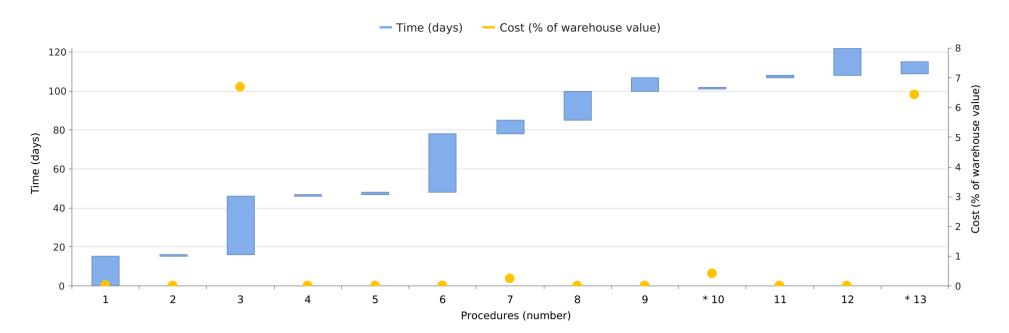


Figure - Dealing with Construction Permits in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

Figure - Dealing with Construction Permits in Congo, Dem. Rep. - Procedure, Time and Cost

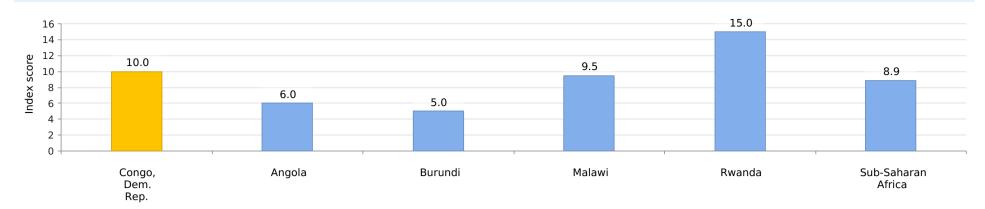


<sup>\*</sup>This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

in the name of BuildCo to reflect the construction.

Figure - Dealing with Construction Permits in Congo, Dem. Rep. and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Congo, Dem. Rep. - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	Obtain cadastral extract  Agency: Urban Survey Department and Cadastre (Divisions Urbaines des Titres Immobiliers et du Cadastre)  BuildCo must obtain the survey map abstract which accompanies the plot occupancy deed.	15 days	USD 5
2	Receive inspection before commencement of construction works  Agency: Ministère de l'Urbanisme et de l'Habitat  Ministerial Arrete # CAB/MIN.ATUH/SG/MP/GHK/0001/2016 of March 16th 2016 introduced municipal inspections before and during construction.  During this inspection of the construction site will be organized to check the ownership and whether there are other constraints, or charges on this lot. The authenticity of the property title and / or any other documents attached to the request for requesting a building permit will be checked as well.	1 day	no charge
3	Obtain building permit  Agency: Ministère de l'Urbanisme et de l'Habitat  The building permit authorizes the company to erect a structure in durable or semidurable material, according to the zoning laws, irrespective of the intended use. The building permit is valid for 3 years and is renewable. The new Arrêté du Ministre de l'Urbanisme et Habitat n° 027/CAB/MIN.URB.HAB/CJ/AP/CEH/2012 du 3 mars 2012 has delegated the signature on the permit to the local authority.  The documents required for a construction permits are as follows:  • Leasing contract  • Cadastral extract  • Request for construction permit  • Plan de situation échelle 1/2000  • Plan de masse échelle 1/500  • Plan de situation et d'implantation (rues, voisins, hauteur construction)  • Plan exécution échelle 1/50	30 days	USD 1,639
4	Receive inspection during construction  Agency: Ministère de l'Urbanisme et de l'Habitat  This second inspection is to check whether the construction is in compliance with the plans; whether the right construction materials are being used and whether the builder is respecting the schedule.	1 day	no charge
5	Request and receive final inspection  Agency: Ministère de l'Urbanisme et de l'Habitat  According to Article 19 Of the Arrêté ministériel n° CAB/MIN-ATUHITPR/006/2014 portant réglementation de l'octroi du Permis de construire en République Démocratique du Congo of 4  April 2014, BuildCo must request a certificate of conformity in writing. A notice acknowledging that the certificate of conformity has been applied for is issued to BuildCo. The Ministry will proceed with a final inspection to check if the warehouse is in compliance with the approved plans and according to existing urban law.	1 day	no charge
6	Obtain the certificate of conformity  Agency: Ministère de l'Urbanisme et de l'Habitat	30 days	no charge
7	Request a new property title at the Property Registry  Agency: Conservateur des Titres Foncier et Immobiliers  The Conservateur will first issue a «Note de Frais» to the attention of BuildCo. This note de frais must be delivered to the DGERAD agent located in the Property Registry. A "Note de Perception" is issued and must be paid at a commercial bank. Once payment is made at the bank, proof of receipt is delivered to the accounting department and a copy is given to the Conservateur.	7 days	USD 60
8	Receive inspection of the property and obtain PV de mise en valeur  Agency: Cadastre  An agent will visit the property to check the mise en valeur and will establish a new cadastral map in the name of BuildCo to reflect the construction	15 days	no charge

Doin	g Business 2020	Congo, Dem. Rep.		
9		ew cadastral map) is given to the Conservateur, who will then astral extract, along with all other documentation, are signed by	7 days	no charge
<b>⇒</b> 10	Agency: REGIDESO The time required to connect to t	the water main depends on how far the building or land is situated varies between one day and one week. The minimum fee is USD	1 day	USD 100
11	Receive inspection by water co	orporation and receive cost estimate	1 day	no charge
12	Obtain connection to water management of REGIDESO	ains	14 days	no charge
<b>⇒</b> 13	<b>Build septic tank</b> Agency: Private firm		6 days	USD 1,575

**式**Takes place simultaneously with previous procedure.

# Details - Dealing with Construction Permits in Congo, Dem. Rep. - Measure of Quality

	Answer	Score
Building quality control index (0-15)		10.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge; In official gazette.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice; Mandatory inspections are done most of the time during construction.	1.0
Quality control after construction index (0-3)		2.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection does not always occur in practice.	0.0
Liability and insurance regimes index (0-2)		1.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Owner or investor.	0.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	Construction company.	1.0
Professional certifications index (0-4)		2.0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	University degree in architecture or engineering; Being a registered architect or engineer.	1.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	University degree in engineering, construction or construction management; Being a registered architect or engineer.	1.0

# **F** Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

#### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

## Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

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

- Official costs only, no bribes
- Value added tax excluded

# The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

# Price of electricity (cents per kilowatt-hour)\*

 Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

#### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

## The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

# The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

# Getting Electricity - Congo, Dem. Rep.

#### **Standardized Connection**

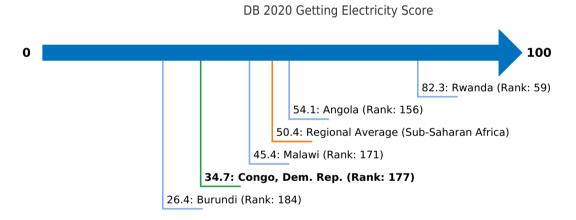
Name of utility	Société Nationale d'Electricité (SNEL)
Price of electricity (US cents per kWh)	10.0
City Covered	Kinshasa

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	6	5.2	4.4	3 (28 Economies)
Time (days)	44	109.6	74.8	18 (3 Economies)
Cost (% of income per capita)	13108.0	3,187.5	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	0	1.6	7.4	8 (26 Economies)

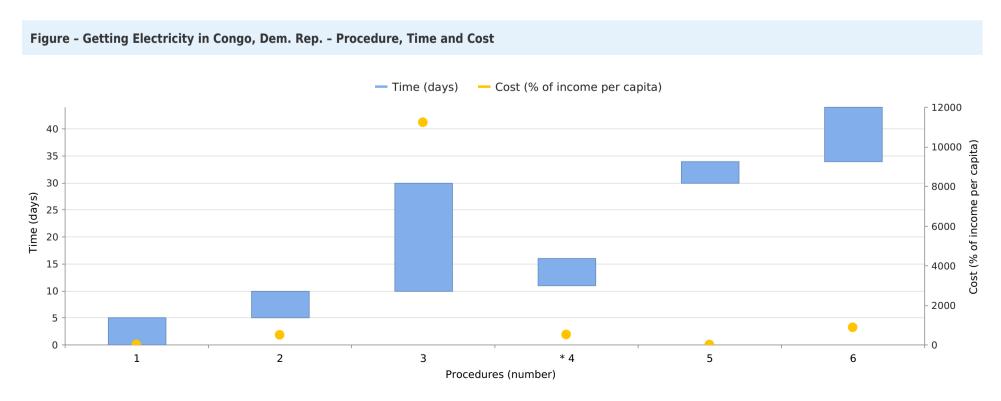
Figure - Getting Electricity in Congo, Dem. Rep. - Score



Figure - Getting Electricity in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

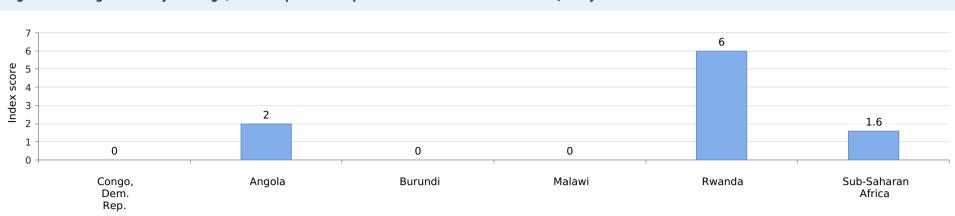


<sup>\*</sup>This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures

reflected here, see the summary below.

Figure - Getting Electricity in Congo, Dem. Rep. and comparator economies - Measure of Quality



# Details - Getting Electricity in Congo, Dem. Rep. - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	Submit connection application, including the private substation plans, and await site inspection  Agency: Société Nationale d'Electricité (SNEL)  The application for electricity connection can be submitted online. The following documents have to be provided: Letter of intention, photocopy of identity card of the customer, photocopies of the cadastre documents, and the approval of the electricity connection of the warehouse. The documents do not need to be notarized. After submitting the documents, the customer has to wait for the external inspection and the estimate. For a medium voltage connection, the SNEL does not require the plans of the internal wiring.	5 calendar days	USD 59
2	Receive external site inspection by SNEL and await estimate  Agency: Société Nationale d'Electricité (SNEL)  There is an external inspection of the warehouse by SNEL engineers in order to authorize and produce the quote for the new connection. Once the quote is received, the client pays it.	5 calendar days	USD 2,411
3	Have electrical contractor build private substation  Agency: Electrical Contractor  A load of 140 kVA cannot be accommodated in this area by a simple hook-up and cannot be connected to the low-voltage network. The limit is 59.5 kW, or 112 Ampere. Therefore, the customer has to build a private substation to connect medium-voltage to low-voltage according to the regulation of SNEL. The customer has to buy all the material. He can buy it at any store of his choice. The works to build a substation cannot be done by a licensed electrician, but has to be done by a licensed electrical company. This company has to be licensed by the Ministry of Energy and by SNEL.	20 calendar days	USD 55,000
<b>⇒</b> 4	Obtain excavation permit from road authority  Agency: OVD (Office de Voirie et Drainage), One-Stop Shop (Guichet Unique) at SNEL  Customers need to go to the OVD (Office de Voirie et Drainage) in person to obtain an excavation permit. With the implementation of the one stop shop at the SNEL, the client can apply and pay for the permit at the one stop shop.  In some situations that require a prompt connection to the grid, the customer can obtain the permit within SNEL.	5 calendar days	USD 2,492.28
5	Receive external inspection of private substation by SNEL  Agency: Société Nationale d'Electricité (SNEL)  After the substation has been built, the customer - or the contractor - notifies the SNEL so that an inspection can be conducted. The purpose of this inspection by SNEL technicians is to check if the substation has been constructed according to security and environmental protection norms. The customer or the electrical contractor has to purchase the material for the connection and have it controlled by SNEL. A person representing the customer has to be present at the control.	4 calendar days	USD 0
6	Sign supply contract and receive the meter installation and final connection by SNEL Agency: Société Nationale d'Electricité (SNEL)  After the substation is approved by the SNEL, the SNEL comes to the site to do the external connection works and connect the substation to the network. The electricity has to be shut down during the connection works for the medium-voltage connection. The installation of the meter and connection works are done at the same time by the same department by SNEL. If meters are not available, the meter can be installed after the actual connection has been done. The electricity will start flowing after the supply contract is signed. The SNEL will also request from the client a security deposit which depends on the power demand of the client.	10 calendar days	USD 4,266.99

**式**Takes place simultaneously with previous procedure.

# Details - Getting Electricity in Congo, Dem. Rep. - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	0
Total duration and frequency of outages per customer a year (0-3)	0
System average interruption duration index (SAIDI)	
System average interruption frequency index (SAIFI)	
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	N/A
Mechanisms for monitoring outages (0-1)	0
Does the distribution utility use automated tools to monitor outages?	No
Mechanisms for restoring service (0-1)	0
Does the distribution utility use automated tools to restore service?	No
Regulatory monitoring (0-1)	0
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	No
Financial deterrents aimed at limiting outages (0-1)	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	http://www.snel.cd/clients/ conseils/comprendrefact.p hp
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

# Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

# Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

#### What the indicators measure

# Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

# Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

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

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

# Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

#### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

# The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A twostory warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

# Registering Property - Congo, Dem. Rep.

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	8	6.1	4.7	1 (5 Economies)
Time (days)	38	51.6	23.6	1 (2 Economies)
Cost (% of property value)	10.1	7.3	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	9.0	9.0	23.2	None in 2018/19

Figure - Registering Property in Congo, Dem. Rep. - Score

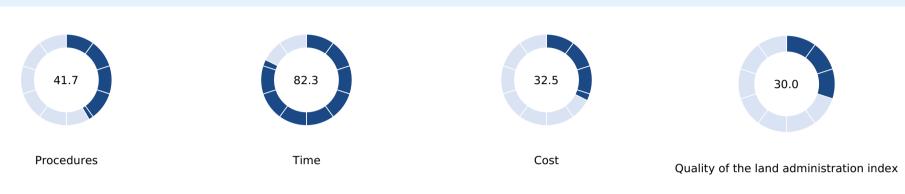
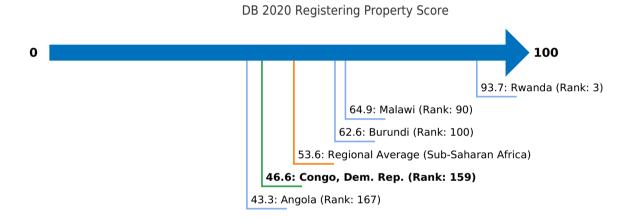
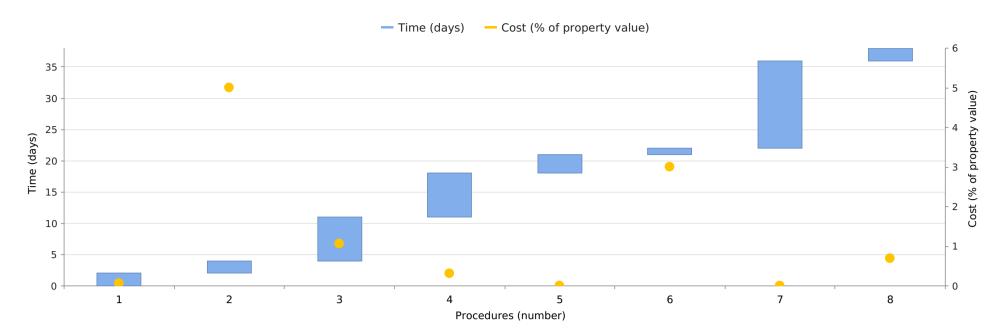


Figure - Registering Property in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

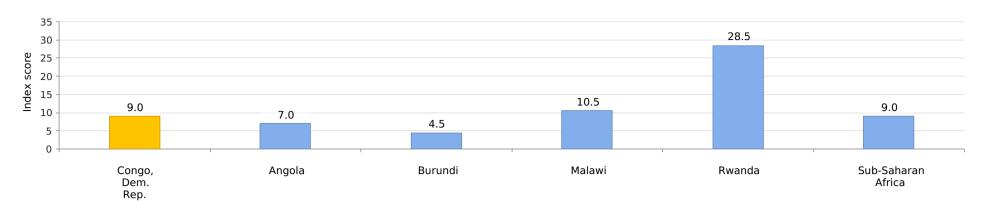
Figure - Registering Property in Congo, Dem. Rep. - Procedure, Time and Cost



<sup>\*</sup>This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (http://doingbusiness.org/en/methodology). For details on the procedures reflected here, see the summary below.

# Figure - Registering Property in Congo, Dem. Rep. and comparator economies - Measure of Quality



# Details - Registering Property in Congo, Dem. Rep. - Procedure, Time and Cost

No.	Procedures	Time to Complete	<b>Associated Costs</b>
1	Conduct a title search at the Registrar of Properties  Agency: Registrar of Property (Conservateur des Titres Immobiliers)  Parties conduct a search title to verify the history of the property, the validity of the title and the right owners. Encumbrances are written on the back of the title at the "Conservateur des Titres Immobiliers", and the legality/authenticity of the title is also checked during this process.  Within the Ministry of Land Affairs (Ministère des affaires Foncières), there are two divisions: one responsible for the cadastre and the other for registration (Les titres immobiliers). The cadastre being technical service deals with the inventory of properties and it's integrated by surveyors, draftsman, and real estate experts. The registration office deal with the transfer of titles and their	2 days	USD 15
	To be confident of the results obtained, it is necessary to ensure this verification within these two divisions because it happens that the contents of the files held by these two divisions for a real estate property are different.		

2 days

# 2 Sign the sales agreement with a lawyer

Agency: Lawyer

property transaction.

While there is no obligation by law to hire the services of a lawyer to prepare the sales agreement, it is common practice for companies (as in the Doing Business case study) to employ such services. The lawyer would generally be in charge of collecting the necessary documents to prepare the sales agreement and present the file to the Land Registry (Conservation des titres immobiliers.).

There are a lot of fakes property titles in DRC, making this an essential step previous to the

The transfer file of a commercial building must contain the following elements:

- 1. Letter of transfer request addressed to the Property Registrar;
- 2. The original seller's registration certificate;
- 3. Three original copies of the deed of sale notarized;
- 4. The legalized power of attorney;
- 5. Photocopy of identity documents;
- 6. Certified copy in accordance with the final judgment (if applicable)
- 7. Original of the certificate of non-appeal;
- 8. Original of the certificate of non-opposition (if applicable)

# 3 Sale deed authenticated by the Property Registrar and application made for replacement of 7 days registration certificate

Agency : Registrar of Property (Conservateur des Titres Immobiliers)

The parties present the sale agreement to the Registrar (Conservateur) acting as a notary, for its authentication. Simultaneously the parties apply for replacement of the registration certificate at the Registry Office. The buyer submits both the registration certificate and the concession certificate to the "Conservateur des Titres Immobiliers" (Registry Office) to check their validity.

Since 1973, the law has allowed for the Registrar to act as a notary for the specific purpose of registering property titles, being standard in practice. The Conservateur will establish a "Note de Frais" which the buyer must give to the DGRAD agent located in the Registry. The Agent will establish a "Note de perception" to be paid at the bank.

Also, pictures of all parties involved in the transaction (buyer, seller, lawyers, and witnesses) are taken at the Land Registry.

USD 260; (\$ 80 - \$120 - a photograph of the seller and buyer \$100 notarized sale agreement \$ 60 new property title)

USD 1,225; (5% of the

property value)

Page 23

Doin	g Business 2020	Congo, Dem. Rep.		
4	cadastral plan  Agency: Cadastre - Registry Of The cadastre being a technical s surveyors, draftsman, surveyor verified that all taxes are paid, it confirm that the property is corre extract. The land surveyor desig value, measure its limits and pre correctly described and that taxe process is completed, the Cadas  The Registry office will then prep	fice (Conservateur) service deals with the inventory of properties and is composed of engineer, and real estate experts. Once the Registry Office has will transfer the file to the Cadastre. The role of the Cadastre is to ectly described, determine its value and prepare the cadastral mated by the Cadastre, will inspect the property to assess its epare the cadastral plan. The Cadastre checks that the parcel is es have been paid on the correct value of the property. After this stre returns the new file to the Registry office.  The parents of the property to assess its estate the cadastral plan. The Cadastre checks that the parcel is estate the returns the new file to the Registry office.  The parents of the property of the prop	7 days	USD 75; (\$50 - \$100 (paid to the surveyor; including surveying fees and expenses))
5	Agency: General Direction of Adrecettes administratives, judicia The Direction Générale des Rec	taxes is issued by the tax agent (DGRAD) dministrative and Judicial Revenues (Direction générale des ires, domaniales et de participations, DGRAD) ettes Administratives, Judiciares, Domaniales et de Participation ministrative and Judicial Revenues) will prepare the official form commercial bank.	3 days	no charge
6	deposited at the accounting deport of payment.	a commercial bank. A receipt is obtained. This receipt must be partment of the DGRAD and copy delivered to the Registrar as	1 day	USD 735; (3% of the property value for the registration fee)
7	Agency: Registrar of Property ( The Registrar will ask for payme Registrar nullifies the old title de	in the name of the buyer is issued Conservateur des Titres Immobiliers) ent of any additional taxes, if applicable. Once these are paid, the sed (Certificat d'Enregistrement) in the name of the seller and time of the buyer. It serves as the buyer's new ownership	14 days	no charge
8	Agency: Congo Check Sarl Since August 2016 it is required computerization of the records ( Registrar, the new owner proces	for the owner to submit the updated registration certificate for scanned documents). Once the transfer is completed at the eds to Congo Check to deposit the required documents. As a a certificate of registration including the information on the	2 days	USD 170; (\$90 - \$250 for a commercial-industrial 2- story building depending the location in the Commune of Kinshasa)

 $<sup>\</sup>rightrightarrows$ Takes place simultaneously with previous procedure.

# Details - Registering Property in Congo, Dem. Rep. - Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		9.0
Reliability of infrastructure index (0-8)		1.0
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	The Land Registry (Les titres immobiliers )	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy —in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Land Cadastre (Le Cadastre Foncier)	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		4.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available- and if so, how?	Yes, online	0.5
Link for online access:	Note circulaire n°007/CAB/MIN/AFF. FONC/2014 du 28 novembre 2014 http://www.leganet.cd /Legislation/Droit%20 des%20biens/Note.cir culaire.28.11.2014.ht m	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available-and if so, how?	Yes, online	0.5
Link for online access:	https://www.investindr c.cd/fr/climat-des- affaires/indicateurs- doing- business/transfert-de- propriete/arrete- interministeriel-n-128- cab-min-aff-fonc- 2016-du-12-aout- 2016-modifiant-l- arrete-du-26-mars- 2016-portant-fixation- des-taux-des-droits- taxes-et-redevances- a-percevoir-a-l- initiative-du- ministere-des- affaires-foncieres	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5

Doing Business 2020 Congo, Dem. Rep.		
Link for online access:	Note circulaire n°007/CAB/MIN/AFF. FONC/2014 du 28 novembre 2014 http://www.leganet.cd /Legislation/Droit%20 des%20biens/Note.cir culaire.28.11.2014.ht m	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.investindr c.cd/fr/climat-des- affaires/indicateurs- doing- business/transfert-de- propriete/arrete- interministeriel-n-128- cab-min-aff-fonc- 2016-du-12-aout- 2016-modifiant-l- arrete-du-26-mars- 2016-portant-fixation- des-taux-des-droits- taxes-et-redevances- a-percevoir-a-l- initiative-du- ministere-des- affaires-foncieres	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.leganet.cd /Legislation/Droit%20 des%20biens/Note.cir culaire.28.11.2014.ht m	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		5.0
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5

Daine Business 2020	Canna Dam Ban		
Doing Business 2020	Congo, Dem. Rep.		
Legal basis:		Articles 219 à 220 de la loi n° 73-021 du 20 juillet 1973 portant régime général des biens, régime foncier et immobilier et régime des sûretés, telle que modifiée et complétée par la loi n° 80-008 du 18 juillet 1980	
Is the system of immovable property r	registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:		State guarantee	
Legal basis:		Loi n° 73-021 du 20 juillet 1973 portant régime général des biens, régime foncier et immobilier et régime des sûretés, Modifiée en 1980. Articles 204 à 207 et 223 (responsabilité de l'Etat pour les erreurs du Conservateur) de la loi du 20 juillet 1973 et article 180 du code pénal (sanctions pénales)	
·	mpensation mechanism to cover for losses incurred by parties who ansaction based on erroneous information certified by the immovable	No	0.0
Legal basis:			
Does the legal system require a control checking the compliance of contracts	ol of legality of the documents necessary for a property transaction (e.g., with requirements of the law)?	, Yes	0.5
If yes, who is responsible for checking	the legality of the documents?	Registrar; Notary; Lawyer;	
Does the legal system require verificat	tion of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying	the identity of the parties?	Registrar; Notary; Lawyer;	
Is there a national database to verify t	the accuracy of government issued identity documents?	No	0.0
	harge of a case involving a standard land dispute between two local operty worth 50 times gross national income (GNI) per capita and locate	Tribunal de d Commerce de Kinshasa	
How long does it take on average to o appeal)?	btain a decision from the first-instance court for such a case (without	Between 1 and 2 years	2.0
Are there publicly available statistics court?	on the number of land disputes at the economy level in the first instance	No	0.0
Number of land disputes in the econo	my in 2018:		
Equal access to property rights index	(-2-0)		-1.0
Do unmarried men and unmarried wo	men have equal ownership rights to property?	Yes	
Do married men and married women	have equal ownership rights to property?	No	-1.0

# Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

#### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

# Depth of credit information index (0-8)

 Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

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

#### Credit registry coverage (% of adults)

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

# **Case study assumptions**

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

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

# Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

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

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

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

# Getting Credit - Congo, Dem. Rep.

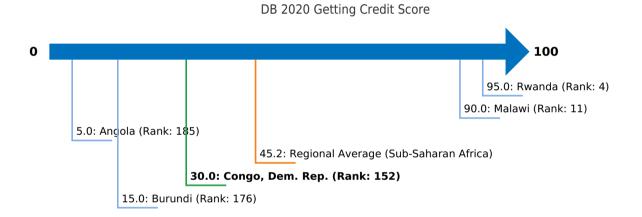
Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	6	5.1	6.1	12 (5 Economies)
Depth of credit information index (0-8)	0	3.9	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	1.5	8.3	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	0.0	11.0	66.7	100.0 (14 Economies)

Figure - Getting Credit in Congo, Dem. Rep. - Score



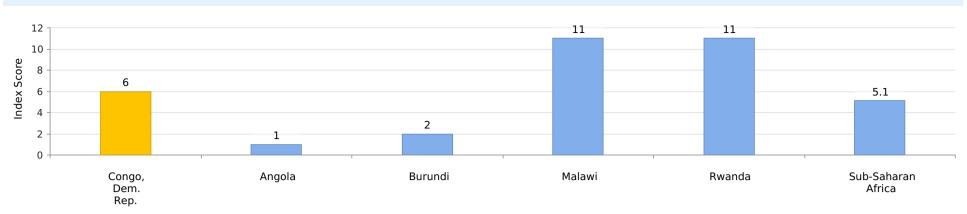
Score - Getting Credit

Figure - Getting Credit in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

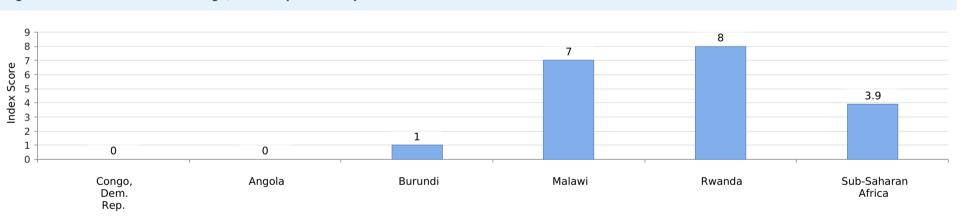
Figure - Legal Rights in Congo, Dem. Rep. and comparator economies



# Details - Legal Rights in Congo, Dem. Rep.

Strength of legal rights index (0-12)	6
Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	Yes
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	Yes
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	No
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	No
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes





# Details - Credit Information in Congo, Dem. Rep.

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	No	No	0
Are both positive and negative credit data distributed?	No	No	0
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	No	No	0
Are data on loan amounts below 1% of income per capita distributed?	No	No	0
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	No	No	0
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	No	No	0
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	No	No	0

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	0	621,474
Number of firms	0	10,105
Total	0	631,579
Percentage of adult population	0.0	1.5

# Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

#### What the indicators measure

- Extent of disclosure index (0-10): Disclosure, review, and approval requirements for related-party transactions
- Extent of director liability index (0-10): Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- Ease of shareholder suits index (0-10): Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- Extent of conflict of interest regulation index (0-30): Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- Extent of shareholder rights index (0-6): Shareholders' rights and role in major corporate decisions
- Extent of ownership and control index (0-7): Governance safeguards protecting shareholders from undue board control and entrenchment
- Extent of corporate transparency index (0-7): Corporate transparency on ownership stakes, compensation, audits and financial prospects
- Extent of shareholder governance index (0-20): Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- Strength of minority investor protection index (0-50): Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

#### Case study assumptions

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

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

# The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

# **Protecting Minority Investors - Congo, Dem. Rep.**

# Stock exchange information

Stock exchange		
Stock exchange URL		
Listed firms with equity securities	0	
City Covered	Kinshasa	

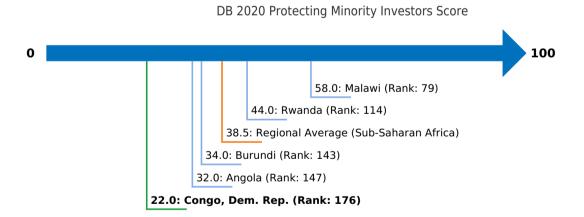
Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	7.0	5.5	6.5	10 (13 Economies)
Extent of director liability index (0-10)	1.0	3.5	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	3.0	5.5	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	0.0	1.8	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	0.0	1.4	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	0.0	1.5	5.7	7 (13 Economies)

Figure - Protecting Minority in Congo, Dem. Rep. - Score



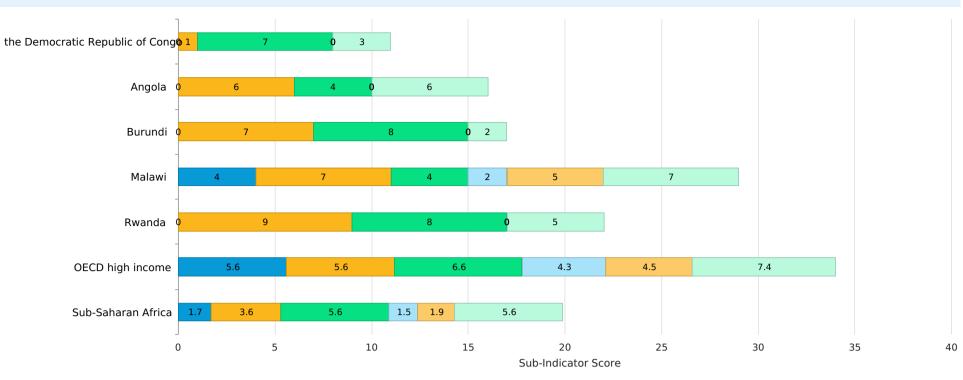
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Congo, Dem. Rep. and comparator economies - Measure of Quality



Extent of corporate transparency index (0-7) — Extent of director liability index (0-10) — Extent of disclosure index (0-10) — Extent of ownership and control index (0-7) — Extent of shareholder rights index (0-6) — Ease of shareholder suits index (0-10)

# Details - Protecting Minority Investors in Congo, Dem. Rep. - Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-30)		
Extent of disclosure index (0-10)		7.0
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	No disclosure obligation	0.0
Extent of director liability index (0-10)		1.0
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	No	0.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
Ease of shareholder suits index (0-10)		3.0
Before suing, can shareholders representing $10\%$ of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	No	0.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Preapproved questions only	1.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	No	0.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-20)		
Extent of shareholder rights index (0-6)		0.0
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Extent of ownership and control index (0-7)		0.0
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0

Doing Business 2020	Congo, Dem. Rep.		
Must the board of directors include	de independent and nonexecutive board members?	No	0.0
Can shareholders remove member	ers of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include	de a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a	tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Must Buyer pay declared dividence	ds within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from ac	equiring shares issued by its parent company?	No	0.0
Extent of corporate transparency	index (0-7)		0.0
Must Buyer disclose direct and in	direct beneficial ownership stakes representing 5%?	No	0.0
Must Buyer disclose information a companies?	about board members' primary employment and directorships in other	No	0.0
Must Buyer disclose the compens	sation of individual managers?	No	0.0
Must a detailed notice of general	meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5	% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial sta	tements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit repo	orts to the public?	No	0.0

# **[5]** Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). See the methodology for more information.

#### What the indicators measure

# Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

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

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

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

#### Total tax and contribution rate (% of commercial profits)

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

#### **Postfiling Index**

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

#### Case study assumptions

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

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

#### The corporate income tax audit process:

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

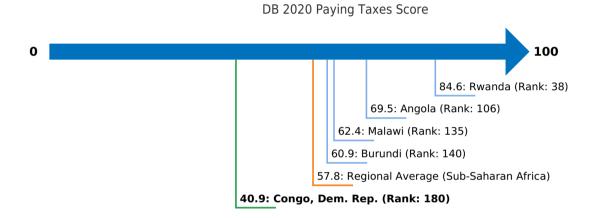
# Paying Taxes - Congo, Dem. Rep.

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Payments (number per year)	52	36.6	10.3	3 (2 Economies)
Time (hours per year)	346	280.6	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	50.7	47.3	39.9	26.1 (33 Economies)
Postfiling index (0-100)	27.1	54.7	86.7	None in 2018/19

Figure - Paying Taxes in Congo, Dem. Rep. - Score

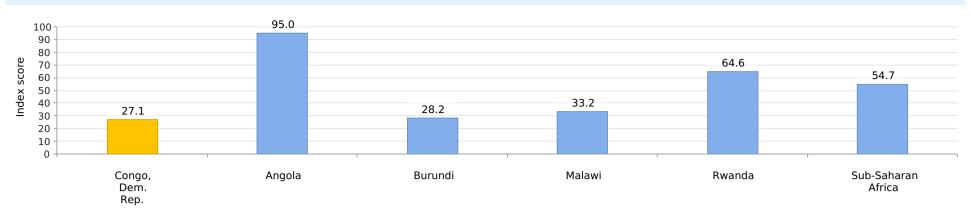


Figure - Paying Taxes in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Congo, Dem. Rep. and comparator economies - Measure of Quality



# Details - Paying Taxes in Congo, Dem. Rep.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0		84.0	30%	taxable profit	23.61	
Land and building tax	1.0			tax scale		14.11	
Social security contributions	12.0		154.0	9%	gross salaries	10.15	
Payroll tax/employment fund	12.0			2%	gross salaries	2.26	
Vehicle tax	1.0			CDF 17,340 per vehicle	fixed fee depending on type of vehicle	0.35	
ONEM contributions	12.0			0.2%	gross salaries	0.23	
Employee paid - Social security contributions	0.0	jointly		3.5%	gross salaries	0.00	withheld
Fuel tax	1.0				included in the price of fuel	0.00	small amount
VAT (Value Added Tax)	12.0		108.0	16%	purchases	0.00	
Totals	52		346			50.7	

# Details - Paying Taxes in Congo, Dem. Rep. - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	23.6
Labor tax and contributions (% of profit)	12.6
Other taxes (% of profit)	14.5

# Details - Paying Taxes in Congo, Dem. Rep. - Measure of Quality

	Answer	Score
Postfiling index (0-100)		27.1
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Restricted to exporting companies, companies making heavy investments, enterprises ceasing their business, as well as to enterprises which are no more subject to VAT and mining companies under research phase.	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0.0
Time to obtain VAT refund (weeks)	No VAT refund per case study scenario	0.0
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	75% - 100%	
Time to comply with a corporate income tax correction (hours)	23.0	60.6
Time to complete a corporate income tax correction (weeks)	16.7	47.8

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table. The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

# Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. See the methodology for more information.

#### What the indicators measure

#### **Documentary compliance**

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### **Border compliance**

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### **Domestic transport**

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

#### Case study assumptions

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

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

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

### Assumptions of the case study:

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

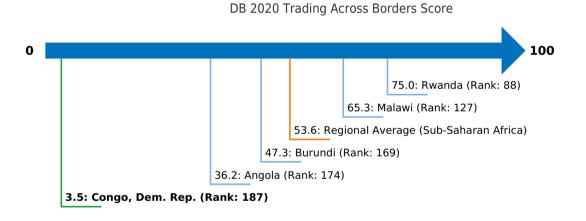
### **Trading across Borders - Congo, Dem. Rep.**

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	296	97.1	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	2223	603.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	192	71.9	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	500	172.5	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	336	126.2	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	3039	690.6	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	174	96.1	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	765	287.2	23.5	0 (30 Economies)

Figure - Trading across Borders in Congo, Dem. Rep. - Score

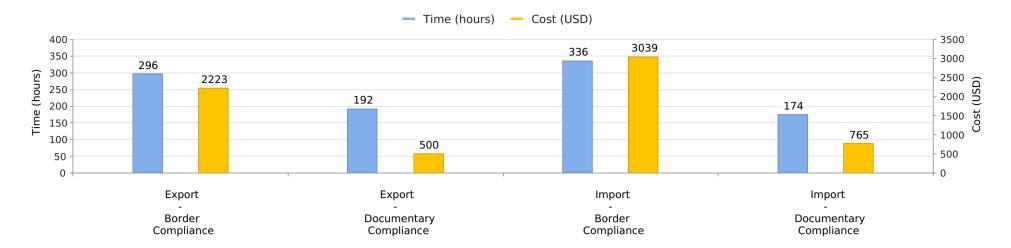


Figure - Trading across Borders in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

# Figure - Trading across Borders in Congo, Dem. Rep. - Time and Cost



# Details - Trading across Borders in Congo, Dem. Rep.

Characteristics	Export	Import
Product	HS 74 : Copper and articles thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	China	South Africa
Border	Matadi port	Matadi port
Distance (km)	327	327
Domestic transport time (hours)	6	7
Domestic transport cost (USD)	1200	1500

# Details - Trading across Borders in Congo, Dem. Rep. - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	104.0	900.0
Export: Clearance and inspections required by agencies other than customs	72.0	600.0
Export: Port or border handling	192.0	722.7
Import: Clearance and inspections required by customs authorities	144.0	1000.0
Import: Clearance and inspections required by agencies other than customs	96.0	1000.0
Import: Port or border handling	216.0	1039.0

# Details - Trading across Borders in Congo, Dem. Rep. - Trade Documents

Export	Import
Bill of lading	Commercial invoice
Commercial invoice	Import license
Certificate of origin	Bill of lading
Export license	Packing list
Export declaration	BIVAC inspection report
Packing list	Import Declaration
Loading permit (FERI Certificate)	Loading permit (FERI Certificate)
Release order (Bon a enlever)	Order to declare (Ordre a declarer)
Terminal handling receipt	SOLAS certificate
SOLAS certificate	

# **m** Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. See the methodology for more information.

#### What the indicators measure

# Time required to enforce a contract through the courts (calendar days)

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

# Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### **Case study assumptions**

The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data on the time and comparable across economies, several assumptions about the case are used:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- The judge decides in favor of the seller; there is no appeal.
- The Seller enforces the judgment through a public sale of the Buyer's movable assets.

# **Enforcing Contracts - Congo, Dem. Rep.**

### **Standardized Case**

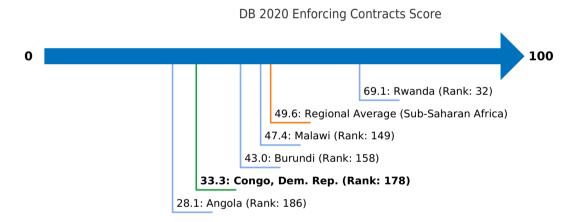
Claim value	CDF 7,395,825
Court name	Commercial Court of Kinshasa
City Covered	Kinshasa

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time (days)	610	654.9	589.6	120 (Singapore)
Cost (% of claim value)	80.6	41.6	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	5.5	6.9	11.7	None in 2018/19

Figure - Enforcing Contracts in Congo, Dem. Rep. - Score



Figure - Enforcing Contracts in Congo, Dem. Rep. and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

# Figure - Enforcing Contracts in Congo, Dem. Rep. - Time and Cost

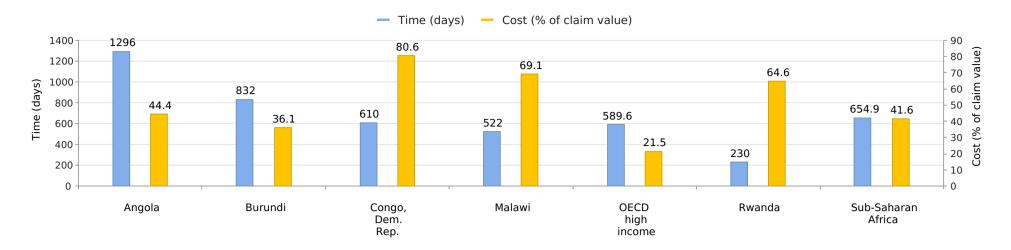
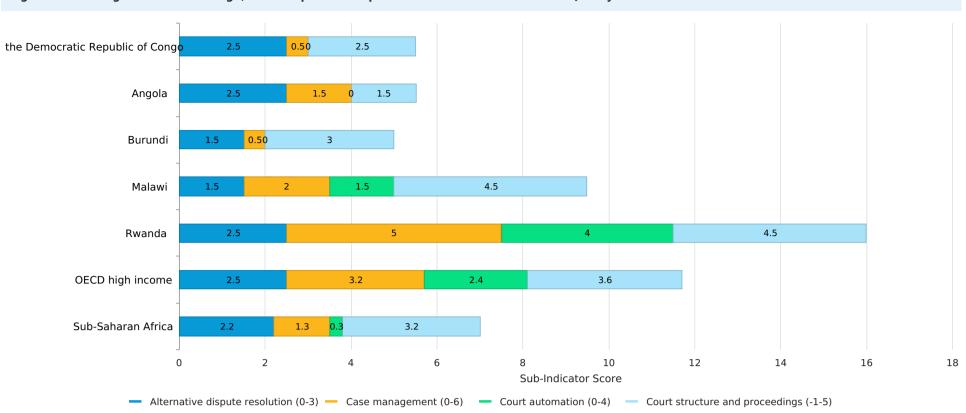


Figure - Enforcing Contracts in Congo, Dem. Rep. and comparator economies - Measure of Quality



# **Details - Enforcing Contracts in Congo, Dem. Rep.**

	Indicator
Time (days)	610
Filing and service	20
Trial and judgment	300
Enforcement of judgment	290
Cost (% of claim value)	80.6
Attorney fees	70
Court fees	7.8
Enforcement fees	2.8
Quality of judicial processes index (0-18)	5.5
Court structure and proceedings (-1-5)	2.5
Case management (0-6)	0.5
Court automation (0-4)	0.0
Alternative dispute resolution (0-3)	2.5

# Details - Enforcing Contracts in Congo, Dem. Rep. - Measure of Quality

Quality of judicial processes index (0-18)  Court structure and proceedings (-1-5)  1. Is there a court or division of a court dedicated solely to hearing commercial cases?  2. Small claims court  2.a. Is there a small claims court or a fast-track procedure for small claims?  2.b. If yes, is self-representation allowed?  3. Is pretrial attachment available?  4. Are new cases assigned randomly to judges?  5. Does a woman's testimony carry the same evidentiary weight in court as a man's?  Case management (0-6)	Yes  No  n.a.  Yes  No	5.5 2.5 1.5 0.0
<ol> <li>Is there a court or division of a court dedicated solely to hearing commercial cases?</li> <li>Small claims court</li> <li>Is there a small claims court or a fast-track procedure for small claims?</li> <li>If yes, is self-representation allowed?</li> <li>Is pretrial attachment available?</li> <li>Are new cases assigned randomly to judges?</li> <li>Does a woman's testimony carry the same evidentiary weight in court as a man's?</li> </ol>	No n.a. Yes	1.5 0.0
<ul> <li>2. Small claims court</li> <li>2.a. Is there a small claims court or a fast-track procedure for small claims?</li> <li>2.b. If yes, is self-representation allowed?</li> <li>3. Is pretrial attachment available?</li> <li>4. Are new cases assigned randomly to judges?</li> <li>5. Does a woman's testimony carry the same evidentiary weight in court as a man's?</li> </ul>	No n.a. Yes	0.0
<ul> <li>2.a. Is there a small claims court or a fast-track procedure for small claims?</li> <li>2.b. If yes, is self-representation allowed?</li> <li>3. Is pretrial attachment available?</li> <li>4. Are new cases assigned randomly to judges?</li> <li>5. Does a woman's testimony carry the same evidentiary weight in court as a man's?</li> </ul>	n.a. Yes	
<ul> <li>2.b. If yes, is self-representation allowed?</li> <li>3. Is pretrial attachment available?</li> <li>4. Are new cases assigned randomly to judges?</li> <li>5. Does a woman's testimony carry the same evidentiary weight in court as a man's?</li> </ul>	n.a. Yes	
<ul><li>3. Is pretrial attachment available?</li><li>4. Are new cases assigned randomly to judges?</li><li>5. Does a woman's testimony carry the same evidentiary weight in court as a man's?</li></ul>	Yes	
<ul><li>4. Are new cases assigned randomly to judges?</li><li>5. Does a woman's testimony carry the same evidentiary weight in court as a man's?</li></ul>		
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	No	1.0
		0.0
Case management (0-6)	Yes	0.0
		0.5
1. Time standards		0.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.5
2.a. Does the law regulate the maximum number of adjournments that can be granted?	Yes	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	No	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
Court automation (0-4)		0.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
Alternative dispute resolution (0-3)		2.5
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

Doing Business 2020	Congo, Dem. Rep.		
2. Mediation/Conciliation			1.0
2.a. Is voluntary mediation or	conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, desig		Yes	
	ves for parties to attempt mediation or conciliation (i.e., if mediation or fund of court filing fees, income tax credits or the like)?	No	

# Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. See the methodology for more information.

#### What the indicators measure

#### Time required to recover debt (years)

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

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

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

 Whether business continues operating as a going concern or business assets are sold piecemeal

#### **Recovery rate for creditors**

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

# Strength of insolvency framework index (0-16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

#### **Case study assumptions**

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, Doing Business evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

# Resolving Insolvency - Congo, Dem. Rep.

Indicator	Congo, Dem. Rep.	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	No Practice	20.5	70.2	92.9 (Norway)
Time (years)	No Practice	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	No Practice	22.8	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0			
Strength of insolvency framework index (0-16)	No Practice	6.5	11.9	None in 2018/19

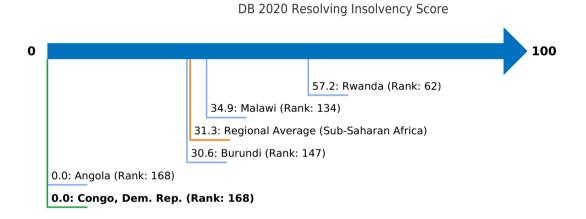
Figure - Resolving Insolvency in Congo, Dem. Rep. - Score



Strength of insolvency framework index

Figure - Resolving Insolvency in Congo, Dem. Rep. and comparator economies - Ranking and Score

Recovery rate



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Congo, Dem. Rep. - Time and Cost

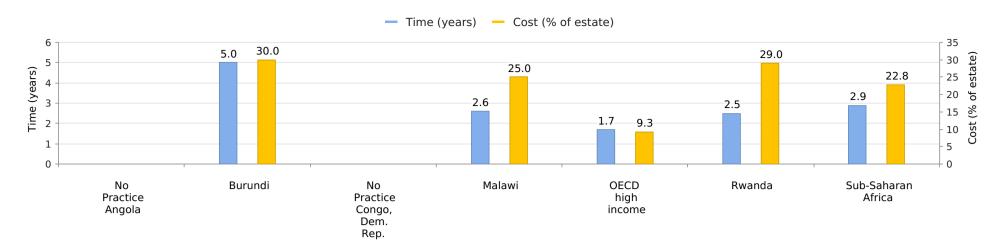
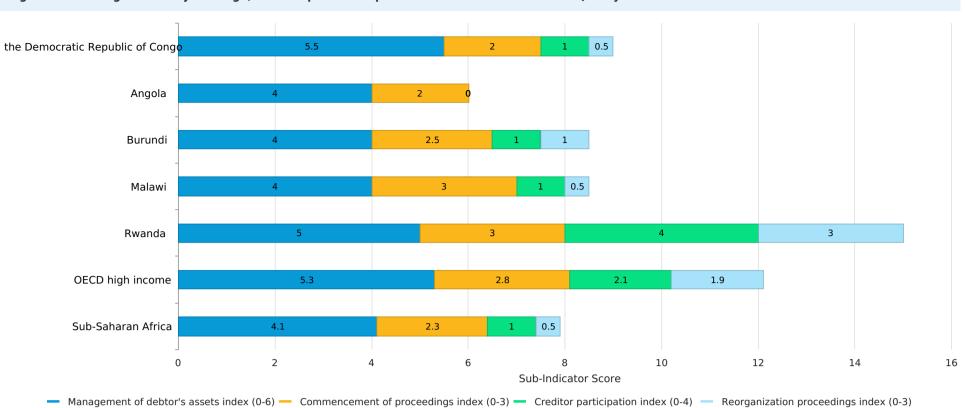
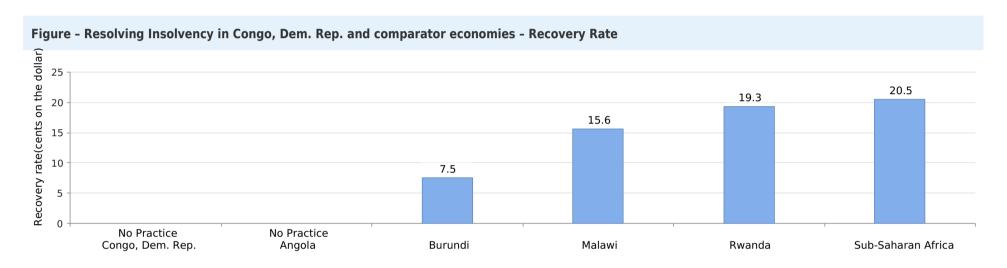


Figure - Resolving Insolvency in Congo, Dem. Rep. and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."



# Details - Resolving Insolvency in Congo, Dem. Rep.

Indicator	Answer	Score
Proceeding	No Practice	According to the research conducted by the team, there were no foreclosure, liquidation or reorganization proceedings filed in the country in the last 12 months. Due to this circumstance, it is not possible to assess the time, the cost or the outcome associated with the insolvency scenario described in the case study.
Outcome	piecemeal sale	According to the research conducted by the team, there were no foreclosure, liquidation or reorganization proceedings filed in the country in the last 12 months. Due to this circumstance, it is not possible to assess the time, the cost or the outcome associated with the insolvency scenario described in the case study.
Time (in years)	No Practice	According to the research conducted by the team, there were no foreclosure, liquidation or reorganization proceedings filed in the country in the last 12 months. Due to this circumstance, it is not possible to assess the time, the cost or the outcome associated with the insolvency scenario described in the case study.
Cost (% of estate)	No Practice	According to the research conducted by the team, there were no foreclosure, liquidation or reorganization proceedings filed in the country in the last 12 months. Due to this circumstance, it is not possible to assess the time, the cost or the outcome associated with the insolvency scenario described in the case study.
Recovery rate (cents on the dollar)		No Practice

# Details - Resolving Insolvency in Congo, Dem. Rep. - Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		No Practice
Commencement of proceedings index (0-3)		2.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(c) Debtor may file for reorganization only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		5.5
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(a) Yes over all pre- commencement creditors, secured or unsecured	0.5
Reorganization proceedings index (0-3)		0.5
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		1.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

# **Employing Workers**

Doing Business presents detailed data for the employing workers indicators on the Doing Business website (http://www.doingbusiness.org). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. See the methodology for more information.

#### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage;(v) ratio of minimum wage to the average value added per worker.

#### **Working hours**

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

#### **Redundancy rules**

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### **Redundancy cost**

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

#### **Case study assumptions**

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

# **Employing Workers - Congo, Dem. Rep.**

# Details - Employing Workers in Congo, Dem. Rep.

Maximum length of a single fixed-term contract (months)  Maximum length of fixed-term contracts, including renewals (months)  Minimum wage applicable to the worker assumed in the case study (US\$/month)  Ratio of minimum wage to value added per worker  Maximum length of probationary period (months)  Working hours	Yes 24.0 48.0 94.7
Maximum length of a single fixed-term contract (months)  Maximum length of fixed-term contracts, including renewals (months)  Minimum wage applicable to the worker assumed in the case study (US\$/month)  Ratio of minimum wage to value added per worker  Maximum length of probationary period (months)  Working hours	24.0 48.0 94.7
Maximum length of fixed-term contracts, including renewals (months)  Minimum wage applicable to the worker assumed in the case study (US\$/month)  Ratio of minimum wage to value added per worker  Maximum length of probationary period (months)  Working hours	48.0 94.7
Minimum wage applicable to the worker assumed in the case study (US\$/month)  Ratio of minimum wage to value added per worker  Maximum length of probationary period (months)  Working hours	94.7
Ratio of minimum wage to value added per worker  Maximum length of probationary period (months)  Working hours	
Maximum length of probationary period (months)  Working hours	1.2
Working hours	1.2
•	1.0
Standard workday	
Standard Workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	25.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	37.5
Restrictions on night work?	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	12.0
Paid annual leave for a worker with 5 years of tenure (working days)	13.0
Paid annual leave for a worker with 10 years of tenure (working days)	14.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	13.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	Yes
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	Yes
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	Yes
Priority rules for reemployment?	Yes
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.2
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	9.8
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	16.8
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	10.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	0.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	0.0

Doing Business 2020	Congo, Dem. Rep.	
Severance pay for redundancy dism	nissal for a worker with 10 years of tenure (weeks of salary)	0.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)		0.0
Unemployment protection after one year of employment?		No

#### Business Reforms in Congo, Dem. Rep.

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are reforms implemented since Doing Business 2008.

 $\checkmark$  = Doing Business reform making it easier to do business.  $\times$  = Change making it more difficult to do business.

#### DB2020

- Starting a Business: The Democratic Republic of Congo made starting a business less expensive by reducing the fees for business incorporation.
- ✓ **Dealing with Construction Permits:** The Democratic Republic of Congo made dealing with construction permits safer by requiring that professionals in charge of plan revisions and inspections be members of the newly-created National Order of Architects and National Order of Engineers, and by introducing legislation enforcing inspections during construction.
- Y Paying Taxes: The Democratic Republic of Congo made paying taxes less costly by lowering the corporate income tax rate to 30% (from 35%).

#### DB2019

- Registering Property: The Democratic Republic of Congo made property registration easier by reducing the fees for securing property titles.
- Enforcing Contracts: The Democratic Republic of Congo made enforcing contracts easier by adopting a law that regulates all aspects of mediation as an alternative dispute resolution mechanism.

#### DB2018

- **Starting a Business:** The Democratic Republic of Congo made starting a business easier by eliminating the requirement that a woman obtain her husband's permission to start a business and by combining multiple business registration procedures.
- Dealing with Construction Permits: The Democratic Republic of Congo made dealing with construction permits more expensive by revising the formula to assess building permit fees. At the same time, the Democratic Republic of Congo made dealing with construction permits more transparent by publishing all regulations related to construction online free of charge.

Employing Workers: The Democratic Republic of Congo introduced regulation pertaining to working hours

# DB2017

- ✓ **Dealing with Construction Permits:** The Democratic Republic of Congo made dealing with construction permits easier by improving building quality control and reducing the time it takes to obtain the building permit.
- X Registering Property: The Democratic Republic of Congo made it more expensive to transfer property by increasing the property transfer tax.
- Resolving Insolvency: The Democratic Republic of Congo made resolving insolvency easier by introducing a new conciliation procedure for companies in financial difficulties and a simplified preventive settlement procedure for small companies.

Employing Workers: The Democratic Republic of Congo adopted legislation that prohibits discrimination in hiring on the basis of gender.

# DB2016

- ✓ **Starting a Business:** The Democratic Republic of Congo made starting a business easier by simplifying registration procedures and reducing the minimum capital requirement.
- ✓ **Dealing with Construction Permits:** The Democratic Republic of Congo made dealing with construction permits less expensive by halving the cost to obtain a building permit.
- **Paying Taxes:** The Democratic Republic of Congo made paying taxes more complicated for companies by introducing a new social security contribution paid by employers, though it subsequently reduced the rate of the contribution.
- X Trading across Borders: The Democratic Republic of Congo made trading across borders more difficult by increasing the port handling time and cost for exporting and importing.

#### DB2015

- **✓ Starting a Business:** The Democratic Republic of Congo made starting a business easier by creating a one-stop shop.
- X Dealing with Construction Permits: The Democratic Republic of Congo made dealing with construction permits more costly by increasing the building permit fee.
- Getting Electricity: In the Democratic Republic of Congo the utility in Kinshasa made getting electricity easier by reducing the number of approvals required for new connections and reducing the burden of the security deposit.
- Getting Credit: The Democratic Republic of Congo improved access to credit information by establishing a credit registry.
- ✓ **Protecting Minority Investors:** The Democratic Republic of Congo strengthened minority investor protections by introducing greater requirements for disclosure of related-party transactions to the board of directors and by making it possible for shareholders to inspect the documents pertaining to related-party transactions and to appoint auditors to conduct an inspection of such transactions.
- **Paying Taxes:** The Democratic Republic of Congo made paying taxes easier for companies by simplifying corporate income tax returns and abolishing the minimum tax payable depending on a company's size. On the other hand, it increased the rate for the minimum lump-sum tax applied to annual revenue.

#### DB2014

- X Starting a Business: The Democratic Republic of Congo made starting a business more complicated by increasing the minimum capital requirement. At the same time, it made the process easier by reducing the time and by eliminating the requirement to obtain a certificate confirming the location of the new company's headquarters.
- ✓ **Getting Credit:** The Democratic Republic of Congo strengthened its secured transactions system by adopting the OHADA (Organization for the Harmonization of Business Law in Africa) Uniform Act on Secured Transactions. The new law broadens the range of assets that can be used as collateral (including future assets) and the range of obligations that can be secured, extends security interests to the proceeds of the original asset and introduces the possibility of out-of-court enforcement.
- ✓ **Protecting Minority Investors:** The Democratic Republic of Congo strengthened investor protections by adopting the OHADA Uniform Act on Commercial Companies and Economic Interest Groups, which introduces additional approval and disclosure requirements for related-party transactions and makes it possible to sue directors when such transactions harm the company.
- X Paying Taxes: The Democratic Republic of Congo made paying taxes more costly for companies by increasing the employers' social security contribution rate.
- ✓ **Resolving Insolvency:** The Democratic Republic of Congo made resolving insolvency easier by adopting the OHADA Uniform Act Organizing Collective Proceedings for Wiping Off Debts. The law allows an insolvent debtor to file for preventive settlement, legal redress or liquidation and sets out clear rules on the steps and procedures for each of the options available.

# DB2013

✓ Starting a Business: The Democratic Republic of Congo made starting a business easier by appointing additional public notaries.

# DB2012

- **Starting a Business:** The Democratic Republic of Congo made business start-up faster by reducing the time required to complete company registration and obtain a national identification number.
- ✓ **Dealing with Construction Permits:** The Democratic Republic of Congo reduced the administrative costs of obtaining a construction permit.
- ✓ Paying Taxes: The Democratic Republic of Congo made paying taxes easier for firms by replacing the sales tax with a value added tax.

# DB2011

- Starting a Business: The Democratic Republic of Congo eased business start-up by eliminating procedures, including the company seal.
- Dealing with Construction Permits: Dealing with construction permits became easier in the Democratic Republic of Congo thanks to a reduction in the cost of a building permit from 1% of the estimated construction cost to 0.6% and a time limit for issuing building permits.
- Registering Property: The Democratic Republic of Congo reduced by half the property transfer tax to 3% of the property value.

# DB2010

- X Paying Taxes: The Democratic Republic of Congo made paying taxes more costly for companies by raising the sales tax rate.
- Trading across Borders: In the Democratic Republic of Congo the participation of private companies in the terminal handling process at the port of Matadi has reduced cargo handling time by improving the quality of service.

# DB2008

✓ **Enforcing Contracts:** The Democratic Republic of Congo made enforcing contracts easier by increasing the efficiency of operations in the commercial court.

Doing Business 2020 is the 17th in a series
of annual studies investigating the regulations
that enhance business activity and those that
constrain it. It provides quantitative indicators covering
12 areas of the business environment in 190 economies. The
goal of the Doing Business series is to provide objective data for
use by governments in designing sound business regulatory policies
and to encourage research on the important dimensions of the regulatory
environment for firms.

www.doingbusiness.org



ISBN 978-1-4648-1440-2



SKU 211440