



COMPARING REGULATION FOR DOMESTIC FIRMS IN 183 ECONOMIES

# ***Doing Business*** **in Poland**

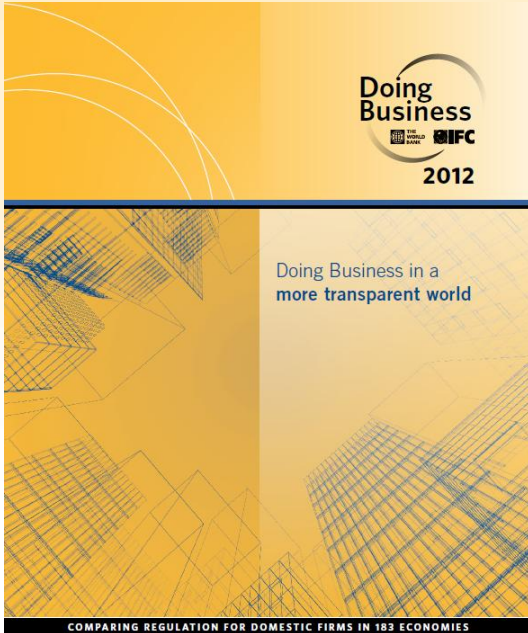
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**Warsaw**  
**November 14, 2011**

# What does *Doing Business* measure?

## Doing Business indicators:

- ✓ Focus on regulations relevant to the life cycle of a small to medium-sized domestic business.
- ✓ Are built on standardized case scenarios.
- ✓ Are measured for the most populous city in each country.
- ✓ Are focused on the formal sector.



**DO NOT** measure all aspects of the business environment such as macroeconomic stability, corruption, level of labor skills, proximity to markets, or of regulation specific to foreign investment or financial markets.

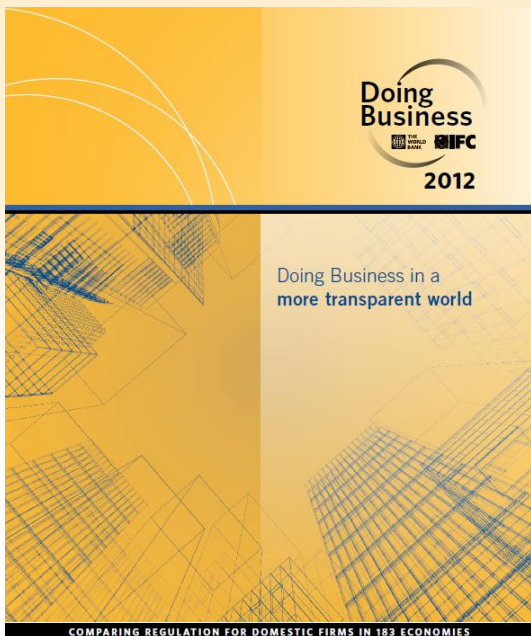
# Doing Business indicators – 11 areas of business regulation (9 included in the DB2011 ranking; 10 in DB2012)

Start-up	Expansion	Operations	Insolvency
<ul style="list-style-type: none"> <li>• <b>Starting a business</b></li> </ul> <p><i>Minimum capital requirement, procedures, time and cost</i></p>	<ul style="list-style-type: none"> <li>• <b>Registering property</b></li> </ul> <p><i>Procedures, time and cost</i></p> <ul style="list-style-type: none"> <li>• <b>Getting credit</b></li> </ul> <p><i>Credit information systems</i></p> <p><i>Movable collateral laws</i></p> <ul style="list-style-type: none"> <li>• <b>Protecting investors</b></li> </ul> <p><i>Disclosure and liability in related party transactions</i></p> <ul style="list-style-type: none"> <li>• <b>Enforcing contracts</b></li> </ul> <p><i>Procedures, time and cost to resolve a commercial dispute</i></p>	<ul style="list-style-type: none"> <li>• <b>Dealing with construction permits</b></li> </ul> <p><i>Procedures, time and cost</i></p> <ul style="list-style-type: none"> <li>• <b>Paying taxes</b></li> </ul> <p><i>Payments, time and Total Tax Rate</i></p> <ul style="list-style-type: none"> <li>• <b>Trading across borders</b></li> </ul> <p><i>Documents, time and cost</i></p> <ul style="list-style-type: none"> <li>• <b>Getting electricity</b></li> </ul> <p><i>Procedures, time and cost</i></p> <ul style="list-style-type: none"> <li>• <b>Employing workers (annex)</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Resolving insolvency</b> (formerly <i>Closing a business</i>)</li> </ul> <p><i>Time, cost and recovery rate</i></p>
<p><b>Entry</b></p>	<p><b>Property rights</b> <b>Investor protection</b> <b>Access to credit</b></p>	<p><b>Administrative burden</b> <b>Flexibility in hiring</b></p>	<p><b>Recovery rate</b> <b>Reallocation of assets</b></p>

# What's new in *Doing Business* 2012?

2007 175 economies	2008 178 economies	2009 181 economies	2010 183 economies	2011 183 economies	2012 183 economies
<ul style="list-style-type: none"> <li>Starting a business</li> <li>Dealing with construction permits</li> <li>Employing workers</li> <li>Registering property</li> <li>Getting credit</li> <li>Protecting investors</li> <li>Paying taxes</li> <li>Trading across borders</li> <li>Enforcing contracts</li> <li>Resolving Insolvency (formerly <i>Closing a business</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Update of 2007</li> <li>Add 3 countries</li> <li>Reformer's Club, and 16 case studies</li> </ul>	<ul style="list-style-type: none"> <li>New "About DB" chapter</li> <li>Trends analysis DB04-DB09               <ul style="list-style-type: none"> <li>Most popular reforms</li> <li>Most effective reforms</li> <li>Lessons learned</li> </ul> </li> <li>Add 3 new countries (Bahamas, Bahrain, Qatar)</li> <li>Methodology change in Getting Credit (Legal Rights)</li> </ul>	<ul style="list-style-type: none"> <li>Business regulation and reform in the context of the global crisis</li> <li>EWI and social protection</li> <li>Worker Protection: Researching ILO core labor standards</li> <li>Piloting a new infrastructure indicator</li> <li>Add Cyprus, Kosovo</li> </ul>	<ul style="list-style-type: none"> <li>New metric on 5-year change at country level</li> <li>Focus on reform results</li> <li>Getting Electricity: added 36 countries and indicator level ranking</li> <li>Methodology review for Employing Workers indicator</li> </ul>	<ul style="list-style-type: none"> <li><b>Getting Electricity</b> included in overall ranking</li> <li>New metric on an economy's distance to the frontier</li> <li>Illustration of variability of performance across indicators</li> <li>Access to information data</li> <li>4 case studies on regulatory reform</li> <li>E-chapters for indicators</li> <li>Threshold applied to the TTR in <i>Paying Taxes</i></li> </ul>

# 12 EU economies are among the top 30 economies for the ease of doing business in DB 2012

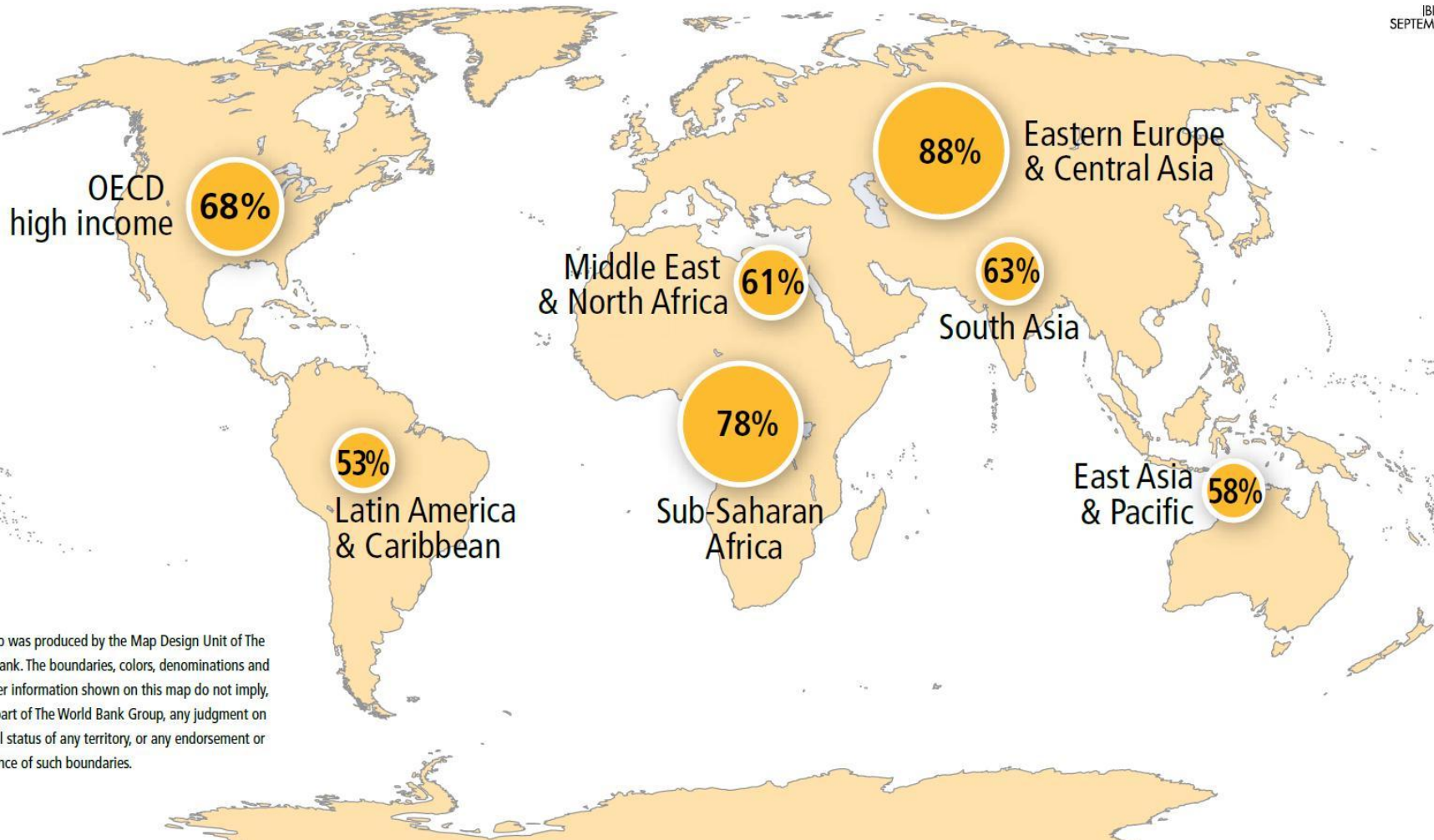


- |   |                         |   |                    |
|---|-------------------------|---|--------------------|
|    | 1. Singapore            |    | 16. Georgia        |
|    | 2. Hong Kong SAR, China |    | 17. Thailand       |
|    | 3. New Zealand          |    | 18. Malaysia       |
|    | 4. United States        |    | 19. Germany ←      |
|    | 5. Denmark ←            |    | 20. Japan          |
|    | 6. Norway               |    | 21. Latvia ←       |
|    | 7. United Kingdom ←     |    | 22. Macedonia, FYR |
|    | 8. Korea, Rep.          |    | 23. Mauritius      |
|    | 9. Iceland              |    | 24. Estonia ←      |
|    | 10. Ireland ←           |    | 25. Taiwan, China  |
|   | 11. Finland ←           |   | 26. Switzerland    |
|  | 12. Saudi Arabia        |  | 27. Lithuania ←    |
|  | 13. Canada              |  | 28. Belgium ←      |
|  | 14. Sweden ←            |  | 29. France ←       |
|  | 15. Australia           |  | 30. Portugal ←     |

# Strong global pace of reforms making business easier in 2010/11: 245 *Doing Business* reforms in 125 economies

Share of economies with at least 1 *Doing Business* reform making it easier to do business (%)

IBRD 38816  
 SEPTEMBER 2011

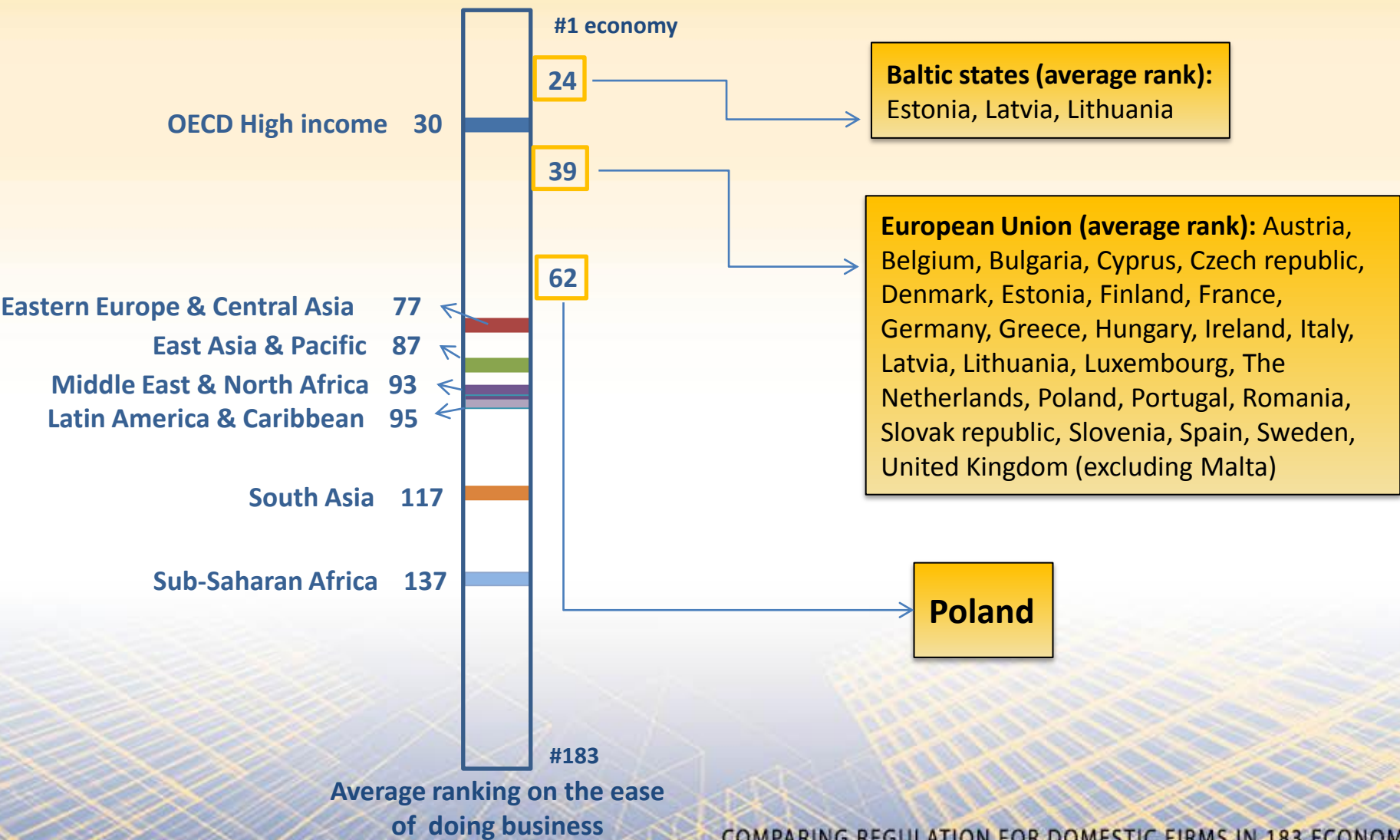


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# Economies improving the most in the ease of doing business in DB 2012

	Change in ranking DB11 to DB12	Starting a Business	Dealing with construction permits	Getting electricity	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
<b>Morocco</b>	115→94 (-21)		√				√	√			
<b>Moldova</b>	99→81 (-18)	√				√				√	√
<b>Macedonia, FYR</b>	34→22 (-12)		√		√	√					√
<b>São Tomé and Príncipe</b>	174→163 (-11)	√	√		√				√		
<b>Latvia</b>	31→21 (-10)	√		√	√						√
<b>Cape Verde</b>	129→119 (-10)				√	√					√
<b>Sierra Leone</b>	150→141 (-9)					√			√	√	√
<b>Burundi</b>	177→169 (-8)		√				√	√			√
<b>Solomon islands</b>	81→74 (-7)	√			√		√				√
<b>Korea, Rep.</b>	15→8 (-7)	√						√		√	
<b>Armenia</b>	61→55 (-6)	√	√			√		√			√
<b>Colombia</b>	47→42 (-5)	√						√			√

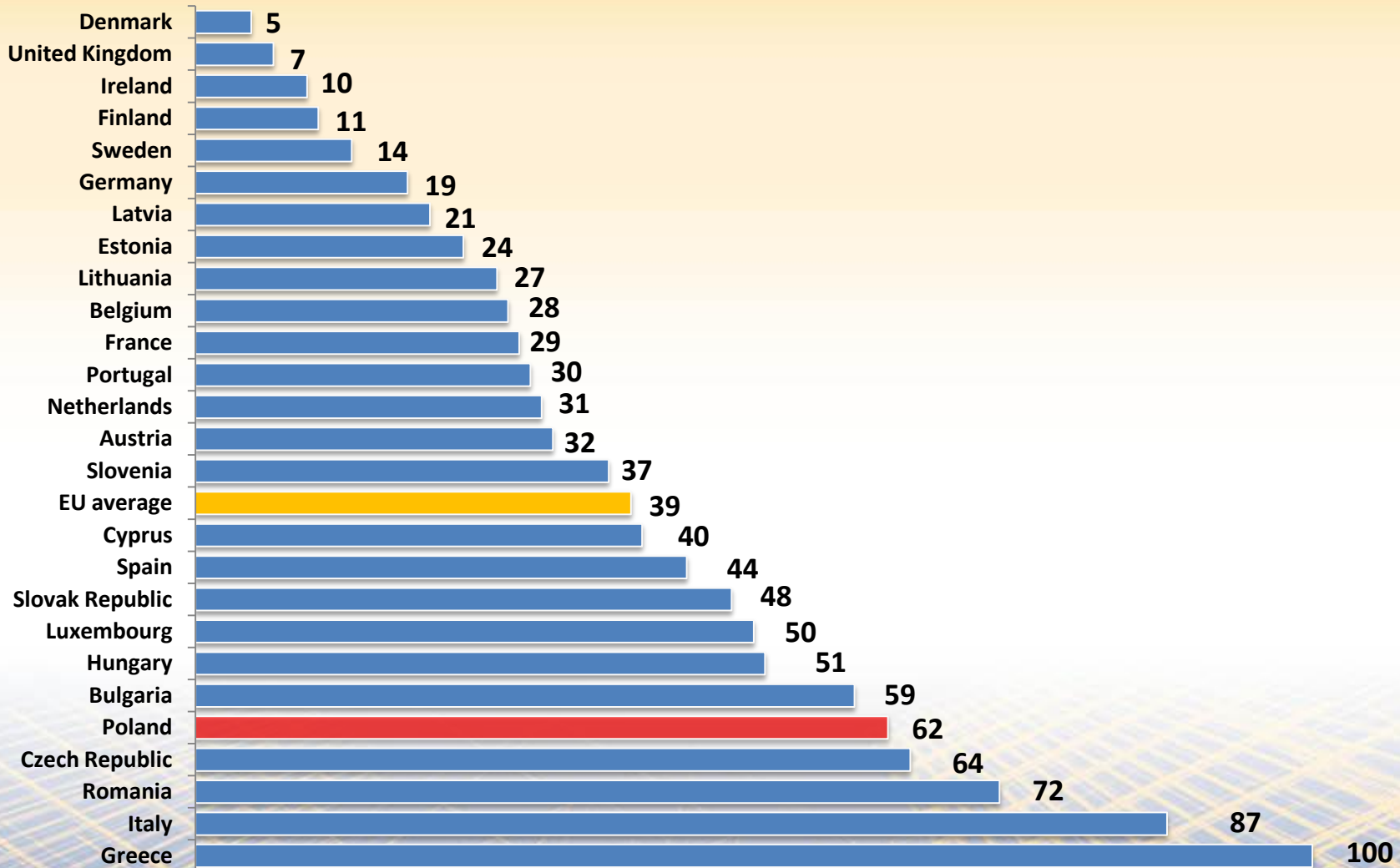
# Average rank in DB2012 for Poland, the European Union, and the Baltic States



# Poland ranks among the top EU economies in Getting Credit and Protecting Investors.

Topic	World's top ranked 2010/11	EU26 top ranked in 2010/2011	Poland global rank*	Poland EU26 rank**
<i>Starting a business</i>	New Zealand	Ireland (13)	126	22
<i>Dealing with construction permits</i>	Hong Kong SAR, China	Denmark (10)	160	26
<i>Getting electricity</i>	Iceland	Germany (2)	64	12
<i>Registering property</i>	Saudi Arabia	Lithuania (7)	89	21
<i>Getting credit</i>	Malaysia	Latvia (4)	8	3
<i>Protecting investors</i>	New Zealand	Ireland (5)	46	8
<i>Paying taxes</i>	Maldives	Ireland (5)	128	23
<i>Trading across borders</i>	Singapore	Estonia (3)	46	17
<i>Enforcing contracts</i>	Luxembourg	Luxembourg (1)	68	20
<i>Resolving Insolvency</i>	Japan	Finland (5)	87	24

# Poland's ranking relative to other economies in the European Union in 2010/11



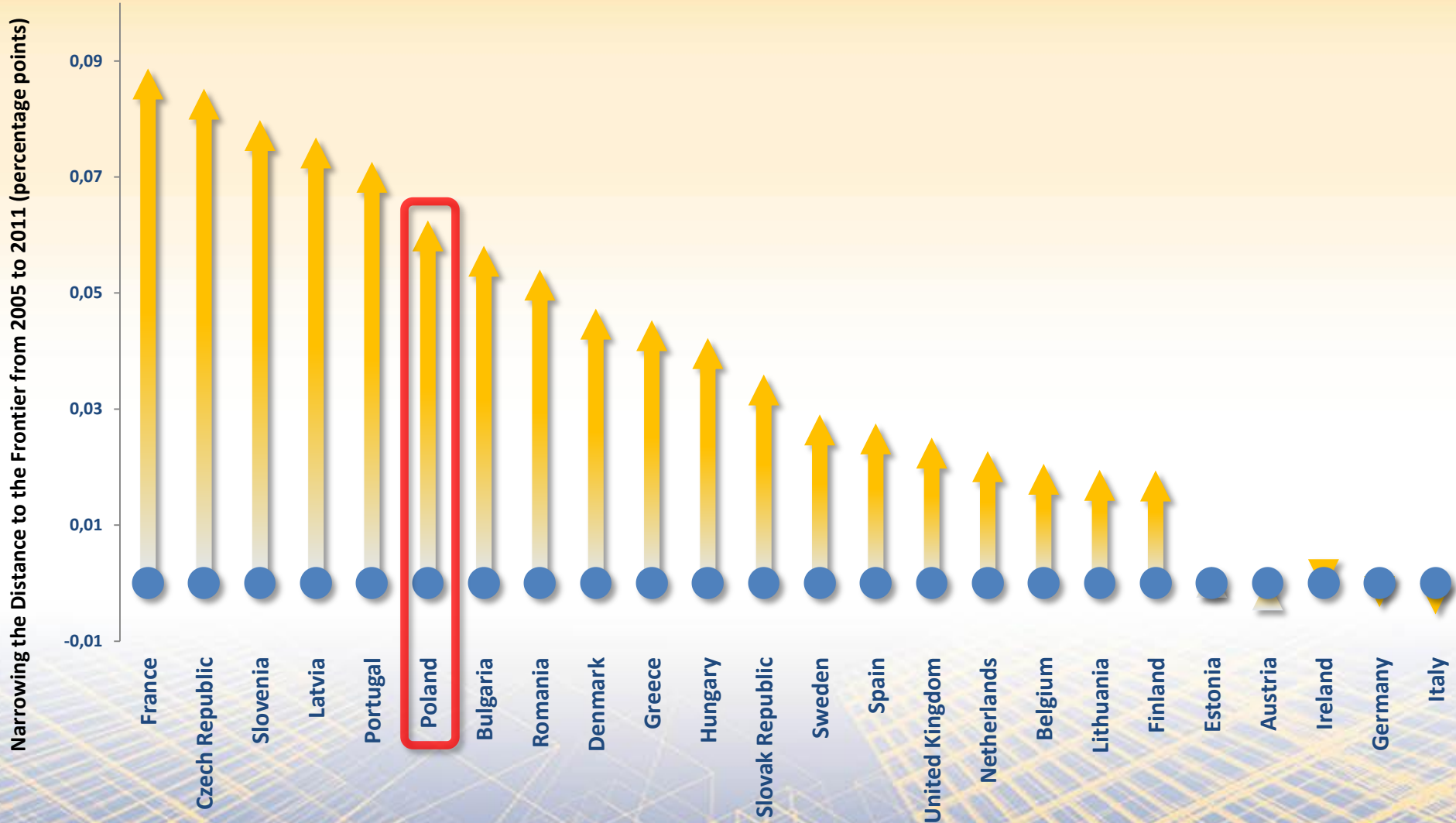
# Poland ranks better than the average in the EU in 3 indicators

## Rank in Doing Business

Most difficult to do business



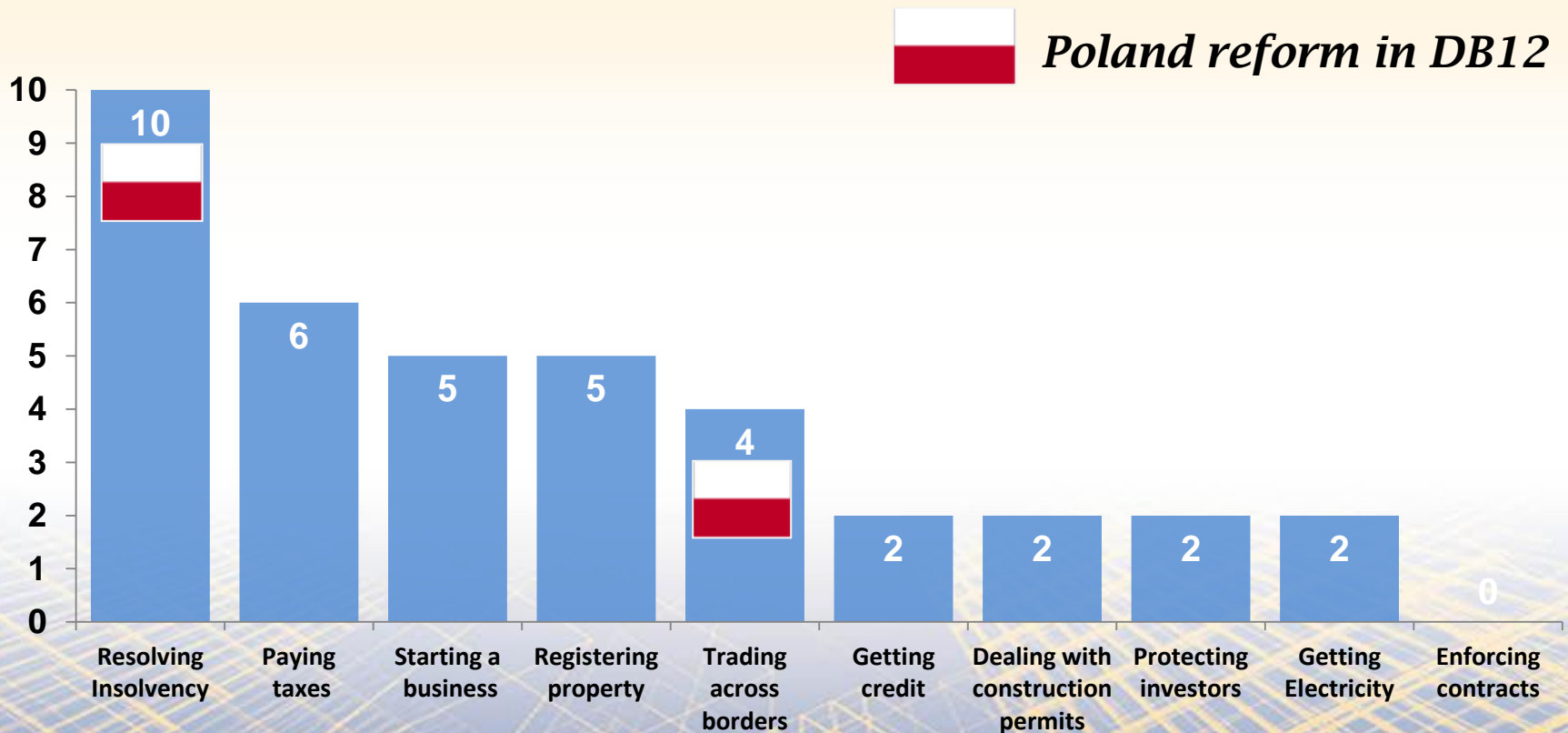
# Poland is among the EU economies that most improved business regulations since 2005



\* 24 EU economies out of 27 (Luxembourg and Cyprus were included after DB06 and Malta is not part of DB)

# In 2010/2011, there were 38 regulatory improvements in 9 areas of business regulation in the EU

Among 38 reforms in 9 areas of business regulation, Resolving Insolvency and Paying Taxes were the most common in the European Union



# Poland made doing business easier in Trading across borders and Resolving insolvency in 2010/2011

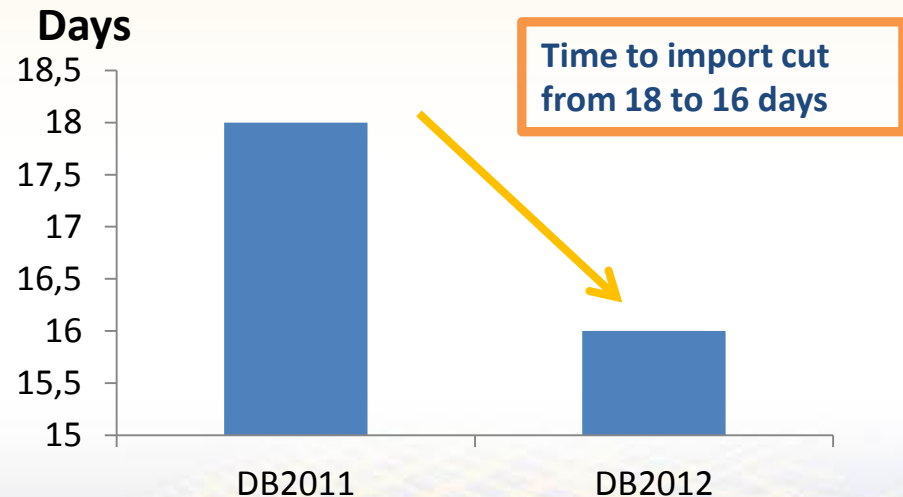
Poland amended its bankruptcy and reorganization law to simplify court procedures and extend more rights to secured creditors.



## Between DB11 and DB12 :

- ✓ The law prevents the courts from rejecting petitions to declare bankruptcy filed by debtors in person, without first requiring them to remove formal defects.
- ✓ The law prioritizes the types of claims of secured creditors to be satisfied. The principal amount of the ancillary claims resulting from secured claims are to be satisfied first, followed by interest and remaining claims. The cost of the proceeding shall be satisfied last.

Poland made **trading across borders** faster by 2 days by implementing electronic preparation and submission of customs documents.



# Regulatory reforms recorded in Poland in all areas measured by Doing Business since DB2006, 15 in total

DB Report Year	Starting a business	Dealing with construction permits	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Closing a business
2012							✓		✓
2011			✓						
2010	✓			✓		✓			✓
2009									✓
2008			✓					✓	
2007					✓				
2006		✓	✓			✓		✓	

Poland has reformed the business environment **every year**

In **9 areas** of Doing Business

# The reform agenda

## The World Bank's Recommendations for Doing Business Reforms

# Recommendations to improve the construction permitting process

- Shorten and enforce statutory approval limits when processing construction and occupancy permits
- Streamline and re-engineer procedures to issue construction permits to save time and cost of investors using delegation and notification
- Pro-actively use the risk-based approach when processing applications for construction and occupancy permits
- Rationalize and consolidate post-completion inspections
- Cautiously use “silence is consent” principle in construction

# Recommendations to improve paying taxes

- Make electronic filing mandatory for all corporate entities and medium to large businesses (say, with turnover over Euro 1 million)
- Digital signatures costly for small firms – make use of tax intermediaries legal
- Simplify forms further, making them better suited to e-filing
- Provide more user-friendly software
- Popularize electronic filing through targeted communications campaigns

# Recommendations to improve starting a business

## Short-term reform recommendations:

- Unify all numbers into one universal identification number and issue it by the Registration Court
- Make available standard company agreements with the option of drafting and notarizing custom made company agreements, and empower officials to verify signatures
- Eliminate separate registrations for National Sanitary Inspection and National Work Inspection; combine registration for VAT at the National Court Register
- Eliminate the minimum capital requirement

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## DOING BUSINESS

MEASURING BUSINESS REGULATIONS

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