

A World Bank Group Flagship Report



Doing Business 2018

Reforming to Create Jobs



WORLD BANK GROUP

Comparing Business Regulation
for Domestic Firms in **190** Economies

Economy Profile of Bosnia and Herzegovina

Doing Business 2018 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, 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 and total tax rate for a firm to comply with all tax regulations as well as post-filing 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
Labor market regulation	Flexibility in employment regulation and aspects of job quality

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 labor market regulation. Although Doing Business does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate distance to frontier 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 reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports 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.

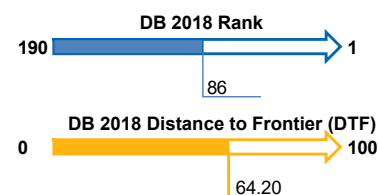
The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more 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.

The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190. The ranking of 190 economies is determined by sorting the aggregate distance to frontier scores, rounded to two decimals.

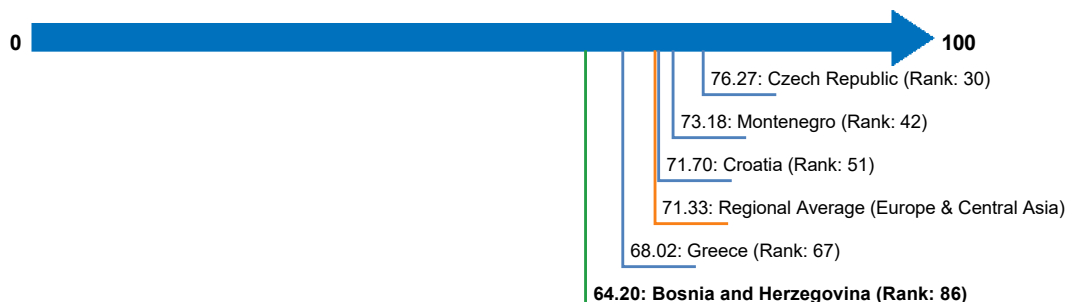
More about [Doing Business](#) (PDF, 5MB)

Ease of Doing Business in
Bosnia and Herzegovina

Region	Europe & Central Asia
Income Category	Upper middle income
Population	3,516,816
GNI Per Capita (US\$)	4,880
City Covered	Sarajevo

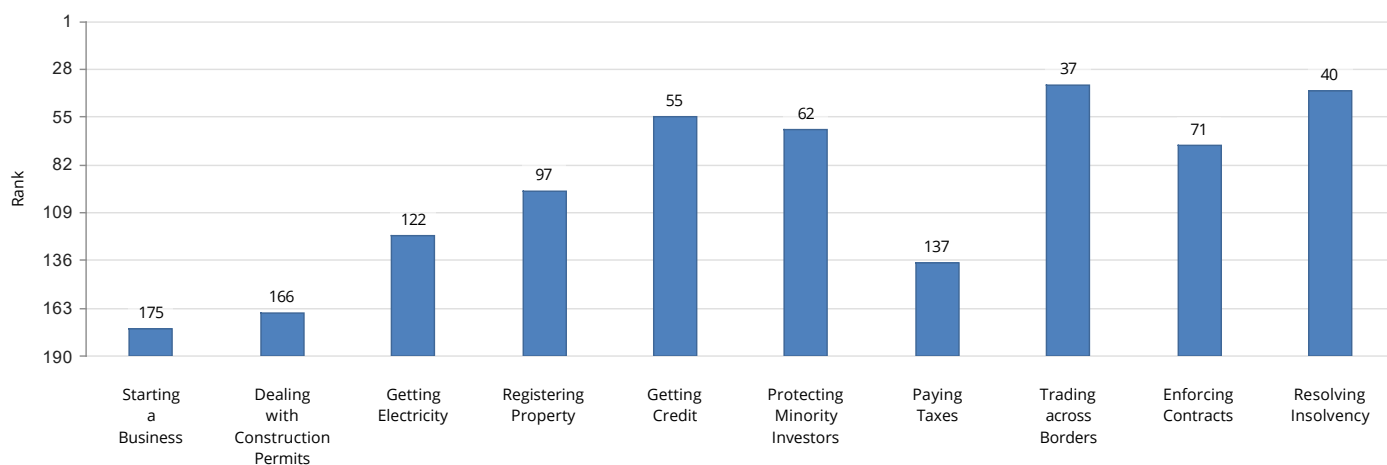


DB 2018 Distance to Frontier (DTF)

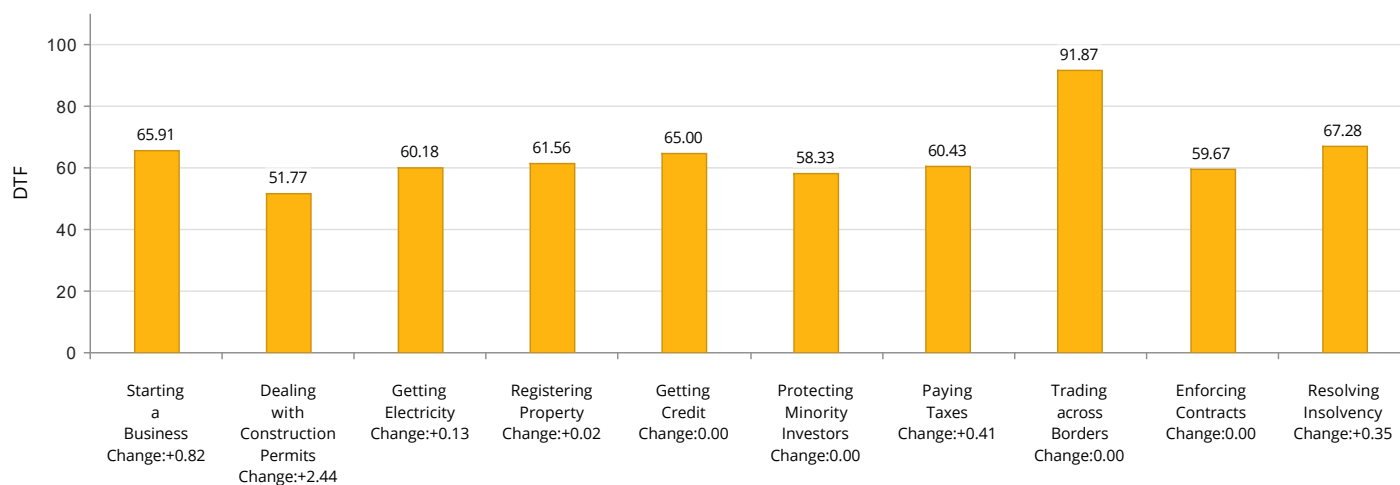


Note: The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the frontier. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - Bosnia and Herzegovina



Distance to Frontier (DTF) on Doing Business topics - Bosnia and Herzegovina



Starting a Business

This topic measures the paid-in minimum capital requirement, number of procedures, time and cost for a small- to medium-sized limited liability company to start up and formally operate in 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 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 distance to frontier score for each indicator is the average of the scores obtained for each of the component indicators.

The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

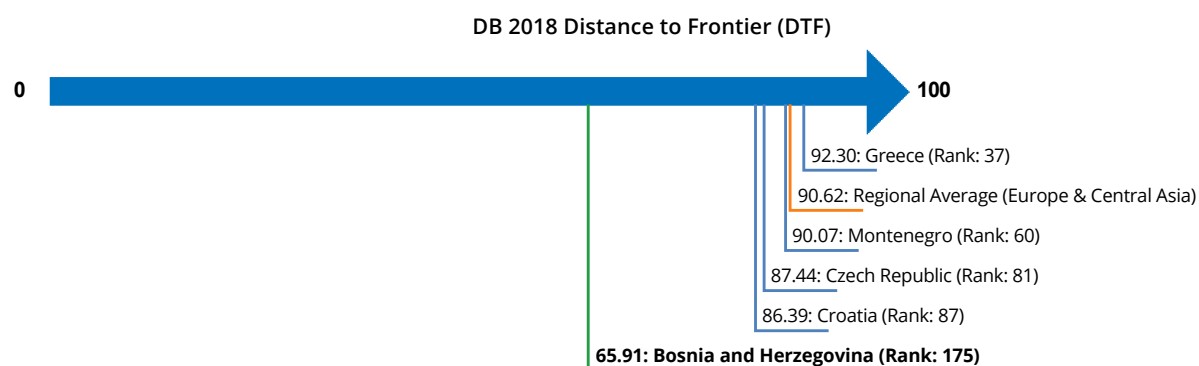
What the indicators measure	Case study assumptions
Procedures to legally start and operate a company (number)	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<ul style="list-style-type: none"> • Pre-registration (for example, name verification or reservation, notarization) • Registration in economy's largest business city • Post-registration (for example, social security registration, company seal) • Obtaining approval from spouse to start business or leave home to register company • Obtaining any gender-specific permission that can impact company registration, company operations and process of getting national identity card 	<p>The business:</p> <ul style="list-style-type: none"> - Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the 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 and the entire office space is approximately 929 square meters (10,000 square feet). For 11 economies the data are also collected for the second largest business city. - Is 100% domestically owned and has five owners, none of whom is a legal entity; and has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita. - Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. 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 does not use heavily polluting production processes. - Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to 1 times income per capita. - Does not qualify for investment incentives or any special benefits. - Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals. - Has a company deed 10 pages long.
Time required to complete each procedure (calendar days)	<p>The owners:</p>
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> - Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old. - Are sane, competent, in good health and have no criminal record. - Are married and 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.
Cost required to complete each procedure (% of income per capita)	
<ul style="list-style-type: none"> • 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)	
<ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	

Standardized Company

Legal form	Limited Liability Company
Paid-in minimum capital requirement	BAM 1,000
City Covered	Sarajevo

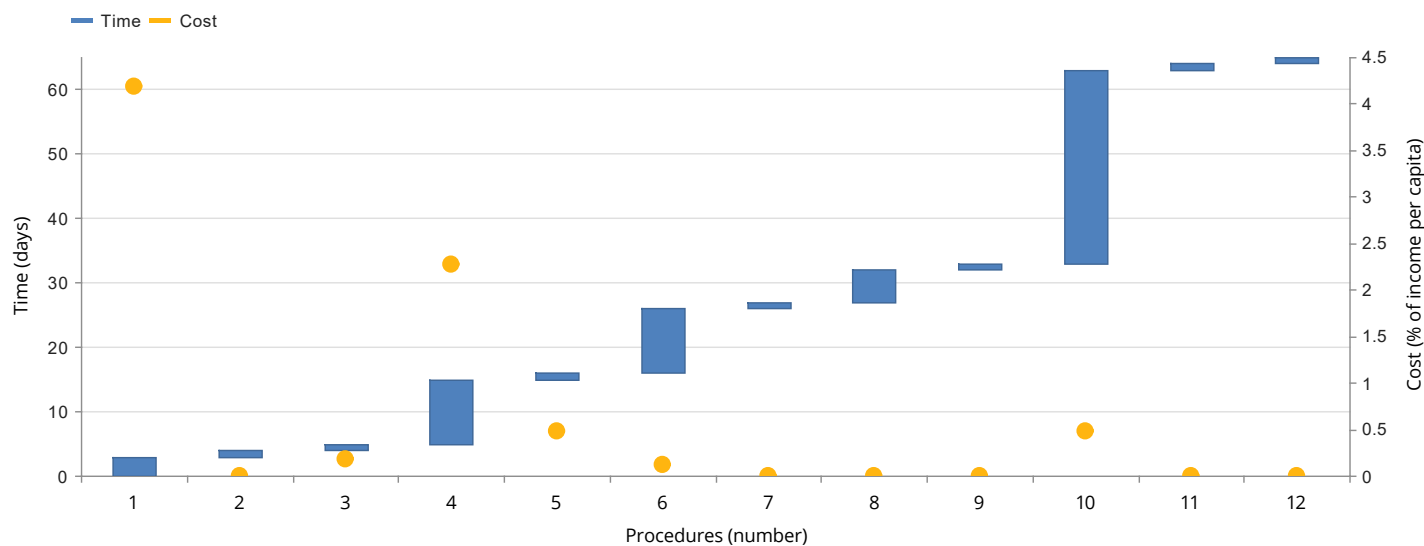
Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Procedure – Men (number)	12	5.2	4.9	1.00 (New Zealand)
Time – Men (days)	65	10.1	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	7.7	4.4	3.1	0.00 (United Kingdom)
Procedure – Women (number)	12	5.2	4.9	1.00 (New Zealand)
Time – Women (days)	65	10.1	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	7.7	4.4	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	12.0	3.4	8.7	0.00 (113 Economies)

Figure – Starting a Business in Bosnia and Herzegovina and comparator economies – Ranking and DTF



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

Figure – Starting a Business in Bosnia and Herzegovina – Procedure, Time and Cost



* 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://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Details – Starting a Business in Bosnia and Herzegovina – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	<p>Stipulate a founding act and have it notarized by a notary</p> <p>Agency : Notary's Office</p> <p>The Law on Registration of Business Entities requires that the Founding Act and Statute of the Company are certified by the public notary.</p> <p>Under the Notary Tariffs of Federation of BiH (Official Gazette of Federation of BiH No. 57/13) the fees for a notary processing of the Founding Act and Statute of the Company notary depend on the value of the company's share capital as follows:</p> <p>1.Fee in the amount of BAM 300 if the share capital amount does not exceed BAM 50.000;</p> <p>2.Fee in the amount of BAM 350 if the share capital amount is between BAM 50.000 and BAM 100.000 and</p> <p>3.If the value of the concerned legal or any other activity exceeds BAM 100.000, notary is obliged to calculate the fee (in addition to the award of BAM 350) in the amount of BAM 50 for each started BAM 100.000 but not in the amount exceeding BAM 2.000.</p>	1 to 5 days	BAM 350
2	<p>Obtain a statement from commercial bank that full amount of the capital has been paid in; pay the registration fee to the budget account of the cantonal court</p> <p>Agency : Commercial Bank</p> <p>The founder should pay the amount of the capital to a temporary account at one of the local banks, to be subsequently transferred to the company transaction account after its opening.</p>	1 day	no charge
3	<p>Obtain the statement of tax authorities that the founders have no tax debts</p> <p>Agency : Tax bureau</p> <p>Statement of tax authorities is required, which confirms that the entrepreneur does not have any unpaid pecuniary fines and it costs BAM 15.</p>	1 day	BAM 15

4 Court registration with Municipal Courts

10 days

BAM 35 (registration fee) + BAM 5 (filing fee) + BAM 150 (publishing fee)

Agency : Municipal Court

By law, regulated forms must be completed. Forms are available free of charge online at the website of Municipal Court of Sarajevo (<http://www.oss.ba/?jezik=bos&x=1&y=73>) or alternatively can be purchased at a stationery shop or at the court (BAM 15). After the court registration of the new company, the court informs the Official Gazette to announce the prepared notice.

Companies are automatically registered for membership in the chambers of economy at the state, entity, canton, and regional levels. Since 2004, membership in the Chamber of Economy of the Federation of Bosnia and Herzegovina and the Chamber of Economy of the Republica Srpska is voluntary.

5 Buy a company stamp

1 day

BAM 40

Agency : Shops dealing with stamp making

After obtaining the Court's Decision on the commencement of the business activities, new company will need to make a company stamp. The stamp must contain data identical to the data in the Decision.

Depending on the desired stamp design, costs range between BAM 30 and BAM 50.

6 Obtain the Certificate of the business premises

10 days

BAM 10

Agency : Municipalities

The 4 municipalities making up the City of Sarajevo have reduced the cost for this procedure to BAM 10.

The Company founder goes to the municipality, fills out a request form and attaches all required documents (proof of company's court registration, statement confirming that all business premises fulfill conditions mandated by the law, and notification about the date when the company will start with operations) and the proof of payment of the administrative fee. Then, the time necessary to obtain the resolution on intended activities takes about 10 days.

- | | | | |
|---|--|-------|-----------|
| 7 | Notify the commencement of the business activities to the Cantonal Inspection Authority | 1 day | no charge |
|---|--|-------|-----------|

Agency : Ministry of Commerce

The company submits the notification on commencement of business activities to the Cantonal Inspection Authority and the inspectors may subsequently make supervision in terms of fulfillment of all conditions for conducting of business activities.

New Law on Internal Trade (Official Gazette of FB&H, no.40/10) is enforced. It regulates that the notification on commencement of business activities should be submitted by the company no later than 5 days before starting to work. The following document should be submitted: court resolution on registration in the registry, statement that the company meets all legal requirements for performing trade activities and notice of the date of commencement of work.

8 Apply for company identification number with the competent tax office 5 days no charge

Agency : Tax Bureau and Federal Bureau for Statistics

When filing an application for statistical and taxpayer numbers simultaneously with the competent tax authorities (according to Regulations on Obtaining ID Numbers [Official Gazette No. 39/02]), the newly incorporated company must submit with the application form:

- a photocopy of the court resolution (registration);
- the contract on the lease of the business premises;
- resolution of the competent municipality on the intended activities (this resolution must confirm that certain activities may be exercised at a certain address);
- copy of the Director of the company's ID card;
- copy of the agreement on providing the accountant services.

In the application form for the ID number, it is asked to provide the information on the accountant or a company which will perform accounting activities.

Newly adopted Rulebook (as published in the OG FBiH 02/10) regulates new tax registration procedures that streamlines the process for legal entities. In accordance with the new Article 8a of this Rulebook, respective court and tax administration initiate tax registration by mutual official correspondence and legal entities are only obliged to submit required documents (copy of court registry, 2 copies of application form including company's stamp, and copies of ID cards) after the court registration is completed. This Rulebook does not require submission of following documents (as previously requested: 1) contract on the lease of the business premises and 2) resolution of the competent municipality on the intended activities.

Additionally, the company will submit an application for the classification based on the activities it will perform. The application form is available at http://www.pufbih.ba/v1/public/upload/obraci/574ca-ppl1_bs_inter2.pdf . Together with the application, the following documents are submitted:

- two filled copies of Form PPL-1 (ID application);
- photocopy of a certificate issued by the registration authority (court, ministry);
- JMBG (resident's ID number) of the director and the owner(s).

9 Open a company account with commercial bank

1 day

no charge

Agency : Commercial Bank

According to the Article 6 of the Law on Internal Payment System "Official Gazette of BiH", No. 48/15 / 06.24.2015. all legal entities are obliged to open transaction account within authorized organizations (banks) and use the funds on that account for their payments in accordance with the above mentioned law. Link for the legal basis:

<http://www.pufbih.ba/v1/public/upload/zakoni/de252-zakon-o-unutrasnjem-platnom-prometu-sl.nov.br.48-15.pdf>.

Due to the anti-money laundering requirements, opening account in commercial bank has to be done by the company's authorized representative in person.

10 VAT registration

30 days

BAM 40

Agency : Indirect Taxation Authority

Per article 57 of the Bosnia and Herzegovina Law on Value Added Tax, VAT registration is obligatory for companies whose annual supply of goods and services subject to VAT exceeds or will exceed BAM 50.000. It is necessary to submit the Request for registration into the competent VAT registry. The request is accompanied by the following documents:

- Certified copy of the registration into the court registry;
- Certified copy of the certificate of registration from the Tax Administration of FB&H;
- Certified copy of the notification of the Bureau for Statistics;
- Certified copy of the Directors ID;
- Certified copy of the card of deposited signatures from the bank in which the transaction account is opened;
- Statement about the goods to be imported or exported by the firm;
- Statement about the feasibility of estimated turnover and a the evidence on the realization of the same in terms of concluded business contracts;
- Copy of the contract of the lease of business premises for the company seat or evidence of the ownership registered in the land registry;
- Personal ID number for the responsible accountant.

It is also necessary to pay the following taxes: Tax on the request for VAT registration in the amount of BAM 10; tax for issuing the Decision on registration in the VAT register in the amount of BAM 10; tax for issuing the Certificate on registration in the VAT register in the amount of BAM 20.

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|----|--|-------|-----------|
| 11 | Enroll the employees in health insurance with Health Insurance Institute and in the pension insurance | 1 day | no charge |
|----|--|-------|-----------|

Agency : Tax administration

According to the Article 14 of the Law on Unified System of Registration, Control and Collection of Contributions (Official Gazette of FB&H, no. 42/09 and 109/12, as amended by "Official Gazette of FB&H", no. 30/16), the company is obliged to register each employee at the Tax Administration one day before the commencement of work at the latest. The following document should be submitted:

- court resolution on registration in the registry,
- Certificate of the Identification and Statistic number,
- Form JS 3100.

- | | | | |
|----|---|-------|-----------|
| 12 | Adopt and publish a rule book on matters of salary, work organization, discipline, and other employee regulations. | 1 day | no charge |
|----|---|-------|-----------|

Agency : Labor Department

An employer who employs more than 30 employees issues and publishes a rule book which regulates salaries, organization of work, systematization of jobs, the special conditions of employment and other issues important for the workers and the employer, in accordance with the law and collective agreement.

The obligation of issuing the Rulebook is based on Article 118 of the Labour Law in the Federation of Bosnia and Herzegovina (Official Gazette of the Federation of Bosnia and Herzegovina, number 26/16)

♀ Applies to women only.

⇒ 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 June 2017. [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 warehouse value)

- Official costs only, no bribes

Building quality control index (0-15)

- Sum of the scores of six component indices:
- 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.

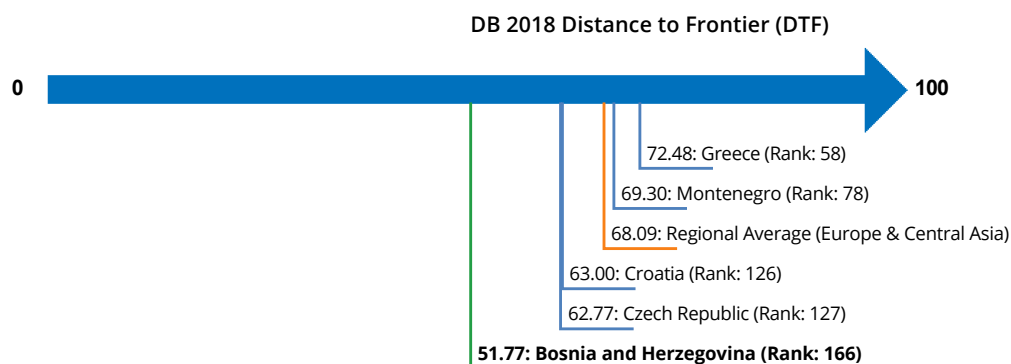
Standardized Warehouse

Estimated value of warehouse BAM 418,327.60

City Covered Sarajevo

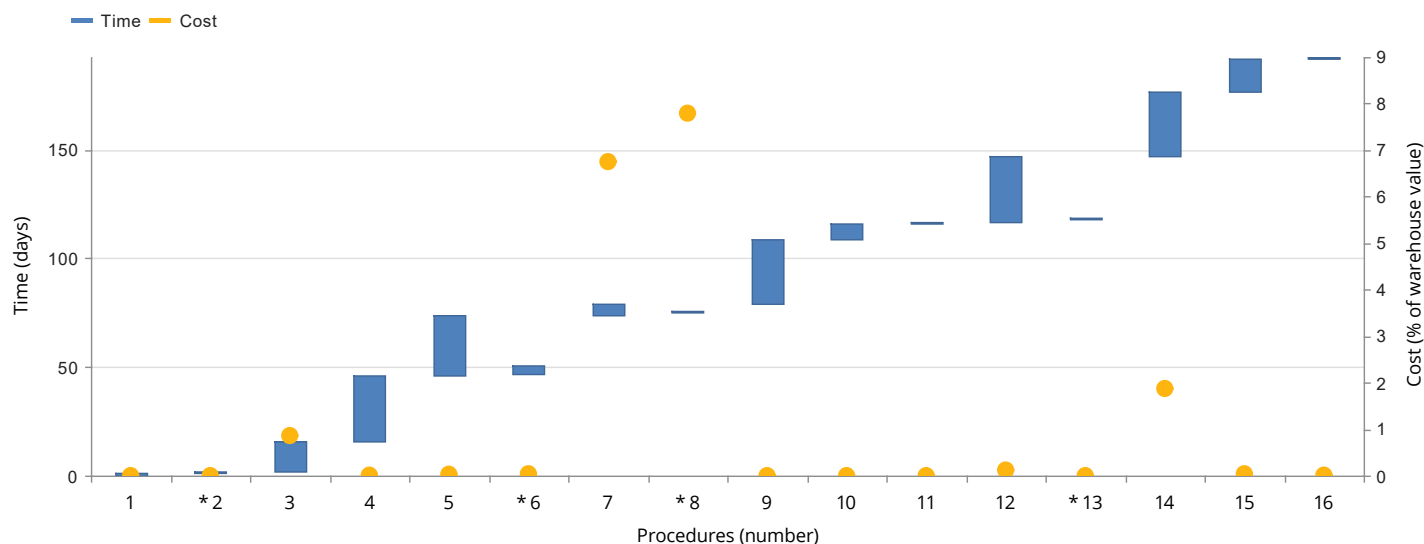
Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Procedures (number)	16	16.0	12.5	7.00 (Denmark)
Time (days)	193	168.3	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	17.5	4.0	1.6	0.10 (5 Economies)
Building quality control index (0-15)	13.0	11.4	11.4	15.00 (3 Economies)

Figure – Dealing with Construction Permits in Bosnia and Herzegovina and comparator economies – Ranking and DTF



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

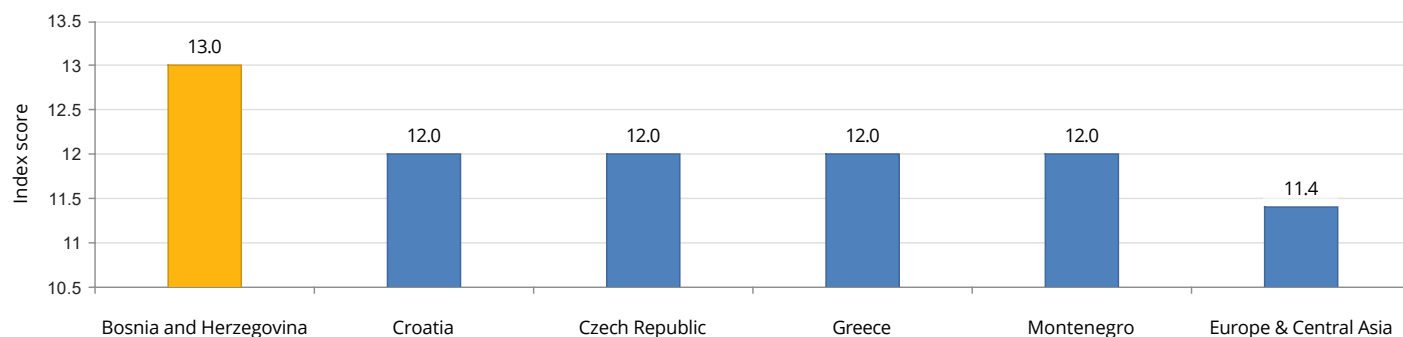
Figure – Dealing with Construction Permits in Bosnia and Herzegovina – Procedure, Time and Cost



* 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://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Dealing with Construction Permits in Bosnia and Herzegovina and comparator economies – Measure of Quality



Details – Dealing with Construction Permits in Bosnia and Herzegovina – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	Obtain excerpt from the cadastre plan showing status of the land plot Agency : Municipality (Cadastre Department) To obtain a copy of the cadastre plan, BuildCo must submit a request form which is available at the Municipality. Due to internal reorganization and automation of the process in the Cadastre Department of the Municipality, the process can be completed in 1 day.	1 day	BAM 10
⇒ 2	Obtain excerpt from the land registry book showing proper registration Agency : Municipal Court (Land Registry Department) The excerpt is available from the Land Registry Department of the Municipal Court. The company representative must take a queue number at the office counter in the morning and make a written or oral request. The excerpt will be provided on the same day (usually within 1 hour).	1 day	BAM 5
3	Obtain soil test and topographic survey of the land Agency : Private Licensed Company A private licensed company will conduct a soil test and a topographic survey of the land plot. Both of these have to be completed in order to develop the project. A soil test is a necessary step for development of the project. The soil investigation helps to determine the bearing capacity of the land, which helps to determine the load capability, the type and depth of foundation, in order to make sure to select a suitable construction technique.	14 days	BAM 3,600
4	Obtain urban planning consent Agency : Municipality (Urban Planning Department) BuildCo submits a request to the Municipality for an urban planning consent with the following required documents: <ul style="list-style-type: none"> • Reason for the request, including the project data and documentation required for the Urban Planning Department's assessment • Program sketch • Preliminary (or first draft) project design, two examples (or depending on the level of construction complexity, project proposal or program sketch) • General schemes for power installations, heating installations, fire prevention and security systems, water supply and sewage systems • Excerpt from the cadastre plan, showing right to build and ownership of plot (not older than 6 months) • Excerpt from the land registry book, showing proper registration • Environmental consent, if requested • Other data, if requested • For insurance purposes, consent for fire and explosion protection, issued by a competent company • Consent for the heating installations, issued by a competent company Once issued, the urban planning consent is effective for one year, during which time BuildCo may submit a construction permit request.	30 days	BAM 30

5	Obtain preliminary verification of water supply and sewage system projects Agency : Vodovod i Kanalizacije Once the urban planning consent is issued, BuildCo must submit the description of the main project plan to the municipal water and sewage authority (Vodovod i Kanalizacija).	28 days	BAM 117
⇒ 6	Obtain preliminary verification of the study on fire and explosion prevention Agency : Public Institute for Fire Protection BuildCo must submit electronically the description of the main project plan to the Public Institute for Fire Protection, an independent agency.	4 days	BAM 150
7	Obtain validation of the technical audit of the main project Agency : Auditing Entity Once the preliminary verification of the study on fire prevention and explosion is obtained, BuildCo must undergo a technical audit, showing that the project was designed in compliance with the urban permit and the provisions of the Law on Spatial Planning. The auditing entity must have at least one engineer who passed the state exam and has 5 years of experience. The signature of an authorized auditor is required to confirm that the project has been revised in its entirety. The total fee for technical audits varies across municipalities, according to Municipal Decisions on the Fee Schedule for the Technical Audit of Construction. The above-stated fee applies to the Sarajevo Municipality.	5 days	BAM 28,180
⇒ 8	Pay the rent fee and shelter construction fee at a commercial bank Agency : Municipality (Construction Department) The rent fee and shelter construction fee are paid at a commercial bank to the account of the Municipality's Urban Planning Department.	1 day	BAM 32,536
9	Apply for building permit Agency : Municipality (Urban Planning Department) Once the fees are paid, the company must submit a request to the Urban Planning Department with the following documents: <ul style="list-style-type: none"> • Valid urban planning consent • Cadastre excerpt: land plot and proof of right to build • Proof of payment for purchase of the construction land • Proof of rent payments for the paid rent compensation • Consents obtained during the issuing of the urban planning permit • Consent for stated building; any other enclosures as requested by the authorities • Verified development project (two copies) and consents for the project documentations (Project Books 1 and 2, including the preliminary verifications applied for in Procedures 4 to 7) There is no fee associated with the application.	30 days	no charge

10	Request marking out of the land plot	7 days	BAM 15
	Agency : Municipality (Urban Planning Department) The request for marking out the land plot must be submitted to the Municipality's Urban Planning Department with the construction permit and the urban planning consent. The municipal authorities mark out the land plot. The request fee depends on the annual municipal pricing decisions and on the on-site assessment. An average price is BAM 15.00.		
11	Notify the Municipality about the commencement of works	1 day	no charge
	Agency : Municipality Once the marking out of the land plot is complete, BuildCo must notify the Municipality's Urban Planning Department of the start of construction no later than 8 days before work begins.		
12	Request water and sewage connection	30 days	BAM 500
	Agency : Vodovod i Kanalizacije BuildCo must contact the municipal water and sewage authority (Vodovod i Kanalizacije) to obtain water and sewage connection. The request should include the preliminary verification and Project Books 1 and 2.		
⇒ 13	Receive technical inspection from the Municipality	1 day	no charge
	Agency : Municipality (Urban Planning Department) No later than the inspection date, BuildCo must present the following documentation to the Board: <ul style="list-style-type: none"> • Excerpt from the Commercial Court Register, showing that BuildCo is properly registered • Details on the each work phase of the construction • Building permit (copy) • Performance reports verified by the designer of the main project plan to validate compliance with the main project plan as well as terms and conditions specified in the building permit • Construction diary and construction book • Proof of testing the quality of materials and equipment received from suppliers at the time of purchase • Construction mark-out plan and minutes on the performed mark out • Construction-site organization scheme • Decision on the appointed construction engineers and the supervisors • Cadastre plan The relevant municipal department must appoint an independent professional inspection board for a technical inspection within 15 days of receiving the duly submitted request for issuance of an occupancy permit. The number of board members appointed depends on the type and the complexity of the building; the board will consist of one professional for each type of construction work to be inspected (architectural/engineering, electrical, mechanical, water and sewage system, and so forth).		

14 Request occupancy permit 30 days BAM 7,804

Agency : Municipality (Urban Planning Department)

After the technical review of completed construction, BuildCo must submit a request for the occupancy permit and include the following documents:

- Building permit (copy)
- Cadastre plan (copy), including an exact plan of the marked final building position
- Written statements from each contractor, stating the work has been properly performed according to the project design and future maintenance plans
- A written report (by the construction supervisor) that all materials were of standard quality (certified as such by the suppliers)

BuildCo submits these documents to the Urban Planning Department of the relevant municipality (the same municipal department that issued the building permit). The occupancy permit is issued upon completion of the technical inspection. It is only after the issuance of the occupancy permit that the building may be used.

15 Register the building with the Municipality's Cadastre Department 15 days BAM 180

Agency : Municipality (Cadastre Department)

BuildCo must submit a request to register the building in the cadastre books at the Municipality's Cadastre Department. Along with the request, BuildCo must submit the occupancy permit, the building permit, the certificate proving the marking out of the property construction site and other documents showing ownership over the property.

During the technical review of the completed construction, the designated authority checks whether there have been any additional changes in the construction and whether the construction was built in accordance with the urban planning consent. If there were any changes, then it would be necessary to obtain a new geodetic image of the plot. Upon registration of the property in the cadastre records, the cadastre forwards an extract to the Land Registry, which will ensure that the property gets registered in the land registry books.

16 Register the building with the Land Registry Department at the District Court of Sarajevo 1 day BAM 30

Agency : Land Registry Department at the District Court Sarajevo

BuildCo must submit a request to register the warehouse in the land registry books at the District Court of Sarajevo. The request form can be found in the Land Registry Department.

Other required documents include:

- Purchasing agreement or other document as a proof of building and land ownership
- Occupancy permit
- Rent and shelter fee payment certificate

BuildCo must pay BAM 60.00 for administrative expenses

The Land Registry Department will register the property upon receiving the excerpt from the cadastre.

⇒ Takes place simultaneously with previous procedure.

Details – Dealing with Construction Permits in Bosnia and Herzegovina – Measure of Quality

	Answer	Score
Building quality control index (0-15)		13.0
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; Licensed engineer.	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 by in-house engineer.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
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; Yes, in- house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
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)	Architect or engineer; Construction company.	1.0
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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)	No party is required by law to obtain insurance .	0.0
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Professional certifications index (0-4)**4.0**

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)	Minimum number of years of experience; University degree in architecture or engineering; Passing a certification exam.	2.0
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What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam.	2.0
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⚡ 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 June 2017. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
Procedures to obtain an electricity connection (number)	To make the data comparable across economies, several assumptions are used.
<ul style="list-style-type: none"> • 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 	The warehouse: <ul style="list-style-type: none"> - 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).
Time required to complete each procedure (calendar days)	The electricity connection: <ul style="list-style-type: none"> - 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.
Cost required to complete each procedure (% of income per capita)	The monthly consumption:
<ul style="list-style-type: none"> • Official costs only, no bribes • Value added tax excluded 	<ul style="list-style-type: none"> - 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 March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.
The reliability of supply and transparency of tariffs index (0-8)	
<ul style="list-style-type: none"> • 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)*	
<ul style="list-style-type: none"> • 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 distance to frontier score nor the ranking on the ease of getting electricity.

Standardized Connection

Price of electricity (US cents per kWh)

13.6

Name of utility

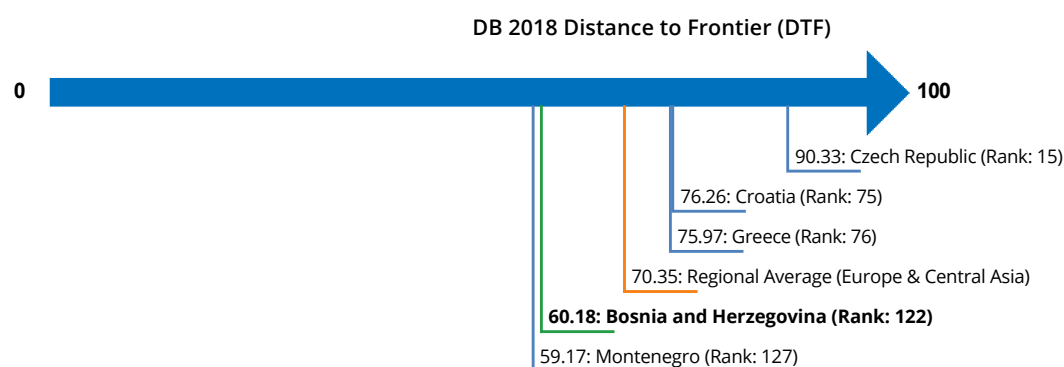
JP Elektroprivreda BiH

City Covered

Sarajevo

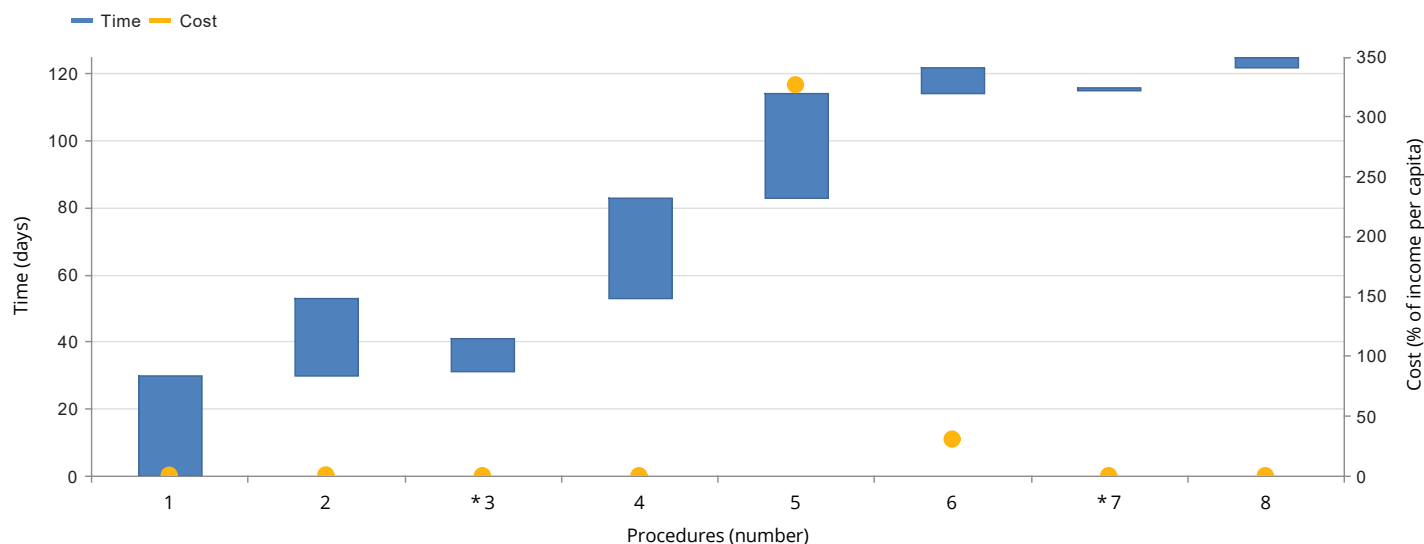
Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Procedures (number)	8	5.4	4.7	2 (United Arab Emirates)
Time (days)	125	113.7	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	357.7	344.3	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	6	5.3	7.4	8.00 (28 Economies)

Figure – Getting Electricity in Bosnia and Herzegovina and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of getting electricity is determined by sorting their distance to frontier scores for getting electricity. These scores are the simple average of the distance to frontier scores for each of the component indicators.

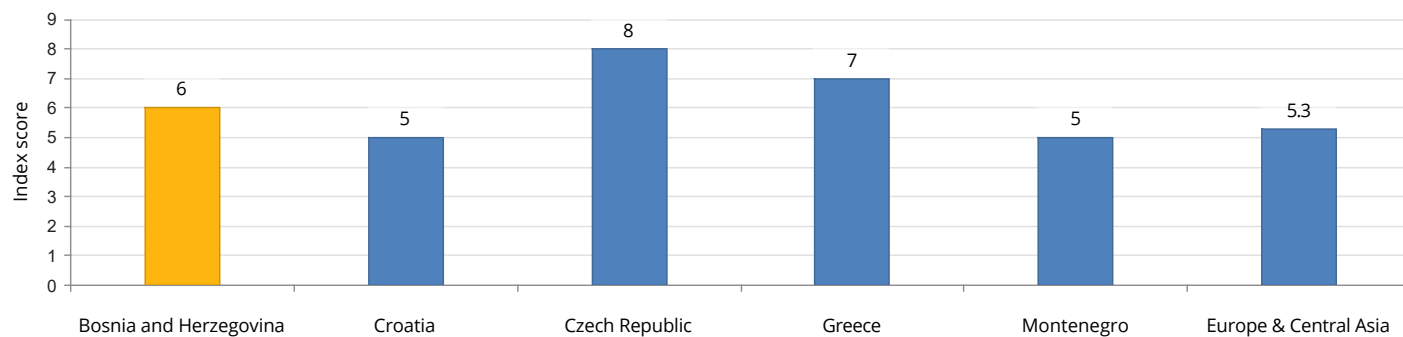
Figure – Getting Electricity in Bosnia and Herzegovina – Procedure, Time and Cost



* 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://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in Bosnia and Herzegovina and comparator economies – Measure of Quality



Details – Getting Electricity in Bosnia and Herzegovina – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	Obtain initial electric power permit from Elektroprivreda BiH Agency : JP Elektroprivreda BiH The customer has to go to the utility and request the issuance of initial electric power permit which are basic technical conditions to check if the requested capacity is available and if there is a possible collision with existing users. Documents required are: cadastre extract, urban planning consent in certified copies and a rough design.	30 calendar days	BAM 30
2	Request electro-energetic consent from Elektroprivreda BiH Agency : JK Elektroprivreda BiH The customer has to request the issuance of electro-energetic consent at the utility. The purpose is to specify more detailed technical conditions for the electricity connection. Documents required are: Building permit, company registration and schemes of electrical installation (project plan).	23 calendar days	BAM 50
⇒ 3	Receive external site inspection by Elektroprivreda BiH Agency : JK Elektroprivreda BiH An authorized person of the customer has to be present during the site inspection to agree with the utility on the location of the facilities (cables etc). After the site visit, the electro-energetic consent and the estimate of costs are sent to the customer.	10 calendar days	BAM 0
4	Receive electro-energetic consent, submit connection application, pay estimate and sign contract Agency : JK Elektroprivreda BiH The client has to go to the utility's main building to submit the application for connection after having received the electro-energetic consent. The client pays the estimate and signs the connection contract.	30 calendar days	BAM 0
5	Await and receive external works from Elektroprivreda BiH Agency : JP Elektroprivreda BiH The utility is planning and executing the external connection works. Once the works are completed, the utility will energize the connection and install the meter. The utility needs to request an excavation permit from the municipality to execute the external works.	31 calendar days	BAM 27,300
6	Hire electrician to issue certificate of compliance for internal wiring Agency : Specialized electrician After the external connection works, the client hires a specialized electrician to issue a certificate of compliance for the internal wiring of the warehouse.	8 calendar days	BAM 2,550

⇒ 7 **Receive site visit by municipal commission**

1 calendar day

BAM 0

Agency : Municipality

A commission for an external joint site inspection is organized by the municipality. This procedure is not applicable to low-voltage cables, but for medium-voltage cases it is required. After the site visit, the commission drafts a protocol. A cost is levied for the external connection, and the amount depends on the estimated value of the facility. The land surveyor of the municipality who is part of the commission will request the certificate issued by the Institute for Construction of the Canton Sarajevo proving that the cables have been recorded in the cadaster, as well as the elaboration of implemented surveying works produced by the private land surveying company. The customer should be present during this visit.

8 **Receive visit by Elektroprivreda BiH to energize the connection**

3 calendar days

BAM 0

Agency : JP Elektroprivreda BiH

Once the works are completed and after the site visit of the commission of the municipality, an authorized person from the utility will come and energize the connection. At the same time, the meter installed by the private electrical contractor hired by the utility, will also be inspected and sealed.

⇒ Takes place simultaneously with previous procedure.

Details – Getting Electricity in Bosnia and Herzegovina – Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	6
Total duration and frequency of outages per customer a year (0-3)	2
System average interruption duration index (SAIDI)	2.3
System average interruption frequency index (SAIFI)	0.6
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
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.elektroprivreda.ba/eng/page/price-of-electricity
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 June 2017. [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 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.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

The property (fully owned by the seller):

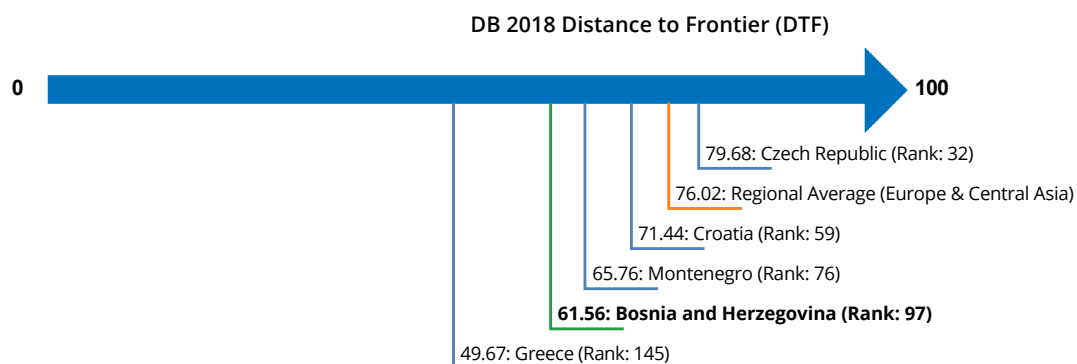
- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story 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.

Standard Property Transfer

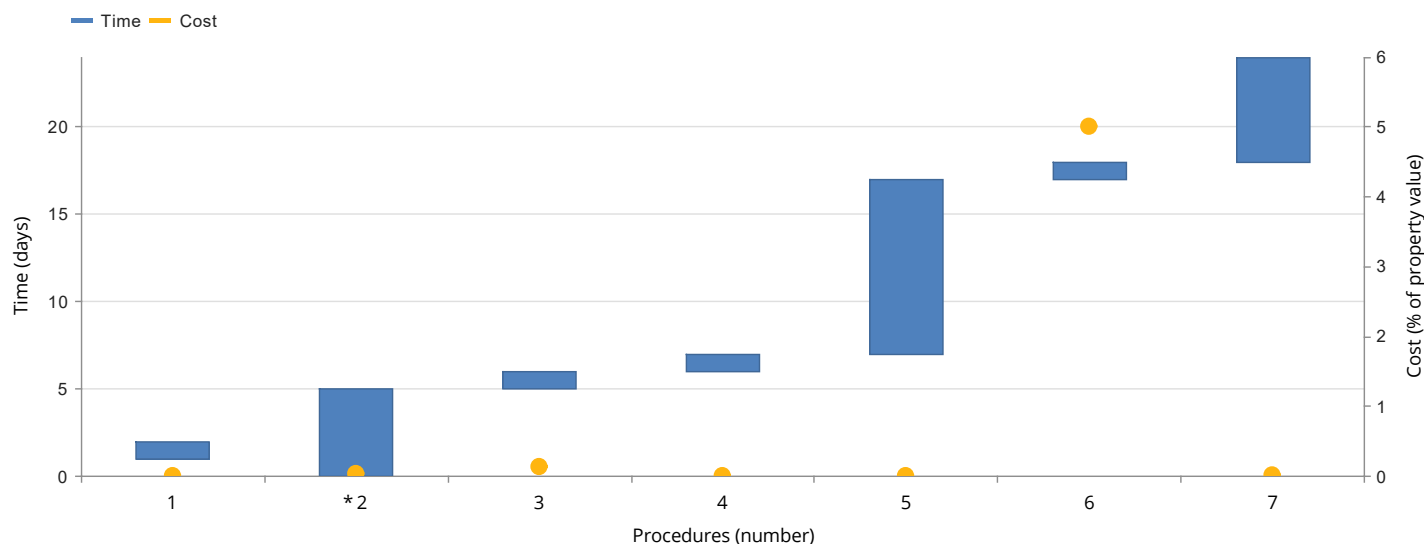
Property value	BAM 418,327.60
City Covered	Sarajevo

Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Procedures (number)	7	5.3	4.6	1.00 (4 Economies)
Time (days)	24	20.4	22.3	1.00 (3 Economies)
Cost (% of property value)	5.2	2.5	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	12.5	19.8	22.7	29.00 (Singapore)

Figure – Registering Property in Bosnia and Herzegovina and comparator economies – Ranking and DTF

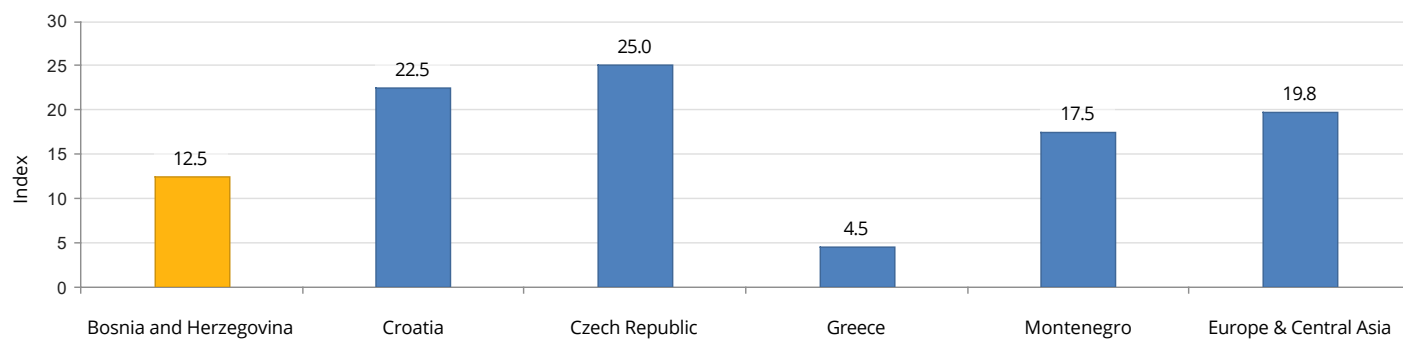


Note: The ranking of economies on the ease of registering property is determined by sorting their distance to frontier scores for registering property. These scores are the simple average of the distance to frontier scores for each of the component indicators.

Figure – Registering Property in Bosnia and Herzegovina – Procedure, Time and Cost

* 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://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in Bosnia and Herzegovina and comparator economies – Measure of Quality

Details – Registering Property in Bosnia and Herzegovina – Procedure, Time and Cost

No.	Procedure	Time to Complete	Associated Costs
1	Obtain the land registry extract as proof of ownership Agency : Municipal Court in Sarajevo (Land Registry Office) The seller requests and obtains the land registry excerpt from a competent court land registry office as proof of ownership and to check the property against encumbrances. In practice, the excerpt must be obtained by the seller before starting the transaction formally. This information needs to be obtained in hard copy and be sealed to have legal validity.	1 day (simultaneous with Procedure 2)	BAM 5
⇒ 2	Parties obtain the court extract certifying that company representatives are authorized to act on behalf of each company Agency : Municipal Court in Sarajevo (Companies Registry) Both the seller and the buyer submit the request for obtaining the court extract certifying the person authorized to act on behalf of each company to the court that keeps the Registry of Commercial Companies. The parties have to provide the set of registration documents, which prove that the person who will sign on behalf of the company is authorized to do it.	5 days (simultaneous with Procedure 1)	BAM 5 (each request) + BAM 10 per page (Court Extract, about 4-5 pages each)
3	Notarization of sale-purchase agreement Agency : Notary Parties provide the notary with the land registry excerpt (obtained in Procedure 1) as well as with a court excerpt (obtained in Procedure 2). The presence of both parties is necessary at the notary's office or verification of the signatures should be based on a special power of notary. The notary needs to be provided with the following documents: (1) The land registry excerpt as well as the copy of the cadastre plan proving the ownership over the property; (2) The extract from the company's court registry certifying the person is authorized to act on behalf on the company and to sign the purchase agreement; (3) The approval of the founder (i.e. the General Assembly or Supervisory Board if applicable) for selling the property in case that the value of the property exceeds the amount of 1/3 of the company's book value. A new Notary Tariff was passed on July 2013 (and replace previous one No. 71/07) and the same effected to the decreasing of cost of notarization of sale-purchase agreement.. Thus, the notary fee depends on the value of the property and is calculated as follows: When the value of the subject of a legal transaction or other official action is over 100,000 BAM, notary is, besides the fee of 350,00 BAM, obliged to charge an additional fee of 50,00 BAM for every started 100.000,00 BAM in the part in which the value of the official action exceeds 100.000,00 BAM, but in the amount not greater than 2.000,00 BAM.	1 day	BAM 500

4	Submit the request for an evaluation of the property for tax purposes Agency : Municipal Tax Authority This Procedure can be done by a lawyer or by the buyer and/or the seller. The documentation shall include a copy of sale contract (obtained after Procedure 3). Parties file the request for the evaluation of the real estate regarding the payment of the tax for the transfer of the ownership on real estates at the competent municipal Tax Authority. The deadline for filing the request is 15 days from the verification of signatures on the sale agreement.	1 day	no cost
5	On-site inspection of a property Agency : Tax Office Commission Upon submission of the purchase agreement the tax office commission performs on-site inspection of the real estate and takes notes from that inspection. Based on the notes, the tax office adopts an official decision on tax duty of the tax payer (in practice it is always the buyer).	5-15 days	no cost
6	Payment of transfer tax at the commercial bank Agency : Commercial Bank The transfer tax of 5% came into effect on April 8th, 2005, following an amendment to the Law on Transfer Tax of the Real Estates and Rights as published in the Official Gazette of Canton Sarajevo on March 31st, 2005. The transfer tax is paid, usually by the buyer, at a commercial bank in favor of the municipal budget. The tax has to be paid according to the tax authority's instructions within 15 days from receiving payment instructions from the tax authority.	1 day	5% of property value (transfer tax)
7	Apply for registration at the Land Registry Agency : Municipal Court of Sarajevo (Land Registry Office) Parties submit the application and other documentation for the transfer of the ownership to the competent court land registry office. Time length of the Procedure is not prescribed by the law; however, the Procedure can take less less than indicated above time frame when the party sends the urgency letter. Registry is now completely computerized and all data on companies is now stored in electronic form, so issuing of the court extract requires only printing of already stored data on concrete company. The land registry will forward information to the Cadastre. The documentation shall include: (1) Purchase agreement (2) Certificate of tax payment	3-9 days	BAM 30

⇒ Takes place simultaneously with previous procedure.

Details – Registering Property in Bosnia and Herzegovina – Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		12.5
Reliability of infrastructure index (0-8)		4.0
What is the institution in charge of immovable property registration?	Municipal Court Sarajevo-Land Registry Office	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Cadastral registry (for each Municipality in Sarajevo Canton)	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
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?	No	0.0
Transparency of information index (0-6)		3.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Freely accessible by anyone	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, on public boards	0.5
Link for online access:		
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, on public boards	0.5
Link for online access:		
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, in person	0.0
Link for online access:		

Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
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Contact information:

Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
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Number of property transfers in the largest business city in 2015:

Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
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Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
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Link for online access:	http://www.fgu.com.ba/sr/492.html	
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Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	No	0.0
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Link for online access:

Is there a specific and separate 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
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Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
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Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
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Are all privately held land plots in the economy mapped?	No	0.0
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Are all privately held land plots in the largest business city mapped?	No	0.0
--	----	-----

Land dispute resolution index (0–8)		5.5
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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
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Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
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Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	Yes	0.5
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Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts 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 verification 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.	
Is there a national database to verify the accuracy of identity documents?	No	0.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	The Municipal Court in Sarajevo	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2015:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0
Do married men and married women have equal ownership rights to property?	Yes	0.0

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 June 2017. [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:

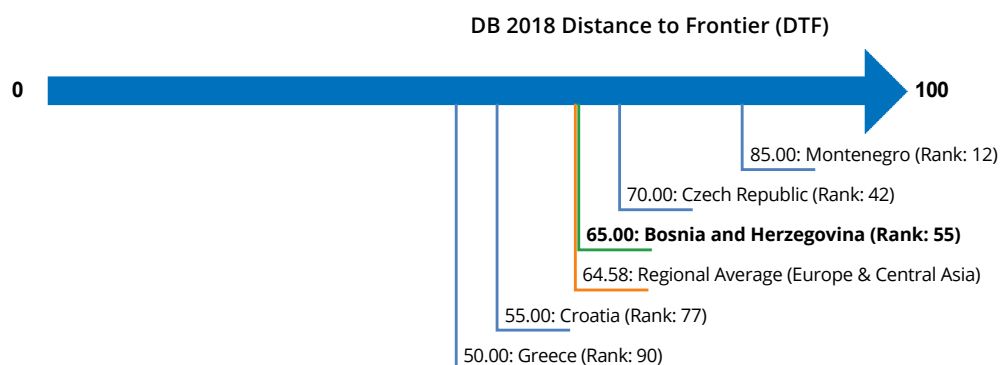
- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank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

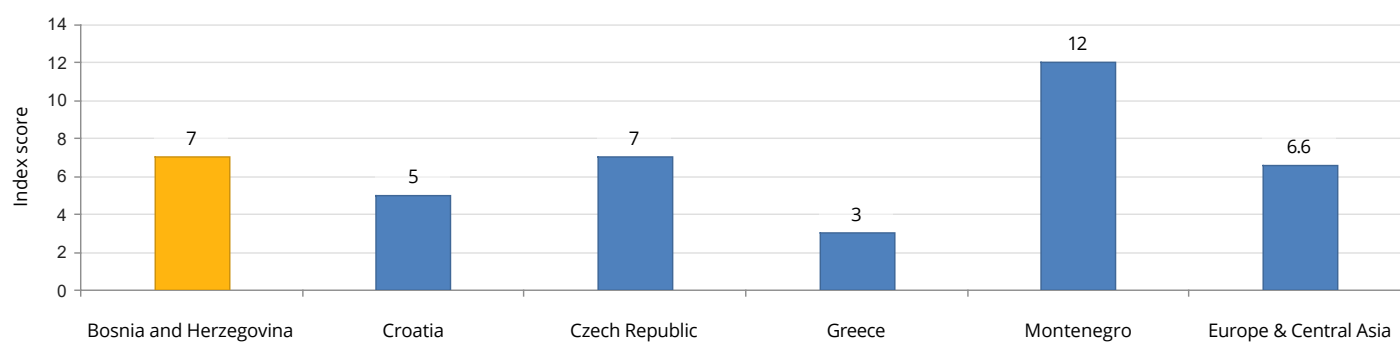
Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Strength of legal rights index (0-12)	7	6.6	6.0	12.00 (4 Economies)
Depth of credit information index (0-8)	6	6.3	6.6	8.00 (34 Economies)
Credit registry coverage (% of adults)	41.5	22.2	18.3	100.00 (3 Economies)
Credit bureau coverage (% of adults)	12.1	42.8	63.7	100.00 (23 Economies)

Figure – Getting Credit in Bosnia and Herzegovina and comparator economies – Ranking and DTF



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

Figure – Legal Rights in Bosnia and Herzegovina and comparator economies



Details – Legal Rights in Bosnia and Herzegovina

Strength of legal rights index (0-12)

7

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 or replacements of the original assets? No

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? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? Yes

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? Yes

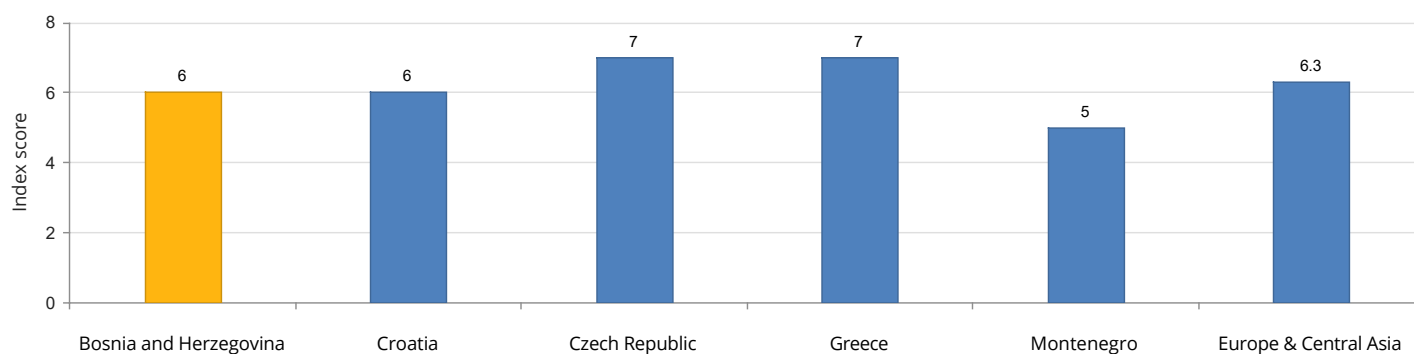
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

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/or 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? No

Figure – Credit Information in Bosnia and Herzegovina and comparator economies



Details – Credit Information in Bosnia and Herzegovina

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative credit data distributed?	Yes	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
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.)	Yes	Yes	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
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)?	Yes	Yes	1
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
Score ("yes" to either public bureau or private registry)			6

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	1,005,131
Number of firms	300,328	26,922
Total	300,328	1,032,053
Percentage of adult population	12.1	41.5

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 June 2017. [See the methodology for more information.](#)

What the indicators measure

- **Extent of disclosure index (0–10):** Review and approval requirements for related-party transactions; Disclosure 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, fines, imprisonment, 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 (0–10):** Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices
- **Extent of shareholder rights index (0–10):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0–10):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0–10):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0–10):** Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0–10):** Simple average 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):

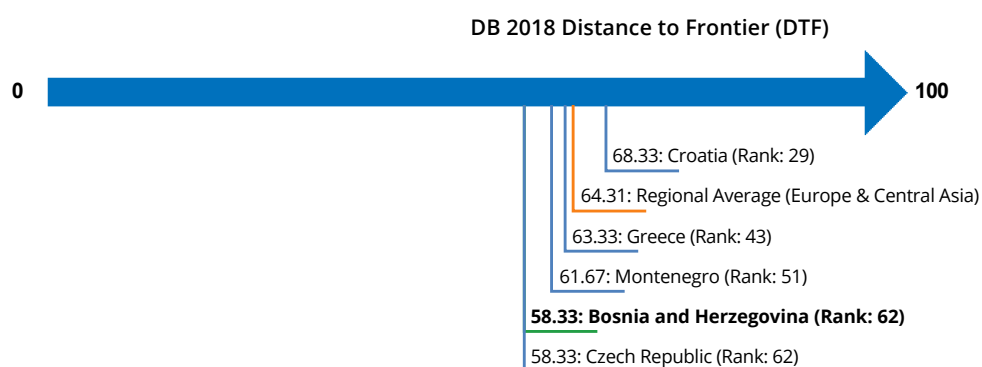
- Is a publicly traded corporation listed on the economy's most important stock exchange. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board (applicable to economies with a two-tier board system) on which 60% of the shareholder-elected members have been appointed by Mr. James, who is Buyer's controlling shareholder and a member of Buyer's board of directors.
- Has not adopted any bylaws or articles of association that differ from default minimum standards and does not follow any nonmandatory codes, principles, recommendations or guidelines relating to corporate governance.
- Is a manufacturing company with its own distribution network.

The transaction involves the following details:

- Mr. James owns 60% of Buyer 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 ordinary course of business 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 is not fraudulent).
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the other parties that approved the transaction.

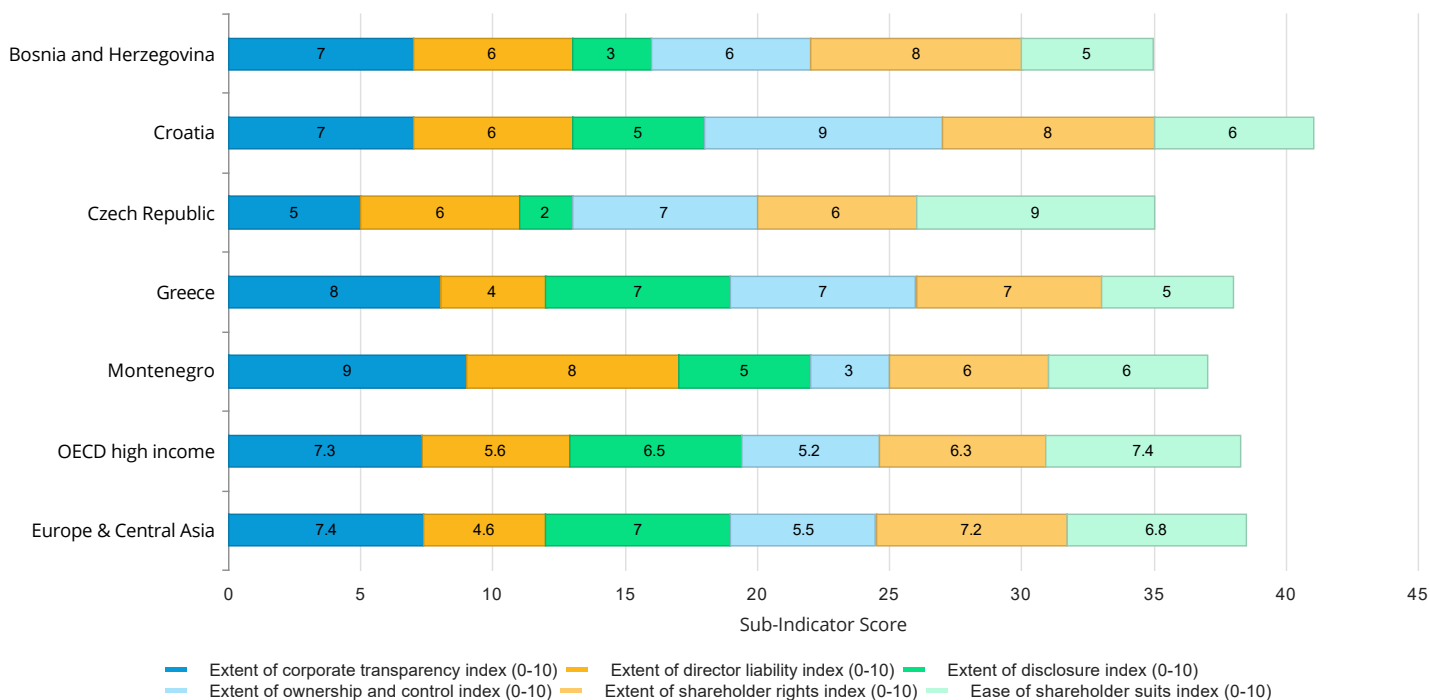
Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Extent of conflict of interest regulation index (0-10)	4.7	6.3	6.4	9.3 (New Zealand)
Extent of shareholder governance index (0-10)	7	6.6	6.4	9.00 (Kazakhstan)

Figure – Protecting Minority Investors in Bosnia and Herzegovina and comparator economies – Ranking and DTF



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

Figure – Protecting Minority Investors in Bosnia and Herzegovina and comparator economies – Measure of Quality



Details – Protecting Minority Investors in Bosnia and Herzegovina – Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-10)		4.7
Extent of disclosure index (0-10)		3
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
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)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	No disclosure obligation	0.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	No disclosure obligation	0.0
Extent of director liability index (0-10)		6
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	No	0.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	Yes	1.0
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)		5
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)	Documents that the defendant relied on	1.0
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)	Yes	2.0
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 (0-10)		7
Extent of shareholder rights index (0-10)		8
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	No	0.0
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?	Yes	1.0
Must shareholders approve the election and dismissal of 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?	No	0.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	Yes	1.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
Extent of ownership and control index (0-10)		6
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0

Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	Yes	1.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
Extent of corporate transparency index (0-10)		7
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	No	0.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	No	0.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0

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 measures the administrative burden in paying taxes and contributions. The most recent round of data collection for the project was completed on June 30, 2017 covering for the Paying Taxes indicator calendar year 2016 (January 1, 2016 – December 31, 2016).

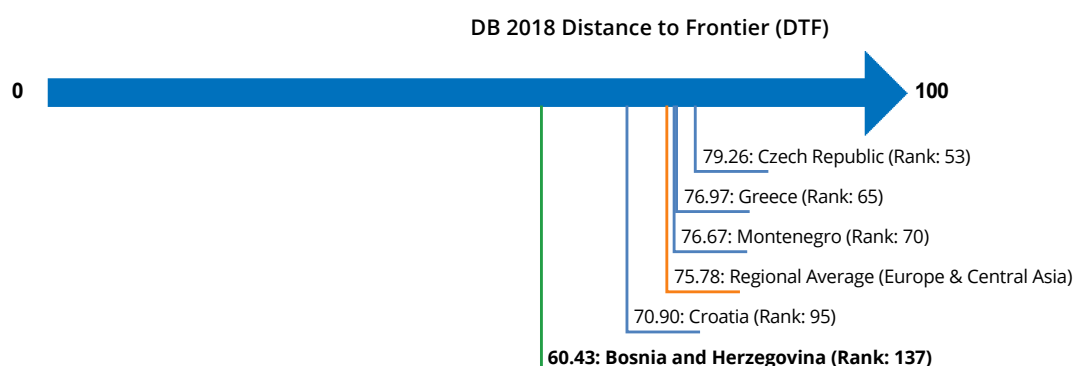
Last year (Doing Business 2017) the scope of data collection was expanded to better understand the overall tax environment in an economy. The questionnaire was expanded to include new questions on post-filing processes: VAT refund and tax audit. The data shows where postfiling processes and practices work efficiently and what drives the differences in the overall tax compliance cost across economies.

The new section covers both the legal framework and the administrative burden on businesses to comply with postfiling processes. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Tax payments for a manufacturing company in 2016 (number per year adjusted for electronic and joint filing and payment)</p> <ul style="list-style-type: none"> • Total number of taxes and contributions paid, including consumption taxes (value added tax, sales tax or goods and service tax) • Method and frequency of filing and payment <p>Time required to comply with 3 major taxes (hours per year)</p> <ul style="list-style-type: none"> • Collecting information, computing tax payable • Completing tax return, filing with agencies • Arranging payment or withholding • Preparing separate tax accounting books, if required <p>Total tax and contribution rate (% of profit before all taxes)</p> <ul style="list-style-type: none"> • 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 <p>Postfiling Index</p> <ul style="list-style-type: none"> • Time to comply with a VAT refund • Time to receive a VAT refund • Time to comply with a corporate income tax audit • Time to complete a corporate income tax audit 	<p>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.</p> <p>To make data comparable across economies, several assumptions are used:</p> <ul style="list-style-type: none"> - TaxpayerCo is a medium-size business that started operations on January 1, 2015. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2016). Taxes and mandatory contributions are measured at all levels of government. <p>The VAT refund process:</p> <ul style="list-style-type: none"> - In June 2016, 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 2016. <p>The corporate income tax audit process:</p> <ul style="list-style-type: none"> - 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.

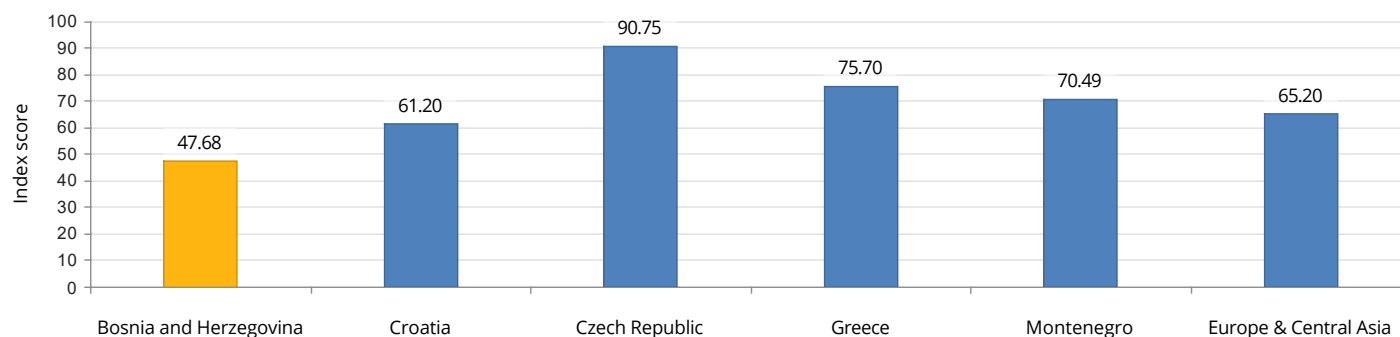
Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Payments (number per year)	33	16.5	10.9	3 (Hong Kong SAR, China)
Time (hours per year)	411	218.4	160.7	55 (Luxembourg)
Total tax and contribution rate (% of profit)	23.7	33.1	40.1	18.47% (32 Economies)
Postfiling index (0-100)	47.68	65.20	83.45	99.38 (Estonia)

Figure – Paying Taxes in Bosnia and Herzegovina and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax 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 rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Bosnia and Herzegovina and comparator economies – Measure of Quality



Details – Paying Taxes in Bosnia and Herzegovina

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 TTR
Social security contributions	1	online	81	10.5%	gross salaries	11.84	
Corporate income tax	12		68	10%	taxable profits	8.40	
Forestry tax	5			0.07%	turnover	1.24	
Contribution for professional rehabilitation and employment of disabled persons	0	jointly		25% for every disabled person that must have been employed	average net salary in FBiH	0.92	
Local property tax	1			4 BAM	per square meter	0.46	
Contribution for protection against natural and other disasters	0	jointly		0.5%	net salaries	0.39	
Water protection	0	jointly		0.5%	net salaries	0.39	
Signage fee	1			200 BAM		0.02	
Fuel tax	1				included into fuel price	0.00	small amount
Employee paid - Social security contributions	0	jointly		31%	gross salaries	0.00	withheld
VAT	12		262	17%	value added	0.00	not included

Totals	33	411	23.7
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Details – Paying Taxes in Bosnia and Herzegovina – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	8.4
Labor tax and contributions (% of profit)	13.5
Other taxes (% of profit)	1.7

Details – Paying Taxes in Bosnia and Herzegovina – Measure of Quality

	Answer	Score
Postfiling index (0-100)		47.68

VAT refunds

Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	None	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	40.0	20
Time to obtain a VAT refund (weeks)	19.0	69.45

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 audit (hours)	30.0	47.71
Time to complete a corporate income tax audit (weeks)	14.9	53.57

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 audit and time to complete a corporate income tax audit.

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 June 2017. [See the methodology for more information.](#)

Given the importance of trade digitalization, in Doing Business 2018, the Trading across Borders questionnaire included research questions on the availability and status of implementation of Electronic Data Interchange (EDI) and Single Window (SW) systems. With this information, Doing Business built a comprehensive dataset on the adoption and level of sophistication of electronic platforms in 190 economies. These data are not used to compute the distance to frontier score or ranking of the ease of doing business. The new dataset on EDI and SW systems is available [here](#).

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:

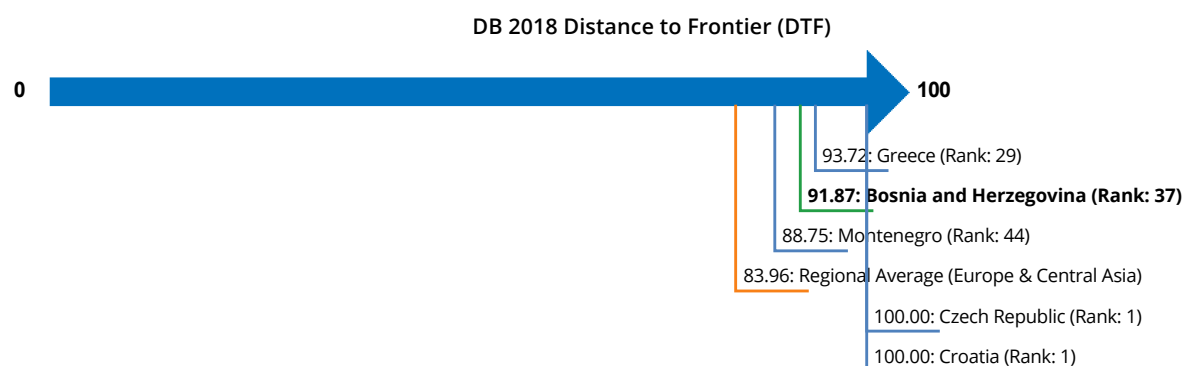
Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can 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, airport 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.

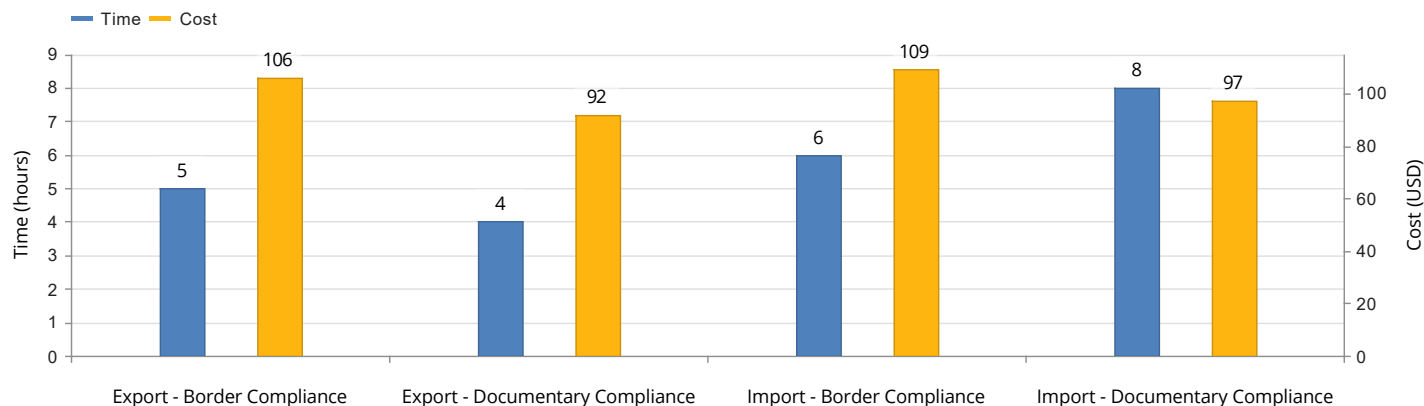
Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	5	28.0	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	106	191.4	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	4	27.9	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	92	113.8	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	6	25.9	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	109	185.1	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	8	27.3	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	97	94.7	25.6	0.00 (30 Economies)

Figure – Trading across Borders in Bosnia and Herzegovina and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of trading across borders is determined by sorting their distance to frontier scores for trading across borders. These scores are the simple average of the distance to frontier scores for the time and cost for documentary compliance and border compliance to export and import (domestic transport is not used for calculating the ranking).

Figure – Trading across Borders in Bosnia and Herzegovina – Time and Cost



Details – Trading across Borders in Bosnia and Herzegovina

Characteristics	Export	Import
Product	HS 94 : Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings	HS 8708: Parts and accessories of motor vehicles
Trade partner	Germany	Germany
Border	Slavonski Brod border crossing	Slavonski Brod border crossing
Distance (km)	215	215
Domestic transport time (hours)	4	4
Domestic transport cost (USD)	296	296

Details – Trading across Borders in Bosnia and Herzegovina – Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	4.7	70.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	2.5	36.0
Import: Clearance and inspections required by customs authorities	4.3	85.0
Import: Clearance and inspections required by agencies other than customs	0.5	0.0
Import: Port or border handling	2.9	23.5

Details – Trading across Borders in Bosnia and Herzegovina – Trade Documents

Export	Import
Commercial invoice	Commercial invoice
Packing list	EUR 1 - Certificate of origin
EUR 1 - Certificate of Origin	Customs import declaration
Export License	Certificate of quality
Customs export declaration	Packing list
	Proof of bank payment

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 June 2017. [See the methodology for more information.](#)

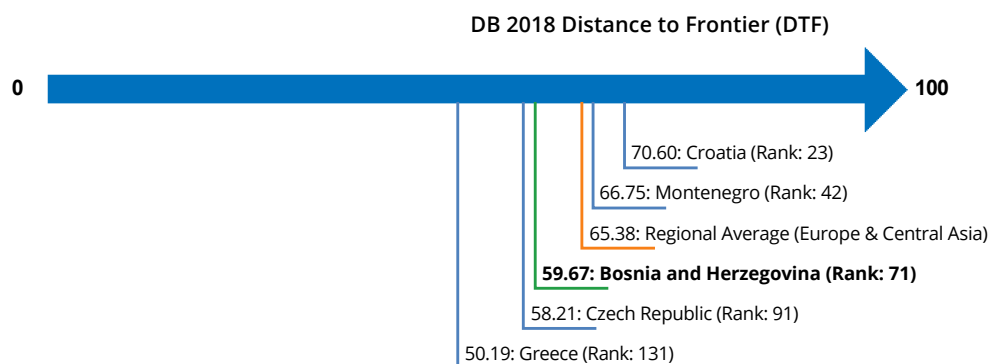
What the indicators measure	Case study assumptions
Time required to enforce a contract through the courts (calendar days) <ul style="list-style-type: none"> Time to file and serve the case Time for trial and to obtain the judgment Time to enforce the judgment 	<p>The dispute in the case study involves the breach of a sales contract between 2 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.</p> <p>To make the data comparable across economies, Doing Business uses several assumptions about the case:</p> <ul style="list-style-type: none"> - 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 goods, then fails to pay. - 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. - The seller requests a pretrial attachment to secure the claim. - The dispute on the quality of the goods requires an expert opinion. - 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.
Cost required to enforce a contract through the courts (% of claim) <ul style="list-style-type: none"> Attorney fees Court fees Enforcement fees 	
Quality of judicial processes index (0-18) <ul style="list-style-type: none"> Court structure and proceedings (-1-5) Case management (0-6) Court automation (0-4) Alternative dispute resolution (0-3) 	

Standardized Case

Claim value	BAM 14,957.00
Court name	Sarajevo Municipal Court, Commercial Division
City Covered	Sarajevo

Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Time (days)	595	489.9	577.8	164.00 (Singapore)
Cost (% of claim value)	36.0	26.2	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	10.5	10.0	11.0	15.50 (Australia)

Figure – Enforcing Contracts in Bosnia and Herzegovina and comparator economies – Ranking and DTF



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

Figure – Enforcing Contracts in Bosnia and Herzegovina – Time and Cost

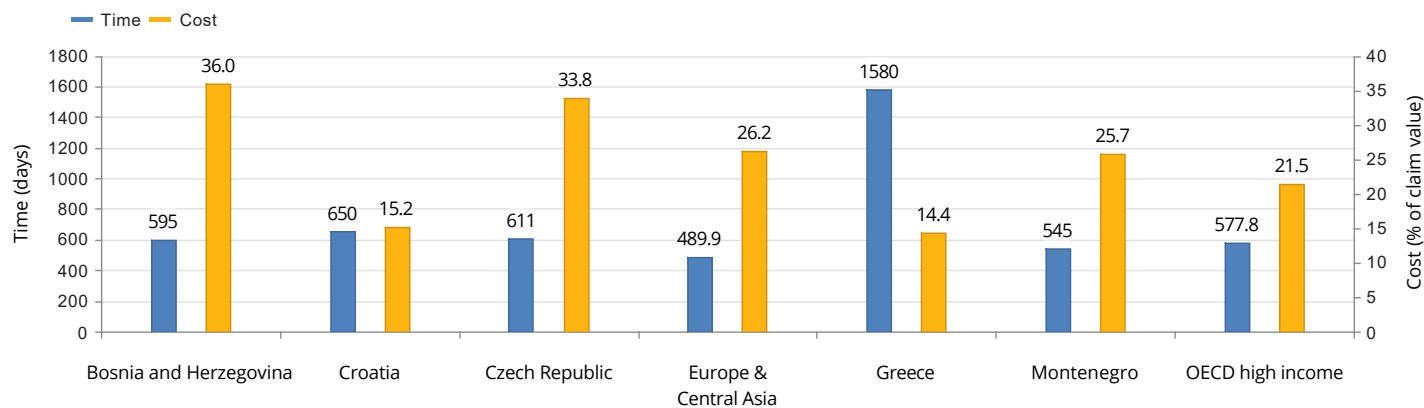
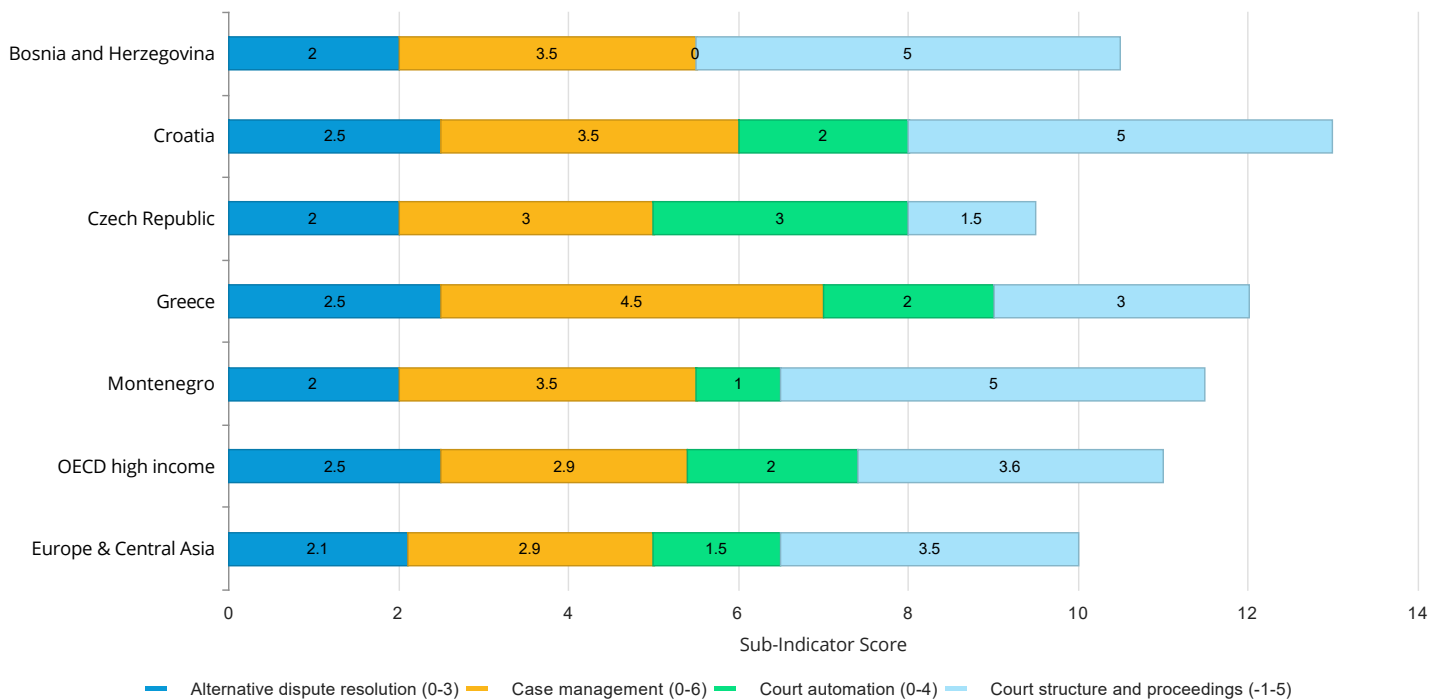


Figure – Enforcing Contracts in Bosnia and Herzegovina and comparator economies – Measure of Quality



Details – Enforcing Contracts in Bosnia and Herzegovina

		Indicator
Time (days)		595
Filing and service		30
Trial and judgment		385
Enforcement of judgment		180
Cost (% of claim value)		36.0
Attorney fees		25
Court fees		8
Enforcement fees		3
Quality of judicial processes index (0-18)		10.5
Court structure and proceedings (-1-5)		5.0
Case management (0-6)		3.5
Court automation (0-4)		0.0
Alternative dispute resolution (0-3)		2.0

Details – Enforcing Contracts in Bosnia and Herzegovina – Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		10.5
Court structure and proceedings (-1-5)		5.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		3.5
1. Time standards		0.5
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?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
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?	Yes	1.0
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?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
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)		2.0
1. Arbitration		1.0
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?	Yes	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
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?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund 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 for the project was completed in June 2017. [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

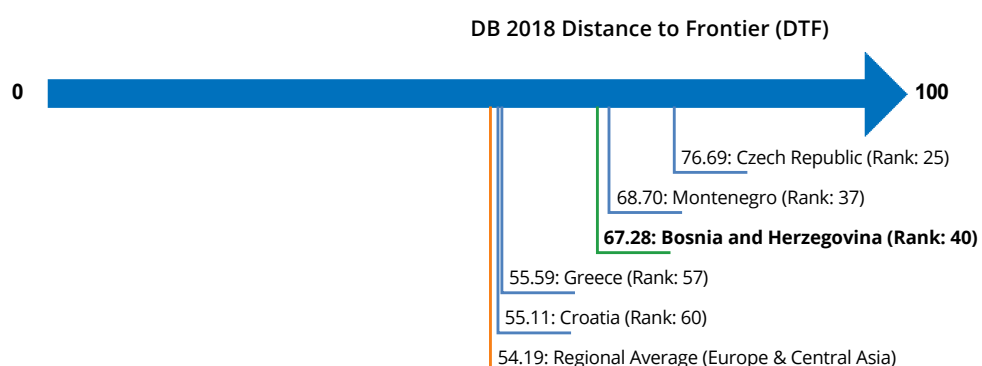
To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- 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 adequacy and integrity of the existing legal framework applicable to liquidation and reorganization proceedings through the strength of insolvency framework index. The index tests whether economies adopted internationally accepted good practices in four areas: commencement of proceedings, management of debtor's assets, reorganization proceedings and creditor participation.

Indicator	Bosnia and Herzegovina	Europe & Central Asia	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	37.9	38.0	71.2	93.1 (Norway)
Time (years)	3.3	2.3	1.7	0.4 (Ireland)
Cost (% of estate)	9.0	13.1	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	15.0	10.8	12.1	15.00 (6 Economies)

Figure – Resolving Insolvency in Bosnia and Herzegovina and comparator economies – Ranking and DTF



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

Figure – Resolving Insolvency in Bosnia and Herzegovina – Time and Cost

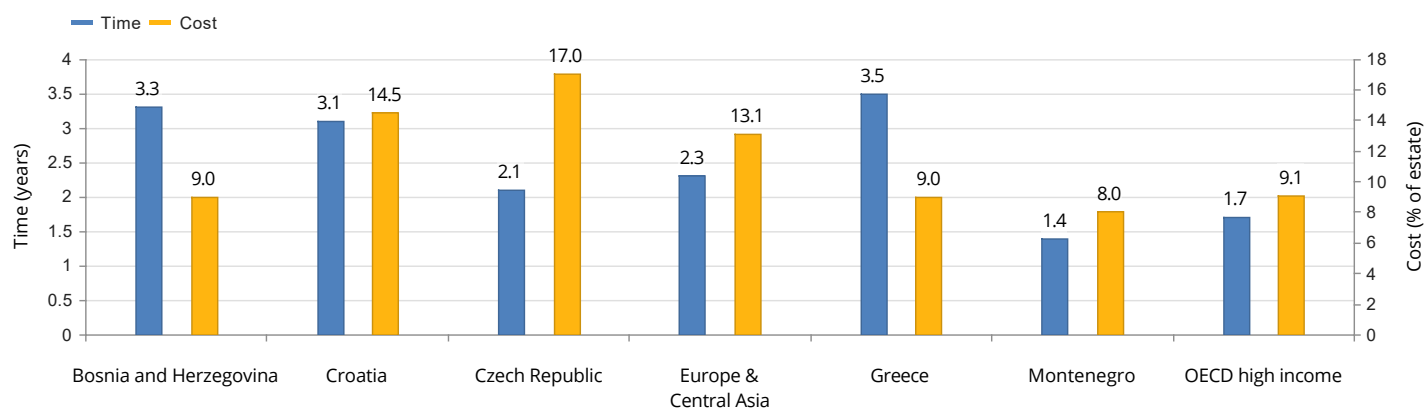


Figure – Resolving Insolvency in Bosnia and Herzegovina and comparator economies – Measure of Quality

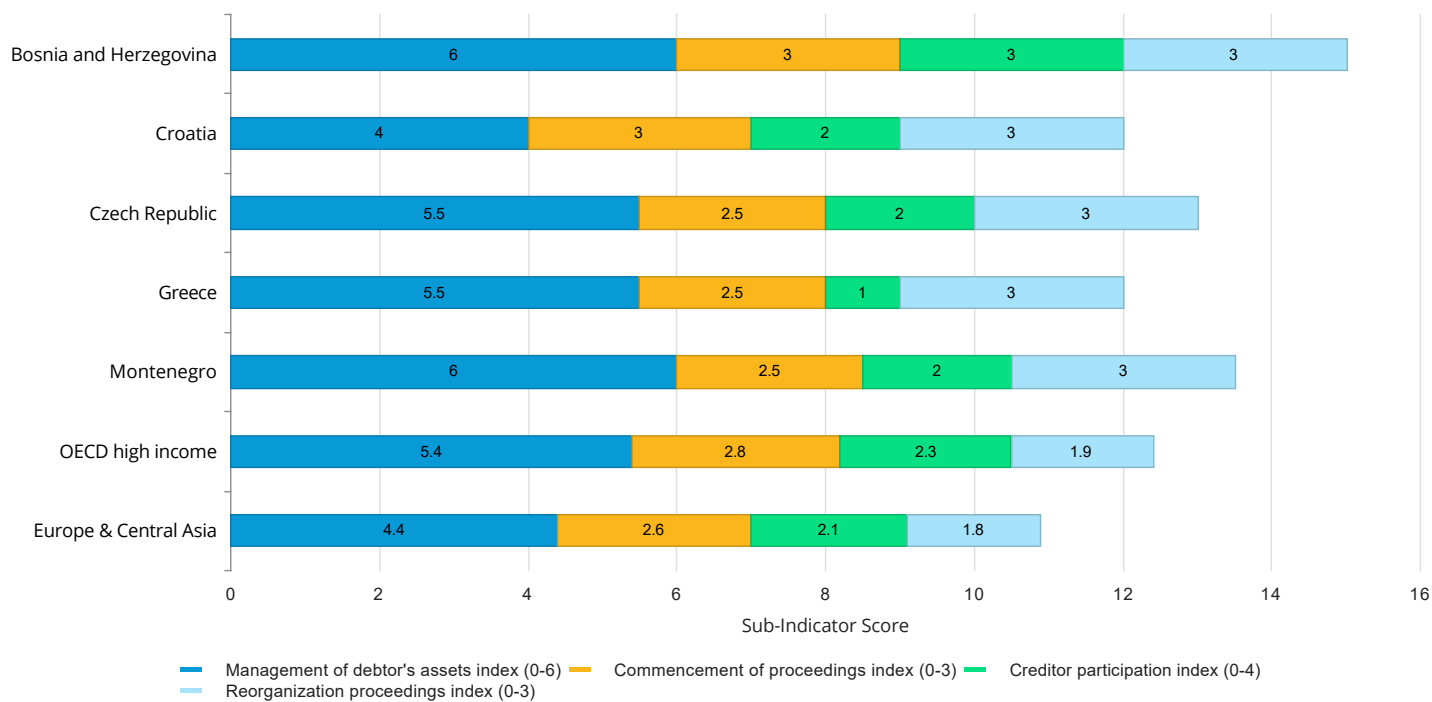
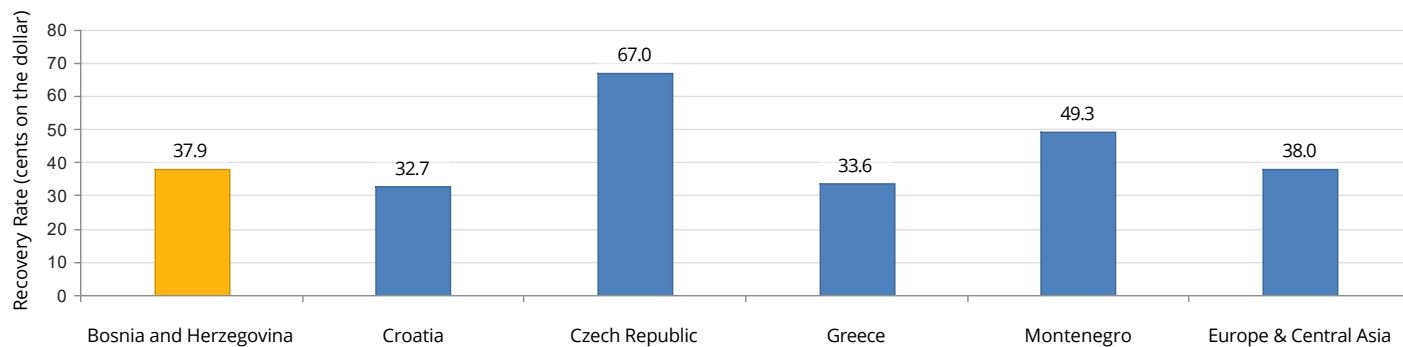


Figure – Resolving Insolvency in Bosnia and Herzegovina and comparator economies – Recovery Rate



Details – Resolving Insolvency in Bosnia and Herzegovina

Indicator	Answer	Explanation
Proceeding	foreclosure	It is very likely that, based on information provided in case study assumptions, BizBank will initiate foreclosure, as Mirage can neither obtain a new loan from any other financial institution nor renegotiate its current loan with BizBank. Additionally, Mirage expects to have negative net worth and operating losses in both following years. Having these facts in mind, it is unlikely that any reorganization plan could be approved by the court. Therefore, the proceedings will be continued as foreclosure which will result with the sale of the hotel.
Outcome	piecemeal sale	If BizBank initiates foreclosure, the hotel will be sold in order to settle the Mirages obligation toward BizBank.
Time (in years)	3.3	It takes 3.3 years to finish foreclosure proceedings in Bosnia and Herzegovina. Most delays in the proceeding are due to the sale of the immovable property. Steps for sale of movable property are simpler. Generally, movable property could be sold by bankruptcy administrator either directly in negotiations with the third party or at a public auction. The main steps in the foreclosure proceedings (for sale of immovable property) are: 1. assessment of the immovable property value; 2. sale of the immovable property. The sale of the property is conducted by the court. 3. payment of the price and transfer of the immovable property to the buyer. There are 3 main reasons for delay during the sale of immovable property: • the slowness of the courts that lead the sale procedure; • the complexity of the court procedure for sale of the immovable property, which slows the sale procedure. For example, the immovable property cannot be sold below 1/2 of the assessed value at the first court hearing for the sale, respectively below 1/3 of the assessed value at the second court hearing for the sale of the property. Only at the third court hearing for the sale, the immovable property might be sold without any limitations regarding the assessed value. • potential objections of the secured creditor's claim by a third party. In this case third party initiates separate litigation proceeding where he/she proves that the creditor does not have secured claim. This litigation might take a year or more.
Cost (% of estate)	9.0	Most of the expenses will be used to pay fees.
Recovery rate (cents on the dollar)		37.9

Details – Resolving Insolvency in Bosnia and Herzegovina – Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		15.0
Commencement of proceedings index (0-3)		3.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
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	1.0
Management of debtor's assets index (0-6)		6.0
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?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
Reorganization proceedings index (0-3)		3.0
Which creditors vote on the proposed reorganization plan?	(b) Only creditors whose rights are affected by the proposed plan	1.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0

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?	Yes	1.0
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Creditor participation index (0-4)		3.0
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Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
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Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	Yes	1.0
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Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
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Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0
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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".

Labor Market Regulation

Doing Business presents the data for the labor market regulation indicators in an annex. The report does not present rankings of economies on these indicators or include the topic in the aggregate distance to frontier score or ranking on the ease of doing business. Detailed data collected on labor market regulation are available on the Doing Business website (<http://www.doingbusiness.org/data/exploretopics/labor-market-regulation>).

The most recent round of data collection was completed in June 2017. [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 probationary period; (iv) minimum wage.

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) whether nonpregnant and nonnursing women can work same night hours as men; (v) 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 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 due when terminating a redundant worker.

Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

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.

Details – Labor Market Regulation in Bosnia and Herzegovina

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	No
Maximum length of a single fixed-term contract (months)	36.0
Maximum length of fixed-term contracts, including renewals (months)	36.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	232.5
Ratio of minimum wage to value added per worker	0.4
Maximum length of probationary period (months)	6.0
Working hours	
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)	15.0
Premium for overtime work (% of hourly pay)	25.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	20.0
Paid annual leave for a worker with 5 years of tenure (working days)	20.0
Paid annual leave for a worker with 10 years of tenure (working days)	20.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	20.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No

Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	No
Priority rules for reemployment?	Yes
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure	2.0
Notice period for redundancy dismissal for a worker with 5 years of tenure	2.0
Notice period for redundancy dismissal for a worker with 10 years of tenure	2.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	2.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure	0.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure	7.2
Severance pay for redundancy dismissal for a worker with 10 years of tenure	14.4
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	7.2
Job quality	
Equal remuneration for work of equal value?	Yes
Gender nondiscrimination in hiring?	Yes
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	365.0
Receive 100% of wages on maternity leave?	No
Five fully paid days of sick leave a year?	Yes
Unemployment protection after one year of employment?	Yes
Minimum contribution period for unemployment protection (months)?	8.0

Business Reforms in Bosnia and Herzegovina

In the year ending June 1, 2017, 119 economies implemented 264 total reforms across the different areas measured by Doing Business. Doing Business has recorded more than 2,900 regulatory reforms making it easier to do business since 2004. Reforms inspired by Doing Business have been implemented by economies in all regions. The following are the reforms for Bosnia and Herzegovina implemented since Doing Business 2008.

✓ = Doing Business reform making it easier to do business. ✗ = Change making it more difficult to do business.

DB2018

Labor Market Regulation: Bosnia and Herzegovina adopted legislation that decreased wage premiums for overtime, weekly holiday, night work, and increased minimum wage.

DB2017

✓ **Starting a Business:** Bosnia and Herzegovina made starting a business easier by reducing the paid-in minimum capital requirement for limited liability companies and increasing the efficiency of the notary system.

✓ **Paying Taxes:** Bosnia and Herzegovina made paying taxes easier by abolishing the tourist community fee.

DB2014

✗ **Paying Taxes:** Bosnia and Herzegovina introduced a penalty for failure to employ the required minimum number of people with disabilities—though it also temporarily abolished the forestry tax.

DB2013

✓ **Registering Property:** Bosnia and Herzegovina made it easier to transfer property between companies by computerizing the commercial registry.

✗ **Getting Credit:** Bosnia and Herzegovina made access to credit information more difficult by stopping the private credit bureau's collection of credit information on individuals.

✓ **Paying Taxes:** Bosnia and Herzegovina eased the administrative burden of filing and paying social security contributions by implementing electronic filing and payment systems.

DB2012

✓ **Starting a Business:** Bosnia and Herzegovina made starting a business easier by replacing the required utilization permit with a simple notification of commencement of activities and by streamlining the process for obtaining a tax identification number.

✓ **Dealing with Construction Permits:** Bosnia and Herzegovina made dealing with construction permits easier by fully digitizing and revamping its land registry and cadastre.

DB2011

✓ **Registering Property:** Bosnia and Herzegovina reduced delays in property registration at the land registry in Sarajevo.

✓ **Paying Taxes:** Bosnia and Herzegovina simplified its labor tax processes, reduced employer contribution rates for social security and abolished its payroll tax.

DB2010

✓ **Dealing with Construction Permits:** Bosnia and Herzegovina improved its construction permitting system by reducing the time needed to register a new building at the courts and land cadastre.

DB2009

✓ **Dealing with Construction Permits:** Bosnia and Herzegovina made dealing with construction permits easier by speeding up procedures at the cadastre and land book registry and reducing the cost of a new telephone connection.

✓ **Registering Property:** Bosnia and Herzegovina speeded up property registration by computerizing files at the land registry in

Sarajevo.

- ✓ **Paying Taxes:** Bosnia and Herzegovina made paying taxes easier and less costly for companies by reducing the corporate income tax rate, exempting profit distributions (including dividends) from taxes and allowing tax losses to be carried forward for 5 years.
- ✓ **Resolving Insolvency:** Bosnia and Herzegovina improved the insolvency process by strengthening professional requirements for bankruptcy trustees.

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- ✓ **Trading across Borders:** Bosnia and Herzegovina made trading across borders easier by enacting a new customs law, establishing a new customs administration and implementing an electronic data interchange system.

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ISBN 978-1-4648-1146-3



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SKU 211146



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