

Economy Profile
Peru

Doing Business 2020

Comparing Business
Regulation in
190 Economies



WORLD BANK GROUP

Economy Profile of Peru

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

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

About Doing Business

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

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


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

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

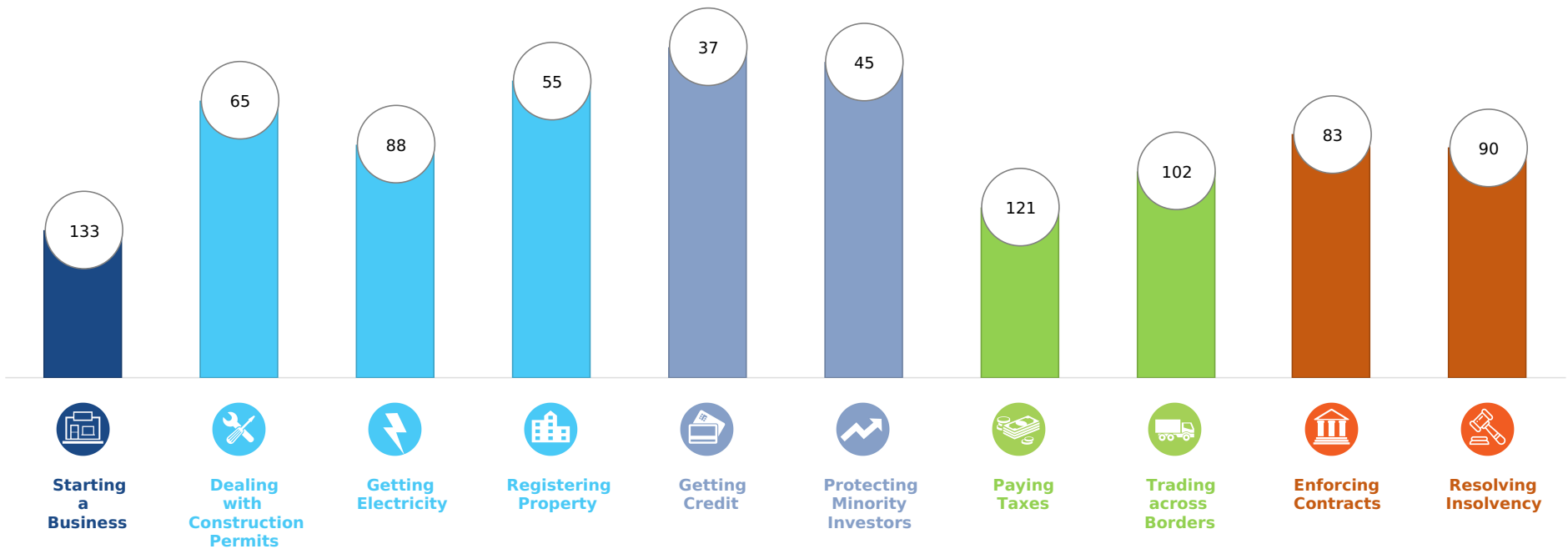
In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in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

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

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

Ease of Doing Business in Peru 	Region	Latin America & Caribbean	DB RANK	DB SCORE
	Income Category	Upper middle income	76	68.7
	Population	31,989,256		
	City Covered	Lima		

Rankings on Doing Business topics - Peru



Topic Scores



Starting a Business (rank)	133
Score of starting a business (0-100)	82.1
Procedures (number)	8
Time (days)	26
Cost (number)	9.4
Paid-in min. capital (% of income per capita)	0.0
Dealing with Construction Permits (rank)	65
Score of dealing with construction permits (0-100)	72.5
Procedures (number)	19
Time (days)	137
Cost (% of warehouse value)	1.7
Building quality control index (0-15)	13.0
Getting Electricity (rank)	88
Score of getting electricity (0-100)	74.5
Procedures (number)	6
Time (days)	67
Cost (% of income per capita)	448.5
Reliability of supply and transparency of tariff index (0-8)	6
Registering Property (rank)	55
Score of registering property (0-100)	72.1
Procedures (number)	6
Time (days)	9.5
Cost (% of property value)	3.9
Quality of the land administration index (0-30)	18.0

Getting Credit (rank)	37
Score of getting credit (0-100)	75.0
Strength of legal rights index (0-12)	7
Depth of credit information index (0-8)	8
Credit registry coverage (% of adults)	39.4
Credit bureau coverage (% of adults)	100.0
Protecting Minority Investors (rank)	45
Score of protecting minority investors (0-100)	68.0
Extent of disclosure index (0-10)	9.0
Extent of director liability index (0-10)	6.0
Ease of shareholder suits index (0-10)	6.0
Extent of shareholder rights index (0-6)	6.0
Extent of ownership and control index (0-7)	2.0
Extent of corporate transparency index (0-7)	5.0
Paying Taxes (rank)	121
Score of paying taxes (0-100)	65.8
Payments (number per year)	8
Time (hours per year)	260
Total tax and contribution rate (% of profit)	36.8
Postfiling index (0-100)	19.2

Trading across Borders (rank)	102
Score of trading across borders (0-100)	71.3
<i>Time to export</i>	
Documentary compliance (hours)	24
Border compliance (hours)	48
<i>Cost to export</i>	
Documentary compliance (USD)	50
Border compliance (USD)	630
<i>Time to export</i>	
Documentary compliance (hours)	48
Border compliance (hours)	72
<i>Cost to export</i>	
Documentary compliance (USD)	80
Border compliance (USD)	700
Enforcing Contracts (rank)	83
Score of enforcing contracts (0-100)	59.1
Time (days)	478
Cost (% of claim value)	41.2
Quality of judicial processes index (0-18)	9.5
Resolving Insolvency (rank)	90
Score of resolving insolvency (0-100)	46.6
Recovery rate (cents on the dollar)	31.3
Time (years)	3.1
Cost (% of estate)	7.0
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	9.5

Starting a Business

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

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

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

What the indicators measure	Case study assumptions
<p>Procedures to legally start and formally operate a company (number)</p> <ul style="list-style-type: none"> • Preregistration (for example, name verification or reservation, notarization) • Registration in the economy's largest business city • Postregistration (for example, social security registration, company seal) • Obtaining approval from spouse to start a business or to leave the home to register the company • Obtaining any gender specific document for company registration and operation or national identification card 	<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>
<p>Time required to complete each procedure (calendar days)</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 	<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 limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office. -Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. -Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes. -Does not qualify for investment incentives or any special benefits. -Is 100% domestically owned. -Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each. -Is managed by one local director. -Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals. -Has start-up capital of 10 times income per capita. -Has an estimated turnover of at least 100 times income per capita. -Leases the commercial plant or offices and is not a proprietor of real estate. -Has an annual lease for the office space equivalent to one income per capita. -Is in an office space of approximately 929 square meters (10,000 square feet). -Has a company deed that is 10 pages long.
<p>Cost required to complete each procedure (% of income per capita)</p> <ul style="list-style-type: none"> • Official costs only, no bribes • No professional fees unless services required by law or commonly used in practice 	<p>The owners:</p> <ul style="list-style-type: none"> -Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old. -Are in good health and have no criminal record. -Are married, the marriage is monogamous and registered with the authorities. -Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.
<p>Paid-in minimum capital (% of income per capita)</p> <ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	

Starting a Business - Peru

Standardized Company

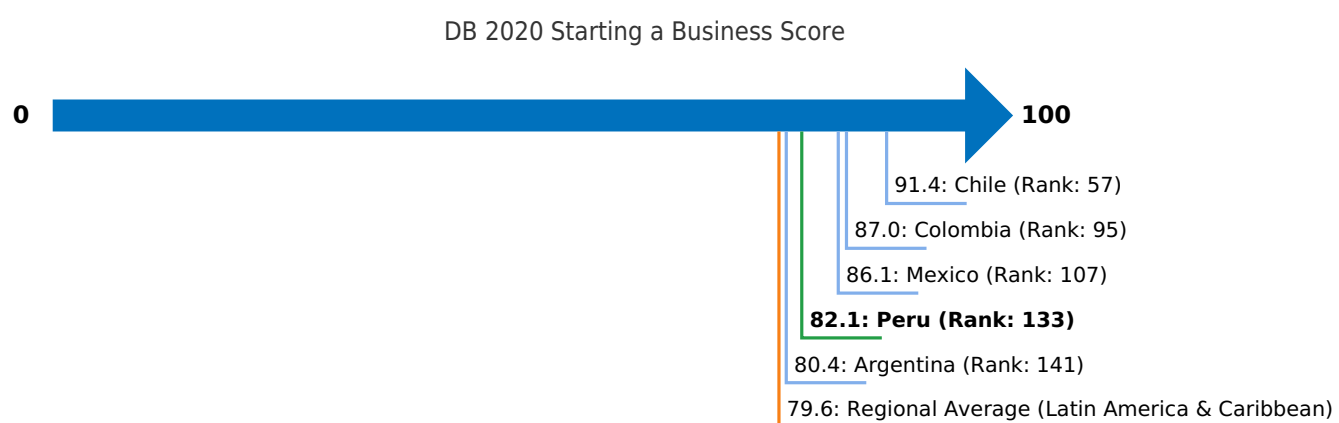
Legal form	Sociedad Anónima - simple corporation
Paid-in minimum capital requirement	No minimum
City Covered	Lima

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedure - Men (number)	8	8.1	4.9	1 (2 Economies)
Time - Men (days)	26	28.8	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	9.4	31.4	3.0	0.0 (2 Economies)
Procedure - Women (number)	8	8.1	4.9	1 (2 Economies)
Time - Women (days)	26	28.8	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	9.4	31.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	0.4	7.6	0.0 (120 Economies)

Figure - Starting a Business in Peru - Score

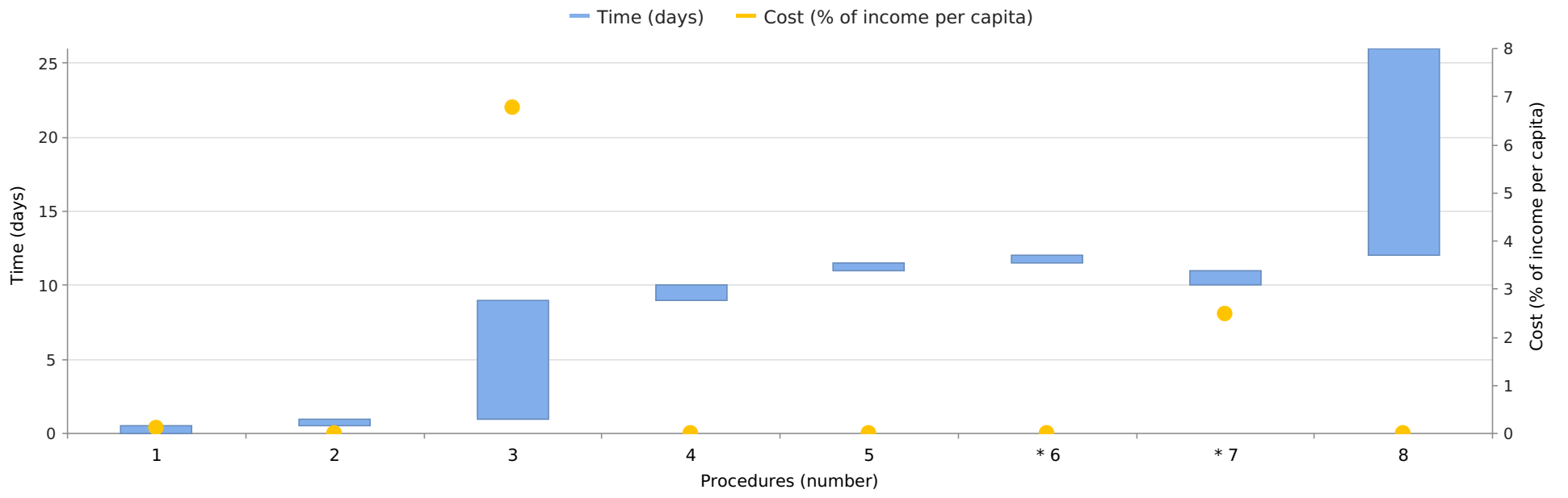


Figure - Starting a Business in Peru and comparator economies - Ranking and Score



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

Figure - Starting a Business in Peru - 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://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Details - Starting a Business in Peru - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Check the uniqueness of the proposed company name and reserve it online <i>Agency:</i> Public Registry (Superintendencia Nacional de los Registros Públicos - SUNARP) The entrepreneurs must select a company name and conduct a search to verify if the name is unique at the Public Registry (Superintendencia Nacional de los Registros Públicos - SUNARP). This search can be made through SUNARP website (www.sunarp.gob.pe) or directly in any of SUNARP`s offices.</p> <p>The payment can be done online but it is required that the user has created an account in Public Registry.</p>	Less than one day (online procedure)	PEN 5 for name search + PEN 20 for reservation
2	<p>Online request to prepare the incorporation process with a notary <i>Agency:</i> Online platform (Sistema de intermediación digital - SID-SUNARP) In order to prepare the deed of incorporation, the entrepreneur can access the online system through the online platform SID-SUNARP (Sistema de intermediación digital) at https://www.sunarp.gob.pe/seccion/servicios/empresas.html.</p> <p>The entrepreneur must then select an affiliated notary and submits the documentation required to draft the articles of association to the notary chosen. Then one needs to go in person to the notary and sign the public deed. This online platform allows to share incorporation documents between the entrepreneur, the notary and the Public Registry.</p> <p>When the company requires more comprehensive articles of association, a lawyer will draft the document prior to be sent to the notary.</p>	Less than one day (online procedure)	No charge
3	<p>Sign the deed of incorporation before a notary public and file it online with the Public Registry (SUNARP) <i>Agency:</i> Notary and Public Registry The business founder must sign the deed of incorporation before a Public Notary. After the entrepreneur creates the public deed and the provides the shareholders' signature, the notary must file the deed to the Registry (SUNARP). In addition, the notary will stamp the two corporate books required by the Corporation Law: the minutes book (article 134) and the share book (article 92). These books can be single sheets.</p> <p>Notary fees are based by market demand depending on the company size, the length of the public deed, and the initial capital contribution. The entrepreneur also pays the registration fees to the Notary. The Registrar receives the public deed and proceeds to register the company.</p> <p>The deed is submitted to the Public Registry for company registration. The Registry has a deadline of 35 working days to register a company, although during the first 7 working days of this term the registrar must qualify the registration request of the acts and identify the problems that do not allow the registration so that the interested parties can solve them.</p> <p>Cost details: USD 200 for the notary fee (depend on market conditions) plus registration fees which are composed by: 0.3% of capital + 1.08% of the Peruvian Tax Unit (UTI) for performing the registration + 0.36% and 0.24% of UIT per appointment and registration of each director, manager or other representative + 0.12% of the UIT per page for the certified copy of the company registration (for RUC application) + PEN 30 for the stamp of each corporate sheet.</p>	8 days	see procedure details
4	<p>Obtain a taxpayer identification number (RUC) <i>Agency:</i> Tax Authority (Superintendencia Nacional de Administración Tributaria - SUNAT) It is necessary to register all new companies with the Tax Authorities (SUNAT) and obtain a Taxpayer Identification Number (Registro Único de Contribuyentes - RUC). With that purpose, the legal representative must complete some forms to present before the National Tax Authority, accompanying them with the personal ID, a private or public document proving the address of fiscal residency being declared, and original and copy of the certificate of registration of the company with the Public Registry issued in the last 30 calendar days.</p> <p>Finally, the company requests the digital code (Clave SOL), a password to access the Tax Authorities' (SUNAT) virtual platform. This password allows the company to perform various tax procedures (payments, present statements, among others).</p>	1 day	no cost
5	<p>Online registration of accounting records <i>Agency:</i> PLE System (online platform from tax authority, SUNAT) Since July 2010 it was implemented the online platform (PLE System) for registering the accounting books. Companies with an annual sale from 300 to 500 UIT are required to keep four accounting books: journal book, general ledger, purchase journal and sales journal.</p> <p>For companies with annual sales bigger than 75 UIT, it is required to keep the purchase and sales journals electronically, meanwhile the other required books are voluntary to file them electronically.</p> <p>For recording the books electronically, the company will affiliate to the PLE System (online system of SUNAT) and will download the accounting program. Monthly, the company will submit a summary of these journals and the SUNAT will issue a receipt of acknowledgement (Constancia de Recepcion).</p>	Less than one day (online procedure)	No charge

⇒ 6	<p>Register the company's employees for Social Security <i>Agency:</i> Tax Authority (Superintendencia Nacional de Administración Tributaria - SUNAT) Once the company obtains the Tax ID (RUC) and digital code (Clave SOL) to access the Tax Authorities (SUNAT) virtual platform. The legal representative will be able to carry out the following online procedures:</p> <ul style="list-style-type: none"> - Register the employees: including information such as their personal data, health and pension plans, work hours, etc. through online registration form called T-Registro at https://e-menu.sunat.gob.pe/cl-ti-itmenu/MenuInternet.htm - Monthly payments to the Social Security agency to cover the contributions to both the social security health insurance (EsSalud or Seguro Social de salud) and the public pension system (ONP or Oficina de Normalización Previsional), through PDT Planilla Electrónica (PLAME), an electronic monthly payment worksheet. 	Less than one day (online procedure)	no cost
⇒ 7	<p>Determine the company risk level at the municipal Civil Defense Division (Subgerencia de Defensa Civil) <i>Agency:</i> Civil Defense Division at the Municipality (Subgerencia de Defensa Civil) In order to obtain the operating license, the legal representative first have to file the affidavit form in the Civil Defense Division of the Municipality (Subgerencia de Defensa civil). In this division, the legal representative will file the Annex 2 with the information required to determine the risk level of the company.</p> <p>In most cases, the Municipality requires a copy of the incorporation documents as well, the public deed, the distribution plan, property title documents (if applicable) and the payment receipt of the fees.</p> <p>According to the risk matrix provided by Resolution No.016-2018-CENEPRED/J, a commercial company with more than 750 square meters is considered as high risk. Once determined the risk, the Civil Defense Division will stamp the documents and will issue the Annex 3. Then, the legal representative must provide them to the Commercial Division to proceed with the required inspection (ITSE) prior to obtain the operating license (for the case of high risk level).</p> <p>The cost still varies based on each Municipality's administrative regulation (TUPA) and on the size of the premise. In the Municipality of Miraflores, companies with a high risk associated, the cost for the license (including the inspection) is PEN 542.6.</p>	1 day	PEN 542.6
8	<p>Receive a technical inspection of building safety (ITSE) and obtain the operating license <i>Agency:</i> Commercial Division at the Municipality (Subgerencia de Comercialización) Once determined the risk level of the company, the legal representative must file the stamped documents at the Commercial Division of the Municipality. The officer will send an inspection board to the company location in order to verify the safety conditions of the premises. This inspection will take place within the next 5 working days after the document's submission.</p> <p>The Commercial Division will issue the operating license within the following 10 working days (i.e. 14 calendar days) from the document's submission.</p> <p>Since April 2019, this procedure has been harmonized in the different municipalities of Peru by the Decree No.45-2019-PCM.</p>	14 days	included in the previous procedure

⇒ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

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

What the indicators measure

Procedures to legally build a warehouse (number)

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

Time required to complete each procedure (calendar days)

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

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

- Official costs only, no bribes

Building quality control index (0-15)

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

Case study assumptions

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

The construction company (BuildCo):

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

The warehouse:

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

The water and sewerage connections:

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

Dealing with Construction Permits - Peru

Standardized Warehouse

Estimated value of warehouse	PEN 1,095,105.40
City Covered	Lima

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	19	15.5	12.7	None in 2018/19
Time (days)	137	191.2	152.3	None in 2018/19
Cost (% of warehouse value)	1.7	3.6	1.5	None in 2018/19
Building quality control index (0-15)	13.0	9.0	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Peru - Score

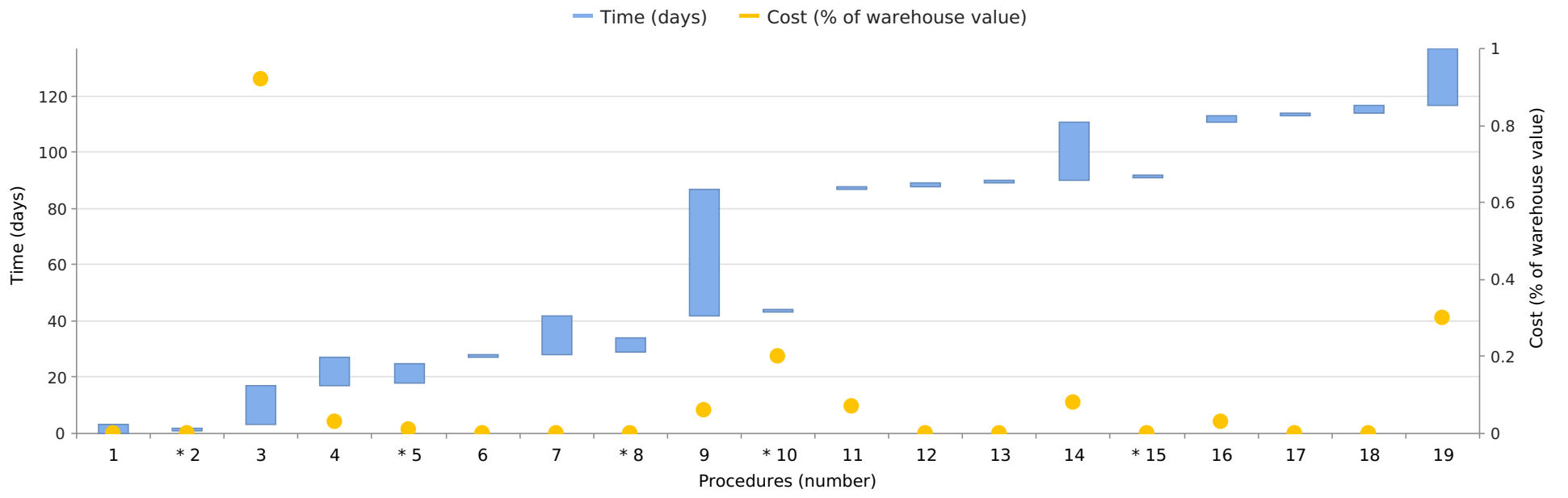


Figure - Dealing with Construction Permits in Peru and comparator economies - Ranking and Score



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

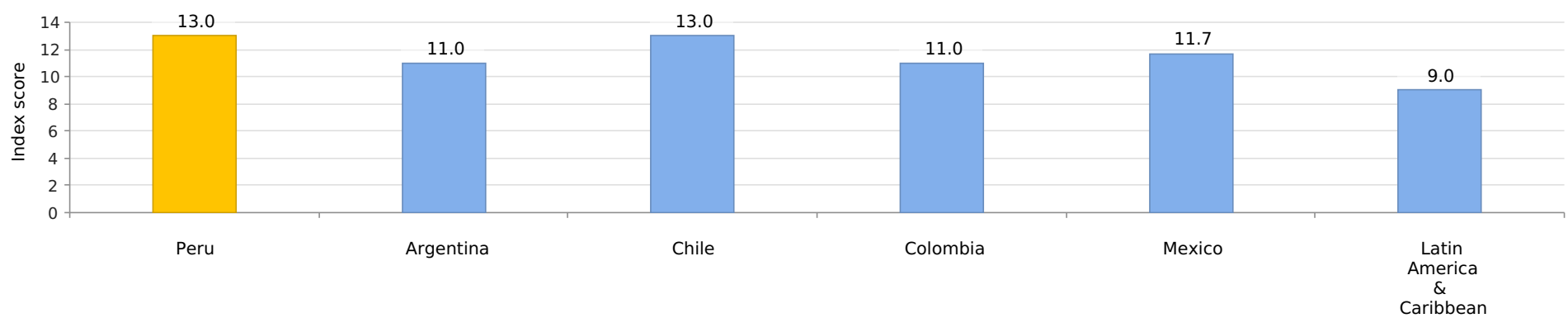
Figure - Dealing with Construction Permits in Peru - Procedure, Time and Cost



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

Figure - Dealing with Construction Permits in Peru and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Peru - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain urbanistic and building parameters certificate (Certificado de parámetros urbanísticos y edificatorios)</p> <p><i>Agency:</i> District Municipality (Municipalidad Distrital)</p> <p>The certificate is issued by the district and / or provincial municipalities and serves to know what can be built and specify the design parameters that regulate the building process on a property (maximum and minimum heights, permitted and compatible uses, building coefficient, percentage of free area, among others). To obtain the certificate the builder must meet the following requirements:</p> <ol style="list-style-type: none"> 1. Application signed indicating the documents referring to the location of the property subject matter of processing; 2. Location sketch; 3. Payment of the processing fee. <p>The procedure is regulated by Law 29090 and is valid for 36 months.</p>	3 days	PEN 13
⇒ 2	<p>Obtain property ownership certificate (Certificado literal de partida)</p> <p><i>Agency:</i> SUNARP (Public Registry)</p> <p>The Certificado Literal de Partida is a document issued by Public Registry (SUNARP). The certificate could include information about the land plot (certificado literal de partida para predios, and information about the legal entity (certificado literal de partida para persona jurídica, that includes information about the archived title and BuildCo). The certificate could have different pages depending on the request of BuildCo and the historical information of the land plot.</p> <p>Per our case study, BuildCo must provide both information, about the legal entity and about the land plot. As a legal person, BuildCo must provide affidavit/proof pointing out that has current representation and the title according to the data of the Registry. The cost for this information is "certificado literal de título archivado" 0.13% of UIT per page. It is a copy of the certificate that BuildCo needs to obtain as a project-specific document.</p> <p>The cost for the information about the land plot is 0.32% UIT = PEN 13 (for the first 2 pages) and 0.16% UIT = PEN 6 (any additional page after the first 2).</p>	1 day	PEN 45
3	<p>Obtain results of geotechnical study / soil test</p> <p><i>Agency:</i> Private licensed company</p> <p>BuildCo will request a soil test for the structural calculations for the foundation. Contractors ask for a soil test to ensure that the foundation of the building is solid. The engineer must understand the suitability of the soil for the proposed construction work. It allows to build a solid foundation and avoid structures to be damaged or collapsed or leaned. A soil test is required by law and conducted in practice.</p>	14 days	USD 3,000
4	<p>Submit preliminary design for consultation to the Municipality (revisión de anteproyecto)</p> <p><i>Agency:</i> District Municipality (Municipalidad Distrital)</p> <p>The following documents must be submitted http://www.munilurin.gob.pe/tramites-y-servicios/desarrollo-urbano/procedimiento24.pdf:</p> <ul style="list-style-type: none"> -Original FUE duplicate, duly subscribed and all of its sheets endorsed by the professional designer, indicating the receipt number and the date of payment of the preliminary draft.. -Affidavit proving qualifications of professionals involved in the project (page 8 of the FUE). -Copy of Proof of Payment for Right of Review to the College of Architects of Peru - CAP. -Copy of Proof of payment to CENEPRED (if required) -Plans: location; architecture plan (floors, cuts and elevations); safety and evacuation plans; -Descriptive Memory of architecture. -Descriptive safety and evacuation report (if applicable) <p>According to Lurin's municipal fee schedule:</p> <ul style="list-style-type: none"> -For "revisión de anteproyecto (modalidad C)": 8.81% of UIT 	10 days	PEN 370

⇒ 5	Request water and sewage supply service feasibility study from water utility SEDAPAL <i>Agency : SEDAPAL</i>	7 days	PEN 107
	The certificate of feasibility of water and sewerage services is a requirement to process the building license. The builder must attach, among other requirements: 1. Application for the feasibility certificate; 2. Copy of the applicant's ID; 3. Descriptive report; 4. Registration copy 4. Supply number of existing water connections and the amount of drain connections for sanitary systems; Y 5. Payment for processing right.		
6	Receive inspection from SEDAPAL <i>Agency : SEDAPAL</i> SEDAPAL conducts a feasibility inspection on the site	1 day	no charge
7	Obtain water and sewage supply service clearance <i>Agency : SEDAPAL</i> After receiving the inspection from SEDAPAL, BuildCo must obtain clearance for water and sewage service supply. It usually takes 14 days.	14 days	no charge
⇒ 8	Request electric power supply service feasibility <i>Agency : Luz del Sur</i> Before submitting the application for the building permit, BuildCo must request electric power supply service feasibility. BuildCo must attach to its request: 1. Application for the feasibility certificate; 2. Copy of the applicant's ID; 3. Proof of the ownership of the land 4. Sketch of location of the property This procedure usually takes 5 days.	5 days	no charge
9	Obtain construction license from the Municipality (licencia de obra para edificación nueva) <i>Agency : District Municipality (Municipalidad Distrital)</i> The following documents must be submitted to obtain the building permit: -Procedure form (two copies) -Single official form -Specification of the construction work budget -Authenticated copy of property title -Land development and building parameter certificate -Project authorization certificate and proficiency certificate for the person in charge of the construction work -Memoria justificativa -Location and site maps -Architectural, structural, sanitary system, and electrical plans -Drawings and records to be reviewed by the ad-hoc delegates -Proof of payment -Road impact study, only in the cases established by the National Building Regulations and with the requirements and scope established by the Ministry of Housing, Construction and Sanitation -Favorable technical report of urban reviewers, as appropriate -CAR (All Contractor Risk) policy, according to the characteristics of the work to be executed, with coverage for material and personal damage to third parties, and as a complement to the Supplementary Work Insurance of Risk. Payment grants the right to a specialized review before the Technical Qualifying Commission (Comisión Técnica Calificadora). If necessary, the Technical Qualifying Commission may request an environmental impact assessment and land surveys. According to Lurin's municipal fee schedule: -For "licencia de obra (modalidad C)": 4.63% of UIT	45 days	PEN 682
⇒ 10	Request and obtain contractor's all risk insurance (CAR) <i>Agency : Private insurance company</i> According to Law 20090, BuildCo must obtain a risk insurance as a prerequisite to start construction works. Depending on the characteristics of the work to be executed, the policy must have coverage for material and personal damages to third parties.	1 day	PEN 2,190
11	Notify the commencement of the construction work to Municipality <i>Agency : District Municipality (Municipalidad Distrital)</i> Once the CAR insurance has been obtained, BuildCo can submit it to Municipality and notify the commencement of the construction work.	1 day	PEN 789

12	<p>Receive first of a minimum of three inspections during construction</p> <p><i>Agency</i> : District Municipality (Municipalidad Distrital)</p> <p>According to "Reglamento de Verificación Administrativa y Técnica" there is a minimum of three inspections during construction.</p> <p>According to Lurin's municipal fee schedule: -For "licencia de obra-verificación técnica (modalidad C)": 6.26% of UIT (3 inspections)</p>	1 day	no charge
13	<p>Receive second of a minimum of three inspections during construction</p> <p><i>Agency</i> : District Municipality (Municipalidad Distrital)</p> <p>BuildCo. receives second phased inspection</p>	1 day	no charge
14	<p>Request and obtain potable water and sewage service installation</p> <p><i>Agency</i> : SEDAPAL</p> <p>Once the feasibility study has been finalized, BuildCo requests and obtains the connection to the potable water services.</p>	21 days	PEN 900
⇒ 15	<p>Receive third of a minimum of three inspections during construction</p> <p><i>Agency</i> : District Municipality (Municipalidad Distrital)</p> <p>BuildCo. receives third phased inspection</p>	1 day	no charge
16	<p>Request construction work conformity certificate and factory statement (conformidad de obra y declaratoria de edificación)</p> <p><i>Agency</i> : District Municipality (Municipalidad Distrital)</p> <p>Once the building work is finished, the builder must present the following documents to the municipality:</p> <ol style="list-style-type: none"> 1. FUE corresponding to the construction agreement and building declaration; 2. Document proving the right to build; 3. Copy of the location and location, architecture and license plans; 4. Layout plans for location and location, and architecture; 5. Security stakeout plans, mode C and D; 6. Copies of the vouchers for review payment; 7. Document that records the date of execution of the work; 8. Copy of the section of the Workbook in which the modifications made are accredited; Y 9. Payment of corresponding municipal fee. <p>According to the rate of the Municipality of Lurín, the cost of the certificate for modality C (case study Doing Business) is 6.99% of UIT.</p>	2 days	PEN 294
17	<p>Receive final inspection by the District Municipality</p> <p><i>Agency</i> : District Municipality (Municipalidad Distrital)</p> <p>Once the construction has been finalized, the municipal authorities conduct an inspection of the building.</p>	1 day	no charge
18	<p>Obtain construction work conformity certificate and factory statement (conformidad de obra y declaratoria de edificación)</p> <p><i>Agency</i> : District Municipality (Municipalidad Distrital)</p> <p>Once the inspection has been completed and if the work is found to be in accordance with the approved plans, the favorable report is issued, the plans sealed, the agreement signed in the Single Form. This act constitutes the Work Compliance and the Building Declaration, a document that gives merit to its registration. The procedure is regulated by Supreme Decree number 011-2017-HOUSING.</p>	3 days	no charge
19	<p>Register the factory statement (declaratoria de fábrica) with SUNARP</p> <p><i>Agency</i> : SUNARP</p> <p>The registration cost of the factory statement is 0.97% of the UIT on the account of a qualification fee, plus 0.3% of the construction work value.</p> <p>Once the construction agreement and building declaration by the municipality have been obtained, the builder requests the registration of the new building before the SUNARP, attaching the following documents:</p> <ol style="list-style-type: none"> 1. Registration form, duly completed and signed; 2. Copy of the ID of the legal representative; 3. Map of the location and construction site and drawing of the floors or levels of distribution, signed by the inspector, if required; 4. Technical report issued by the designated inspector, the development plan and the certificate of the building parameters, in case of regularization of the latter; 5. Proof of payments of the corresponding fees; Y 6. Other documents, in accordance with the registration qualification in force at the time of registration. 	20 days	PEN 3,326

⇒Takes place simultaneously with previous procedure.

Details - Dealing with Construction Permits in Peru - 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.	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)		3.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases; Risk-based inspections.	2.0
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; Professional in charge of the supervision; Construction company; Owner or investor.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
Professional certifications index (0-4)		3.0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	University degree in architecture or engineering; Being a registered architect or engineer.	1.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer.

2.0

⚡ Getting Electricity

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

What the indicators measure

Procedures to obtain an electricity connection (number)

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

Time required to complete each procedure (calendar days)

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

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

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

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

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

Price of electricity (cents per kilowatt-hour)*

- Price based on monthly bill for commercial warehouse in case study

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

Case study assumptions

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

The warehouse:

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

The electricity connection:

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

The monthly consumption:

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

Getting Electricity - Peru

Standardized Connection

Name of utility	Luz del Sur
Price of electricity (US cents per kWh)	19.5
City Covered	Lima

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	6	5.5	4.4	3 (28 Economies)
Time (days)	67	66.8	74.8	18 (3 Economies)
Cost (% of income per capita)	448.5	407.2	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	6	4.4	7.4	8 (26 Economies)

Figure - Getting Electricity in Peru - Score

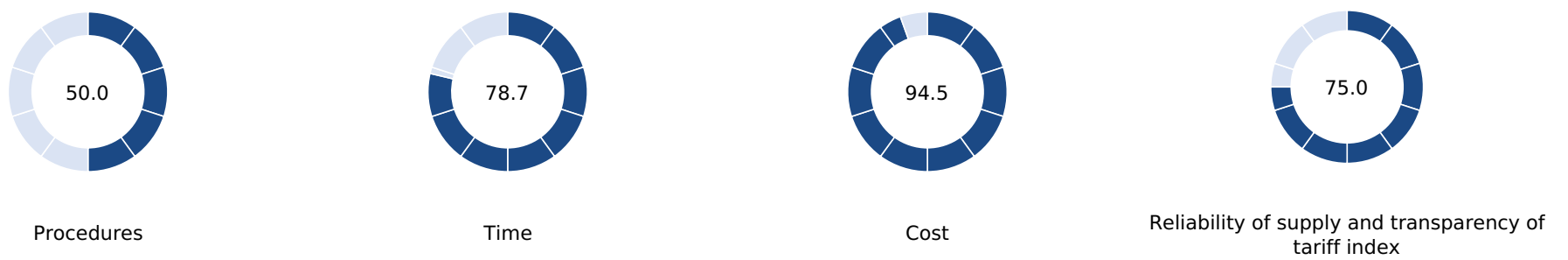
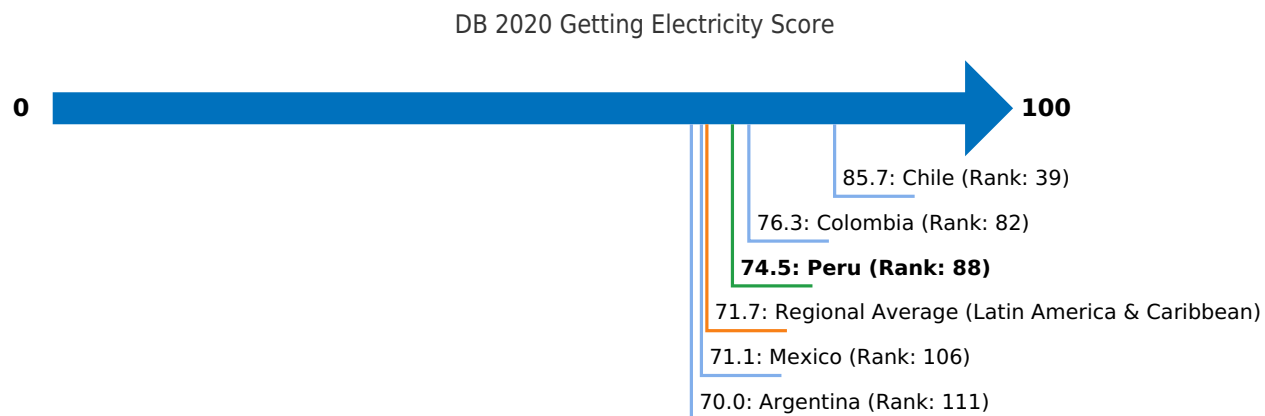
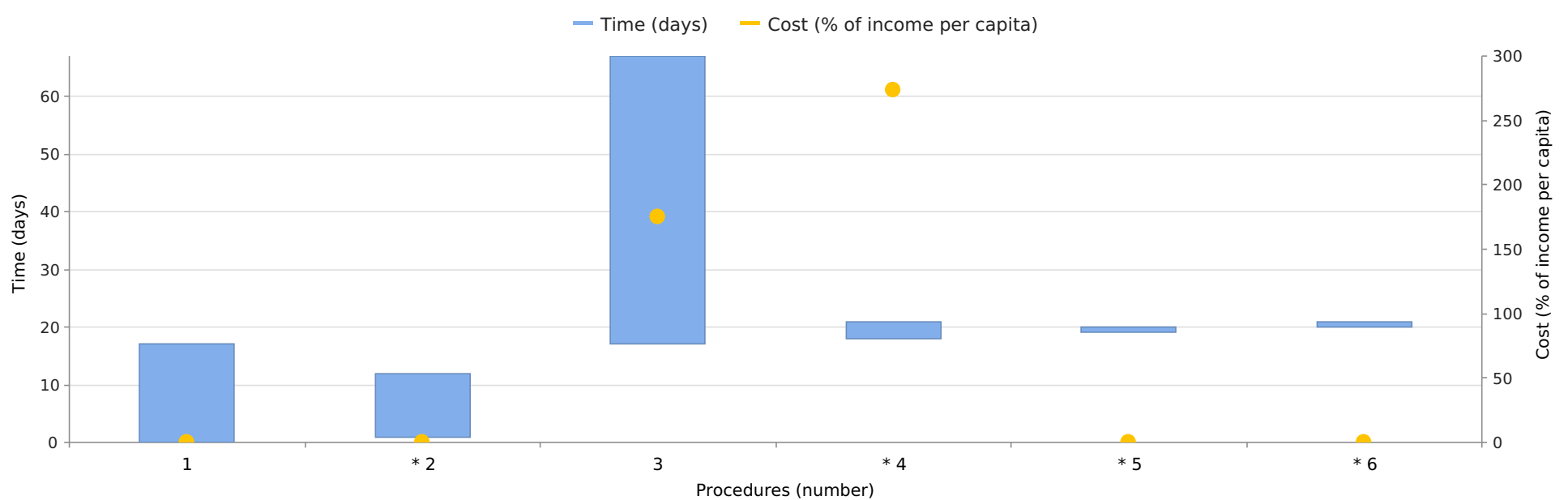


Figure - Getting Electricity in Peru and comparator economies - Ranking and Score



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

Figure - Getting Electricity in Peru - Procedure, Time and Cost

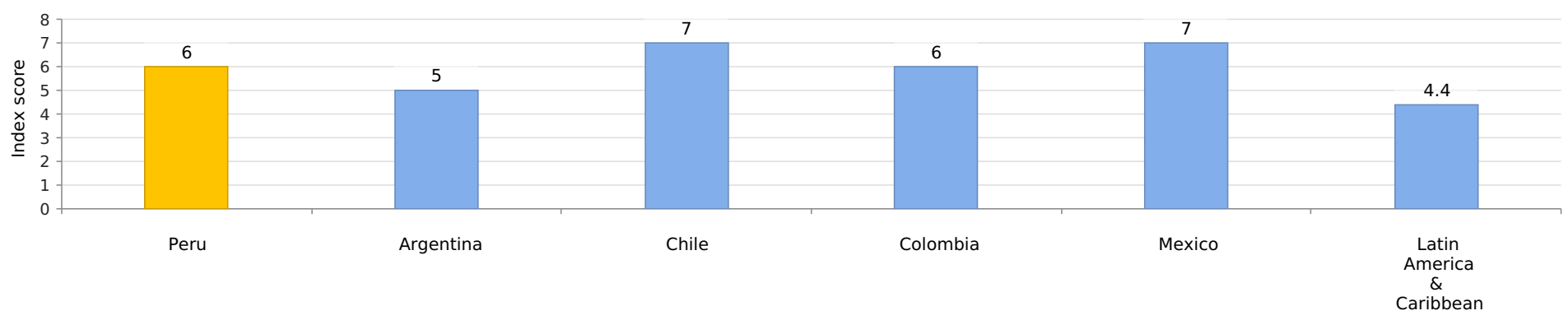


*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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://doingbusiness.org/en/methodology>). For details on the procedures

reflected here, see the summary below.

Figure - Getting Electricity in Peru and comparator economies - Measure of Quality



Details - Getting Electricity in Peru - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Submit application to Luz del Sur and await feasibility study <i>Agency: Luz del Sur</i> With a single application, the client can request the feasibility study, the feed point and the budget. The following documents are required with the application:</p> <ul style="list-style-type: none"> • location map, • title or ownership of the land- or lease agreement in force and • details of the electrical load. <p>The plans for the System of Use by the client are also required, so that Luz de Sur can verify that the customer's installation will not cause a failure in the distribution network system. Similarly, the client has to mention the closest point of connection to confirm the exact location of the applicant's property -this is especially relevant because sometimes the addresses are just a lot number. The documents do not have to be notarized.</p> <p>After receiving the application Luz del Sur prepares the budget that indicates the technical-economic conditions to be fulfilled and the execution of works to be performed by the electricity company. The budget is valid for 30 days. During this period the parties can sign the contract.</p>	17 calendar days	PEN 0
⇒ 2	<p>Receive site inspection by Luz del Sur for feasibility report <i>Agency: Luz del Sur</i> Luz del Sur inspects in situ to prepare the technical and the feasibility reports for the new service (as of the Supreme Decree 020-1997-EM).</p>	11 calendar days	PEN 0
3	<p>Sign supply contract and await completion of external works by Luz del Sur <i>Agency: Luz del Sur</i> The client pays the budget, then presents the project of "System of Use" which include plans, description of the project and technical specifications and, when approved, he has to inform the utility when to initiate the construction. If the supply is regulated (the current limit is 2,500 KW) Luz del Sur does the connection works. Luz del Sur does the external connection works from the existing network an existing substation that can be installed in the customer's property, which is then to be connected to an existing medium voltage network.</p>	50 calendar days	PEN 38,327
⇒ 4	<p>Carry out civil works from PMI and build transformer substation <i>Agency: Private contractor</i> The client's private contractor prepares the transformer chamber. Once the chamber is finalized, the transformer will be transported to the site and installed. The contractor has to carry out the civil works from the PMI pole to the customer's substation.</p>	3 calendar days	PEN 59,894
⇒ 5	<p>Request and receive inspection of "system of use" by Luz del Sur <i>Agency: Luz del Sur</i> The client requests the inspection of the System of Use before the beginning of the works, attaching the schedule of implementation. It is necessary that the engineer responsible for the completion of the internal wiring is present during the inspection. Luz del Sur requires that the engineer who does the internal wiring is registered with the Engineers Association of Peru.</p>	1 calendar day	PEN 0
⇒ 6	<p>Receive meter installation by Luz del Sur and then electricity flow <i>Agency: Luz del Sur</i> The firm installs the meter, which has been paid by the client when paying the budget for the connection works. Therefore, the meter is the client's property. This is the final step in the implementation of the connection works. Power begins to flow once the client has its System of Use tested and approved.</p>	1 calendar day	PEN 0

⇒ Takes place simultaneously with previous procedure.

Details - Getting Electricity in Peru - 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)	1
System average interruption duration index (SAIDI)	6.4
System average interruption frequency index (SAIFI)	1.7
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)	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	https://www.osinergmin.gob.pe/Tarifas/Electricidad/PliegosTarifariosUsuarioFinal.aspx?id=150000
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

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

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

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

Registering Property

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

What the indicators measure

Procedures to legally transfer title on immovable property (number)

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

Time required to complete each procedure (calendar days)

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

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

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

Quality of land administration index (0-30)

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

Case study assumptions

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

The parties (buyer and seller):

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

The property (fully owned by the seller):

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

Registering Property - Peru

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	6	7.4	4.7	1 (5 Economies)
Time (days)	9.5	63.7	23.6	1 (2 Economies)
Cost (% of property value)	3.9	5.9	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	18.0	12.0	23.2	None in 2018/19

Figure - Registering Property in Peru - Score

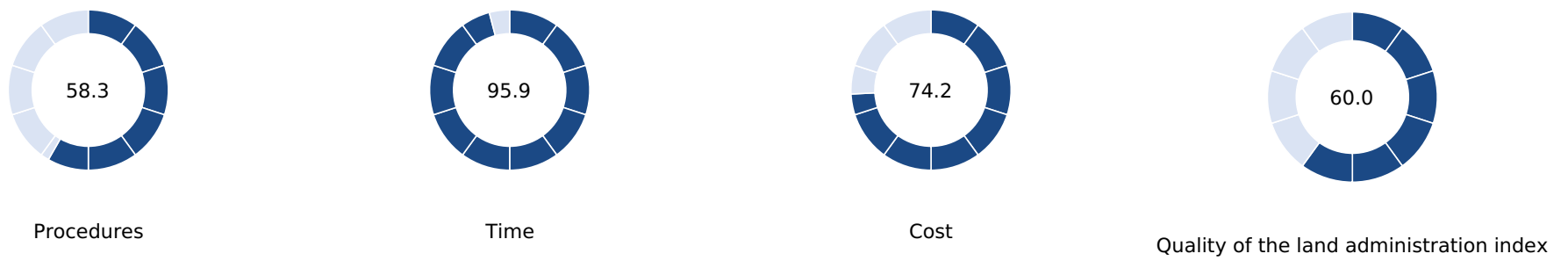
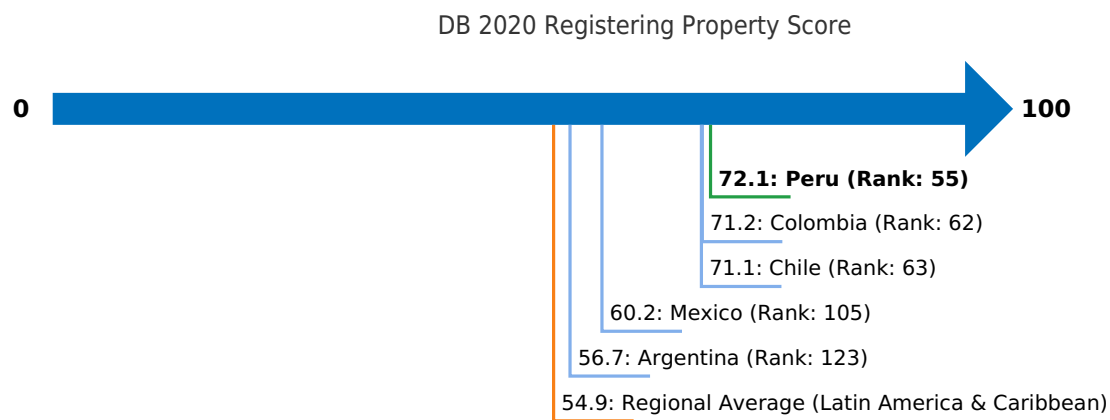
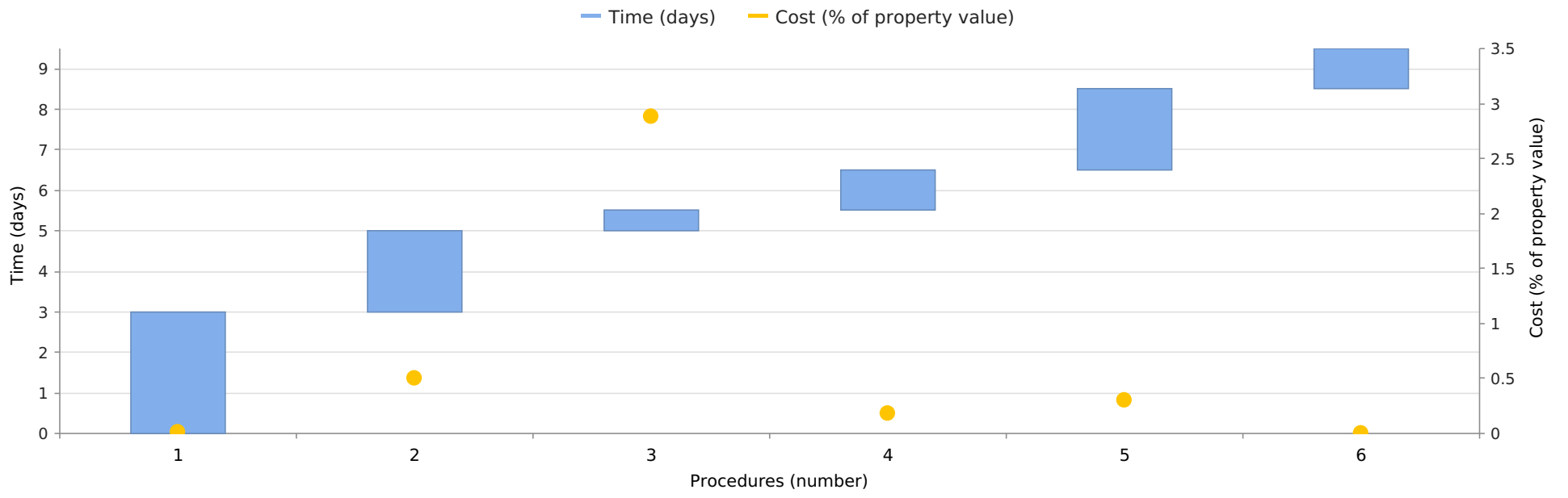


Figure - Registering Property in Peru and comparator economies - Ranking and Score



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

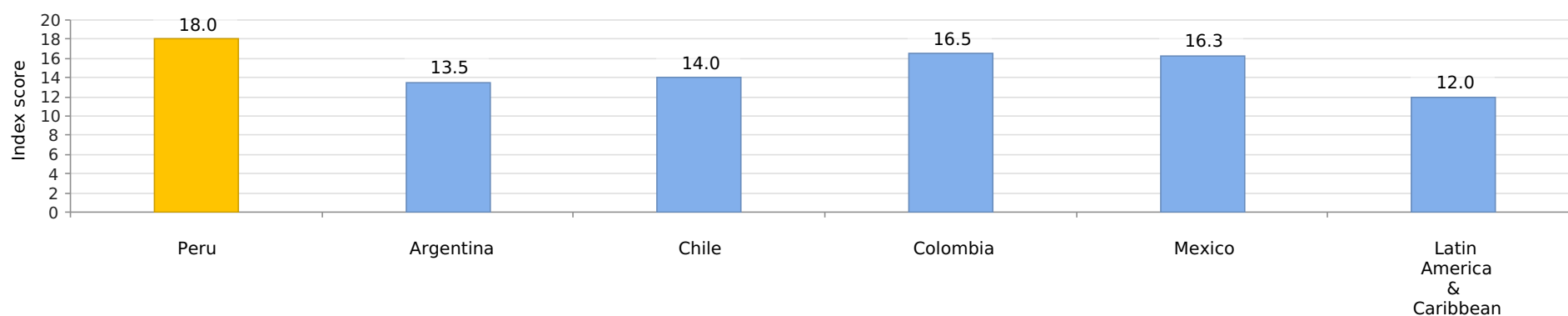
Figure - Registering Property in Peru - Procedure, Time and Cost



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

Figure - Registering Property in Peru and comparator economies - Measure of Quality



Details - Registering Property in Peru - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain the Property Registry Certificate (CRI), the literal certificate of the selling company and legal representative's powers</p> <p><i>Agency:</i> Property Registry (Superintendencia Nacional de los Registros Públicos - SUNARP)</p> <p>The property registry certificate (CRI) contains the description of the property, the list of owners during the last 10 years, and the current charges or encumbrances over the property. When issued, a literal certificate is attached. The literal certificate of the selling company proves its existence and indicates the date of incorporation and insolvency, among other information as the articles of incorporation and the composition of the company's board. The certificate of the legal representative's powers proves that the seller has the faculties to dispose of the property and could act on behalf of the company.</p> <p>Any natural or legal person can request the issuance of these certificates at the Registry Office or online through the Servicio de Publicidad Registral en Línea (SPRL) https://www.sunarp.gob.pe/seccion/servicios/details/0/a3.html. The online certificates have the same legal validity as those issued at the registry, except for the CRI. Although the CRI could be requested online, the user must go to personally to the Registry since the document requires a double signature.</p> <p>The expedition of the CRI takes an average of 3 days, while the literal certificate of the selling company and the legal representative's powers take an average of 1 day. To obtain the certificates, you must fill out an application form and pay the corresponding fees.</p> <p>The cost of the certificates is updated every year, according to the UIT.</p>	3 days	PEN 118.02; (1.61% of 1 UIT (Property Registry Certificate) + 0.12% of 1 UIT per page- around 5 pages- (literal certificate of the selling company) + 0.60% of 1 UIT (legal representative's powers))
2	<p>A lawyer conducts the study of the titles and drafts the sales contract</p> <p><i>Agency:</i> Lawyer</p> <p>Although it is not mandatory by law, for a property transaction under the case study assumptions, it's a common practice to hire a lawyer. A lawyer conducts a study of the past titles and the history of the owners to carry out the transaction. The lawyer will draft the sale contract that has to be presented before the notary, once signed by the parties.</p> <p>The documents required by the lawyer for the study of the title and the drafting of the sale contract are the following:</p> <ul style="list-style-type: none"> (i) Property Registry Certificate (CRI) (obtained in procedure 1) (ii) legal representative's powers (obtained in procedure 1) (iii) literal certificate of the registration of the selling company (obtained in procedure 1) (iv) Original and copy of the national identification documents (DNI) of the legal representatives; (v) Affidavit of self-assessment (formularios Hoja Resumen (HR) y Predio Urbano (PU)) (vi) Proof of payment of property tax for the entire year in which the transfer occurs; Y (vii) Proof of payment of municipal taxes. (viii) Consult the Unique Taxpayer Registry (RUC) of the selling company on the SUNAT website http://www.sunat.gob.pe/. 	2 days	PEN 5,475.53; (PEN 5.145 (around 0,5% of the property value for lawyer fees))

3	<p>Payment of Transfer tax (“Impuesto de Alcabala”) <i>Agency</i> : Tax Service Administration (Servicio de Administración Tributaria de la Municipalidad Metropolitana de Lima - SAT). The Transfer tax (Alcabala) must be paid at the Tax Service Administration (Servicio de Administración Tributaria, SAT). The tax agency SAT is connected with the notaries through the internet (https://www.sat.gob.pe/TF/default.asp) to facilitate the payment of municipal taxes (including the transfer tax called Alcabala). The payment can be made on behalf of a client by the notary instantaneously, and no physical visits or wait time is involved in this process. Nevertheless, the payment mentioned above may also be executed in Notaries with debit and credit card, or bank transfers since late 2008, due to notaries have been allowed to connect to SAT system through satellite connection. As soon as the transaction clears, the notary prints the receipt and hands it to the client.</p> <p>The payment can be made at https://www.sat.gob.pe/TF/default.asp. This reform started back in 2005 under the name “NotarioSAT” to enable the electronic payment and processing of Alcabala. In mid-2009, 71 out of 104 notaries in Lima participated in this program. The program is web-based and easy to access.</p> <p>The alcabala tax and its applicable rate are regulated by Chapter II (Articles 21-29) of Supreme Decree 156-2004-EF (Consolidated Text-TUO of the Municipal Taxation Law).</p> <p>Additionally, the seller must pay income tax on capital gains (not included in the case study) before the National Superintendency of Customs and Tax Administration (SUNAT), as established in Supreme Decree 179-2004- EF (Income Tax Law) and its subsequent amendments.</p> <p>Proof of the payment of the alcabala and rent taxes is a requirement for the notary to raise the purchase and sale deed to a public deed and request the registration of the sale to the Public Registries.</p>	Less than one day, online	PEN 31,593.16; (3% of the property value if the property excess 10 UIT. The first 10 UIT of the property value is not affected by Alcabala tax.)
4	<p>The notary public executes and notarizes the public deed <i>Agency</i> : Notary Public The notary executes the public deed based on the sales contract drafted by the lawyer and signed by the parties. The notary will require all documents previously obtained by the parties plus (i) Financial payment method, (ii) Proof of payment of the alcabala tax; (iii) Proof of payment of income tax.</p> <p>As a preventive measure, the buyer can authorize the notary to extend a blocking request at the Public Registry. This measure protects the purchaser from any third-party filings before the public deed is officially filed for registration. The blocking of the Registry expires after 60 working days as of registration and is usually requested in cases of more complex transactions. The participation of the notary in the preparation of the public deed is mandatory by law following the Supreme Decree 010-2010-JUS (Single Text - TUO of the Regulation of Legislative Decree 1049, Legislative Decree of Notaries).</p> <p>Notary costs are not regulated, and therefore the rate may vary from one notary to another (between 0.1-0.25% of property value)</p>	1 day	PEN 1,916.43; (0.1-0.25% of property value (Notary's fees))
5	<p>The public deed is filed for registration with the Property Registry <i>Agency</i> : Property Registry (Superintendencia Nacional de los Registros Públicos - SUNARP) The notary who carries out this act or one of his authorized employees can file the public deed with the property registry. If the Notary is not in the same jurisdiction of the Property Register, he may engage, by request of the parties and under their exclusive responsibility, a Notary with the same Notarial Jurisdiction as that of the Property Register. The Public Registry (SUNARP) allows all owners to know at any time the status of the transaction at https://enlinea.sunarp.gob.pe/sunarpweb/pages/access/frmTitulos.faces. According to the Regulation Public Registry Resolution N° 032-2010 of February 25, 2010, in the cases of simple transfers ("compra-venta simples") the Public Registry must record it in a maximum of 48 hours at no extra cost; according to the said Resolution in order to be considered as a simple transfer, the operation must fulfilled the following requirements: (i) the operation must be related about a unique parcel properly registered, (ii) the procedure can only involves one electronic entry, and (iii) the seller must appear as owner in the Public Registry." When the client submits the transfer to SUNARP, SUNARP checks and verifies if the sale falls into this category. It then assigns the work to the relevant "seccion" (composed of one registrador, 2 assistants and one apprentice). Some "secciones" are specifically assigned to this type of transactions. Also, standard minutes have been published on the website to promote their use. The legal framework of Peru does not allow providing incentives for employees. Regular registration of the public deed in the Property Registry takes a maximum of 35 working days, but during the first 7 days of this term, the Public Registry is obliged to issue a notice regarding the situation of the public deed filed for registration.</p>	2 days	PEN 3,319.34; (0.81% of 1 UIT + 1.5/1000 of the property value for properties up to PEN 35.000 or 3/1000 of the property value for properties exceeding PEN 35.000)

6	Update of the owner information in the Registry of the Municipality <i>Agency</i> : Tax Service Administration (Servicio de Administración Tributaria de la Municipalidad Metropolitana de Lima - SAT). The buyer must go to the municipality SAT to update the change of ownership. The change of ownership must be updated at the Municipality SAT. This registration is necessary so that taxes and fees for such property are issued in the name of the new owner. To carry out the process, the buyer must submit: (i) National identification document (DNI) of the owner (previous or current) or its legal representative; (ii) legal representative's powers (iii) Original (only for exhibition) and copy of the supporting document that certifies the transfer of the property. The deadline to make this declaration is the last business day of the month following the execution of the transfer. The procedure is regulated by subsection b of Art. 14 of Supreme Decree 156-2004-EF (Single Text - TUO of the Municipal Tax Law).	1 day	no charge
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→ Takes place simultaneously with previous procedure.

Details - Registering Property in Peru - Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		18.0
Reliability of infrastructure index (0-8)		7.0
Type of land registration system in the economy:	Dual system (Title & Deed)	
What is the institution in charge of immovable property registration?	Superintendencia Nacional de los Registros Públicos - SUNARP	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there a comprehensive and functional 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:	Instituto Catastral de Lima	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
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?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		6.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.sunarp.gob.pe/tupa.asp	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.sunarp.gob.pe/tupa.asp	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5

Link for online access:	The law says it needs to be delivered within 2 days and SUNARP publishes the law in the website. https://www.sunarp.gob.pe/viewdocument.asp?RutaFile=Contenido_Documentos%5CDOCUMENTO_CONTE NIDO%5C377_31324 &NombreFile=Central +Resol+032-2010-SN.pdf For certificates and copies issued under the online registration system see https://www.sunarp.gob.pe/ECR/archivos/Directivas%20Registrales/RESOLUCION%20%20N%C2%BA493-2003-SUNARP-SN.pdf	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0
Contact information:	https://libroreclamos.sunarp.gob.pe/Libro/numeroRec.do?do=iniciar	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:	98077.0	
Who is able to consult maps of land plots in the largest business city?	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.icl.gob.pe/marco-legal/tupa http://www.icl.gob.pe/web/121728f/tupa2018.pdf	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.icl.gob.pe/marco-legal/tupa http://www.icl.gob.pe/web/121728f/tupa2018.pdf https://busquedas.elperuano.pe/normaslegales/aprueban-directiva-que-regula-el-servicio-de-base-grafica-re-resolucion-n-215-2018-sunarpsn-1686546-1/	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	Yes	0.5
Contact information:	http://www.contraloria.gob.pe/wps/portal/portalcgrnew/siteweb/inicio/ http://www.icl.gob.pe/transparencia	
Geographic coverage index (0-8)		0.0

Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		5.0
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Civil Code of Peru Book IX Public Registries Articles 2008 - 2023; Regulations of the Land Registry	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Civil Code of Peru Book IX Public Registries Articles 2008 - 2023; Regulations of the Land Registry	
Is there a specific, out-of-court 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?	No	0.0
Legal basis:		
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;	
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?	Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	Civil Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 2 and 3 years	1.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	No	0.0
Number of land disputes in the economy in 2018:		
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
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 May 2019. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0-12)

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

Depth of credit information index (0-8)

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

Credit bureau coverage (% of adults)

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

Credit registry coverage (% of adults)

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

Case study assumptions

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

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

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

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

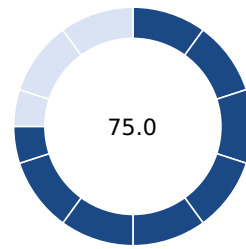
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where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

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

Getting Credit - Peru

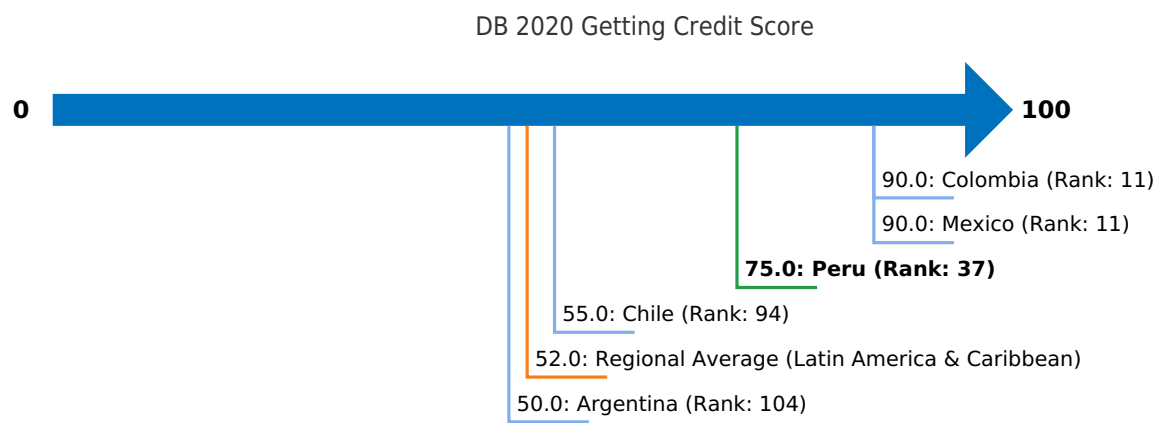
Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	7	5.3	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	5.1	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	39.4	14.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	100.0	47.6	66.7	100.0 (14 Economies)

Figure - Getting Credit in Peru - Score



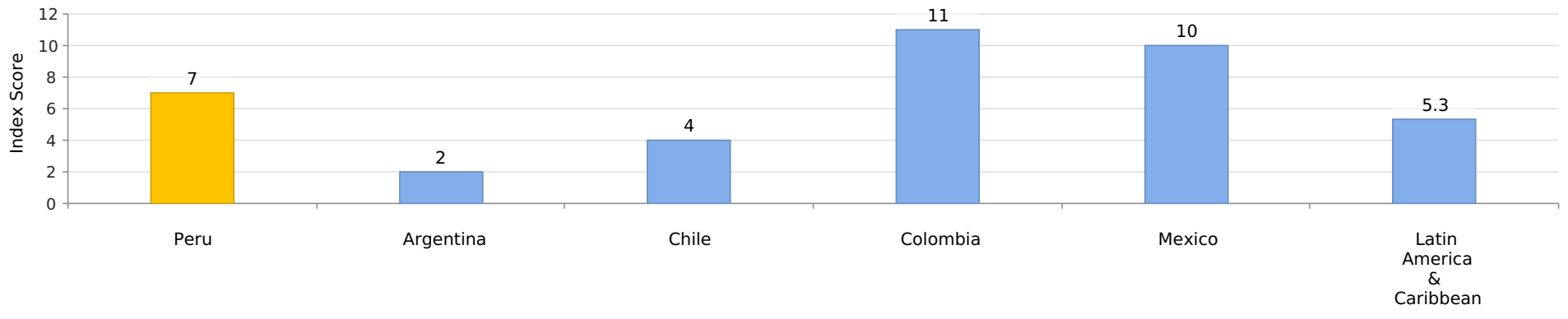
Score - Getting Credit

Figure - Getting Credit in Peru and comparator economies - Ranking and Score



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

Figure - Legal Rights in Peru and comparator economies



Details - Legal Rights in Peru

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 and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

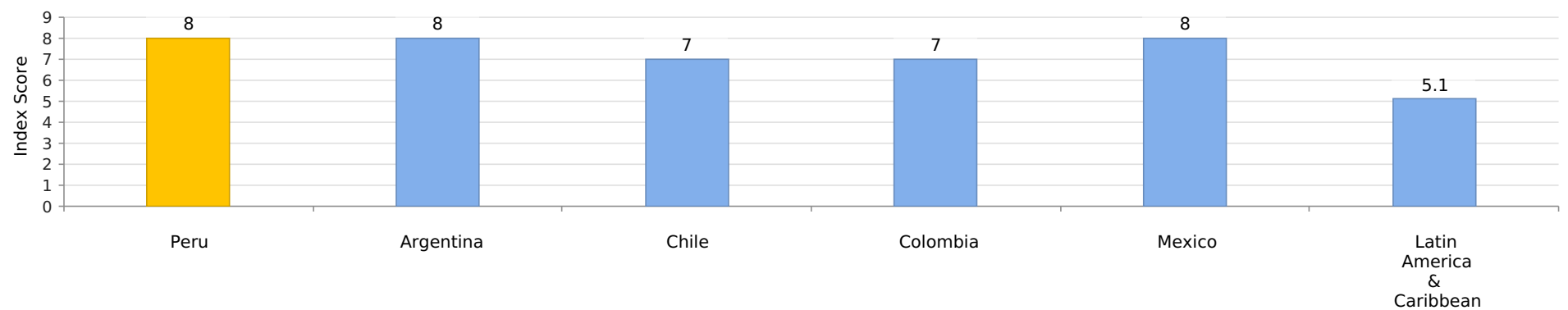
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? No

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? No

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? Yes

Figure - Credit Information in Peru and comparator economies



Details - Credit Information in Peru

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	No	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?	Yes	Yes	1
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?	Yes	No	1

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	26,914,635	7,984,663
Number of firms	1,365,437	282,872
Total	28,280,072	8,267,535
Percentage of adult population	100.0	39.4

Protecting Minority Investors

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

What the indicators measure

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

Case study assumptions

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

The business (Buyer):

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

The transaction involves the following details:

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

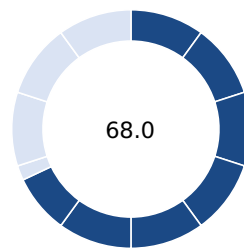
Protecting Minority Investors - Peru

Stock exchange information

Stock exchange	Bolsa de Valores de Lima
Stock exchange URL	http://www.bvl.com.pe
Listed firms with equity securities	253
City Covered	Lima

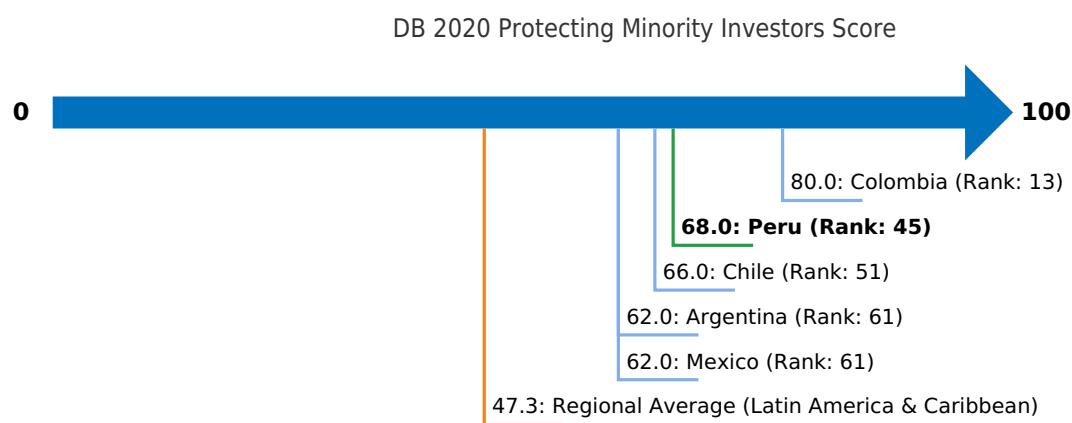
Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	9.0	4.1	6.5	10 (13 Economies)
Extent of director liability index (0-10)	6.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	6.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	6.0	3.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	2.0	2.3	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	5.0	2.3	5.7	7 (13 Economies)

Figure - Protecting Minority in Peru - Score



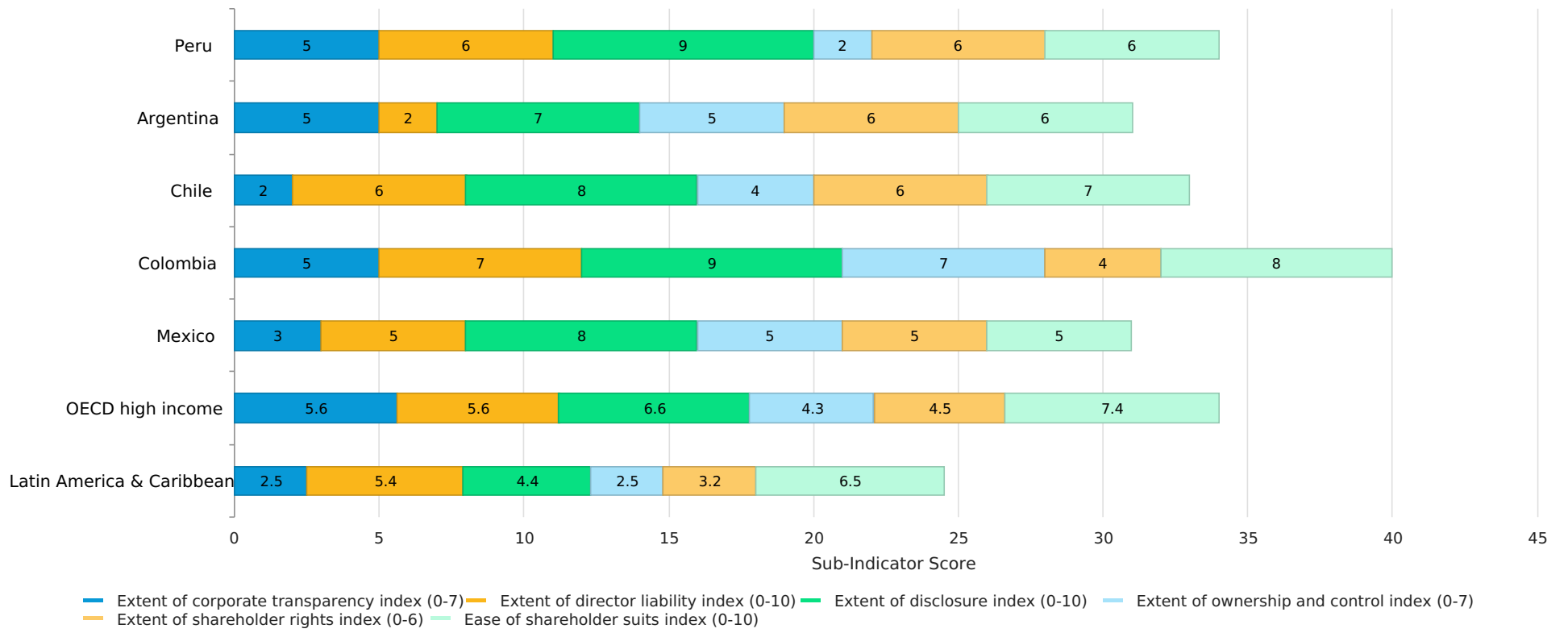
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Peru and comparator economies - Ranking and Score



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

Figure - Protecting Minority Investors in Peru and comparator economies - Measure of Quality



Details - Protecting Minority Investors in Peru - Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-30)		
Extent of disclosure index (0-10)		9.0
Whose decision is 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)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		6.0
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if unfair or prejudicial	2.0
Ease of shareholder suits index (0-10)		6.0
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
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)	No	0.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-20)		
Extent of shareholder rights index (0-6)		6.0
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?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Extent of ownership and control index (0-7)		2.0

Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
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?	No	0.0
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
Extent of corporate transparency index (0-7)		5.0
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

Paying Taxes

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

What the indicators measure

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

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

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

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

Total tax and contribution rate (% of commercial profits)

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

Postfiling Index

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

Case study assumptions

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

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

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

The VAT refund process:

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

The corporate income tax audit process:

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

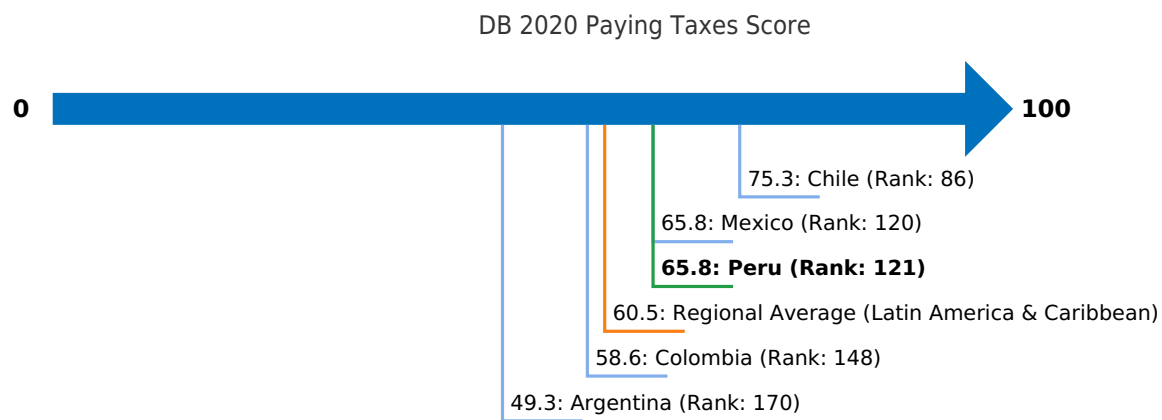
Paying Taxes - Peru

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Payments (number per year)	8	28.2	10.3	3 (2 Economies)
Time (hours per year)	260	317.1	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	36.8	47.0	39.9	26.1 (33 Economies)
Postfiling index (0-100)	19.2	47.5	86.7	None in 2018/19

Figure - Paying Taxes in Peru - Score

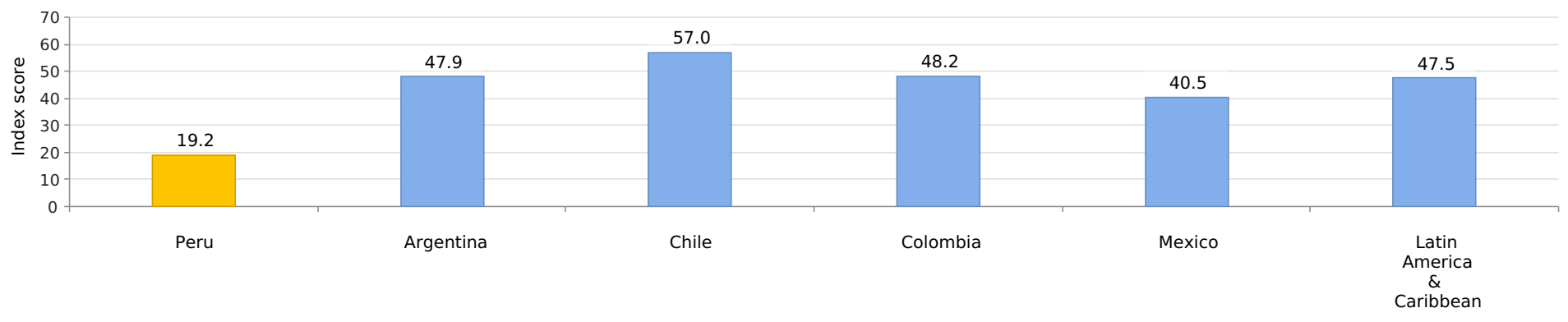


Figure - Paying Taxes in Peru and comparator economies - Ranking and Score



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

Figure - Paying Taxes in Peru and comparator economies - Measure of Quality



Details - Paying Taxes in Peru

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0	online	39.0	29.5%	taxable profits	22.68	
Social security contributions	1.0	online	111.0	9%	gross salaries	10.15	
Net Assets Tax (ITAN)	0.0	jointly		0.4%	net assets	1.57	
Real estate tax	1.0			0.2%, 0.6% and 1%	real estate value	1.48	
Industrial corporations contribution	1.0	online		0.75%	gross salaries	0.85	
Vehicles tax	1.0	online		1%	vehicle value	0.08	
Financial transactions tax	1.0	online		0.005%	transaction value	0.04	
Fuel tax	1.0	online		2.11 sol per liter	fuel consumption	0.00	
Arbitios	1.0			various rates		0.00	small amount
Value added tax (VAT)	0.0	online and jointly	110.0	18%	value added	0.00	not included
Totals	8		260			36.8	

Details - Paying Taxes in Peru - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	22.7
Labor tax and contributions (% of profit)	11.0
Other taxes (% of profit)	3.2

Details - Paying Taxes in Peru - Measure of Quality

	Answer	Score
Postfiling index (0-100)		19.2
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Restricted to international traders and others	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0.0
Time to obtain VAT refund (weeks)	No VAT refund per case study scenario	0.0
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	16.5	72.5
Time to complete a corporate income tax correction (weeks)	30.6	4.5

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

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

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

N/A = Not applicable.

Trading across Borders

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

What the indicators measure

Documentary compliance

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

Border compliance

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

Domestic transport

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

Case study assumptions

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

Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ 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 or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Peru

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	48	55.3	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	630	516.3	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	24	35.7	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	50	100.3	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	72	55.6	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	700	628.4	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	48	43.2	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	80	107.3	23.5	0 (30 Economies)

Figure - Trading across Borders in Peru - Score

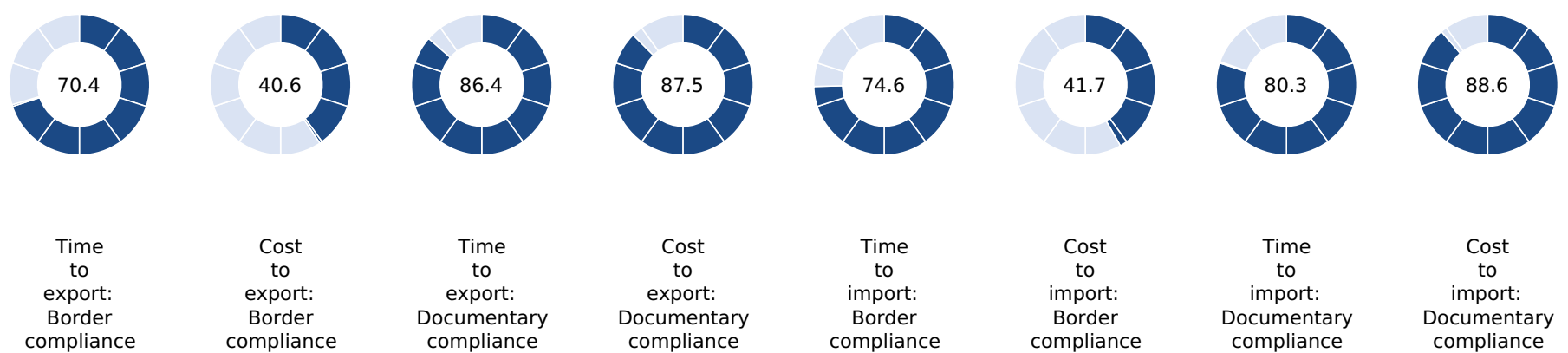
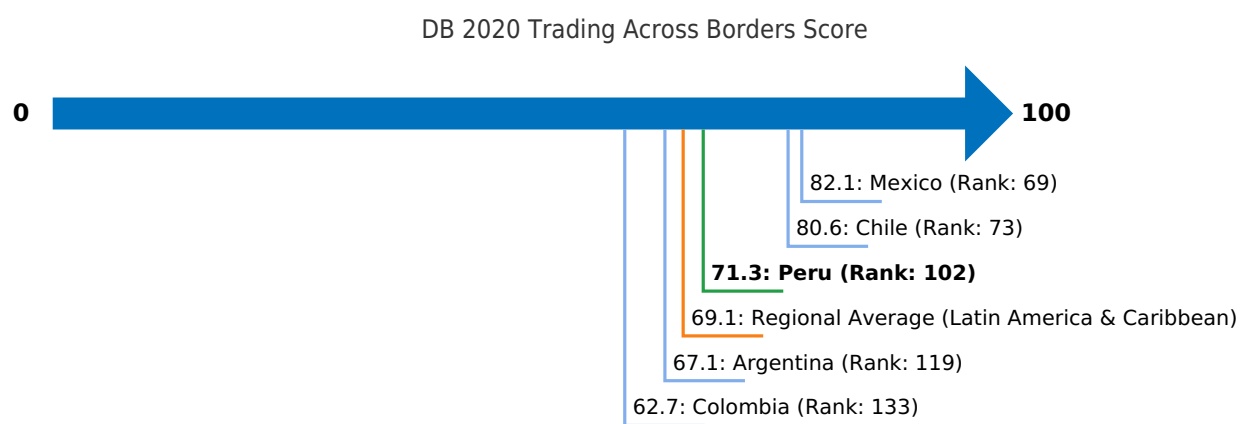
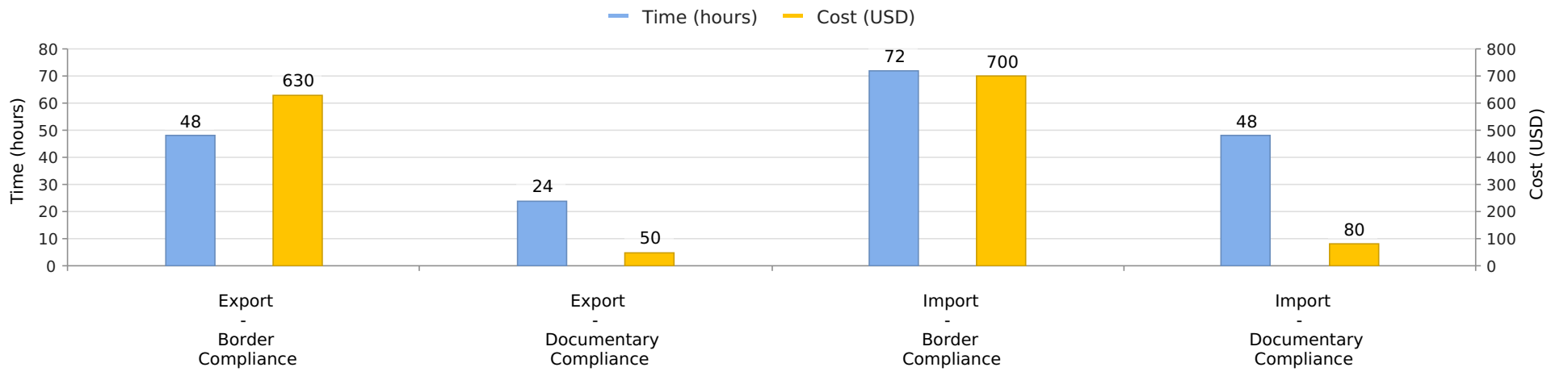


Figure - Trading across Borders in Peru and comparator economies - Ranking and Score



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

Figure - Trading across Borders in Peru - Time and Cost



Details - Trading across Borders in Peru

Characteristics	Export	Import
Product	HS 74 : Copper and articles thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	China	China
Border	Callao port	Callao port
Distance (km)	15	15
Domestic transport time (hours)	3	3
Domestic transport cost (USD)	300	300

Details - Trading across Borders in Peru - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	8.0	130.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	48.0	500.0
Import: Clearance and inspections required by customs authorities	72.0	250.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	72.0	450.0

Details - Trading across Borders in Peru - Trade Documents

Export

Import

Terminal Handling Receipts

Cargo Release Order

Customs Export Declaration

Technical Standards certificate

Commercial Invoice

Terminal Handling Receipts

Packing List

Customs Import Declaration

Bill of Lading

Commercial Invoice

Certificate of Origin

Packing List

SOLAS certificate

Bill of Lading

Certificate of Origin

SOLAS certificate

Enforcing Contracts

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

What the indicators measure	Case study assumptions
<p>Time required to enforce a contract through the courts (calendar days)</p> <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>Cost required to enforce a contract through the courts (% of claim value)</p> <ul style="list-style-type: none"> • Average attorney fees • Court costs • Enforcement costs <p>Quality of judicial processes index (0-18)</p> <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) 	<p>The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data on the time and comparable across economies, several assumptions about the case are used:</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 furniture, then fails to pay alleging that the goods are not of adequate quality. - The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater. - The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater. - The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim. - The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate. - The judge decides in favor of the seller; there is no appeal. - The Seller enforces the judgment through a public sale of the Buyer's movable assets.

Enforcing Contracts - Peru

Standardized Case

Claim value	PEN 41,160
Court name	Lima Magistrates Court
City Covered	Lima

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time (days)	478	774.2	589.6	120 (Singapore)
Cost (% of claim value)	41.2	32.0	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	9.5	8.8	11.7	None in 2018/19

Figure - Enforcing Contracts in Peru - Score

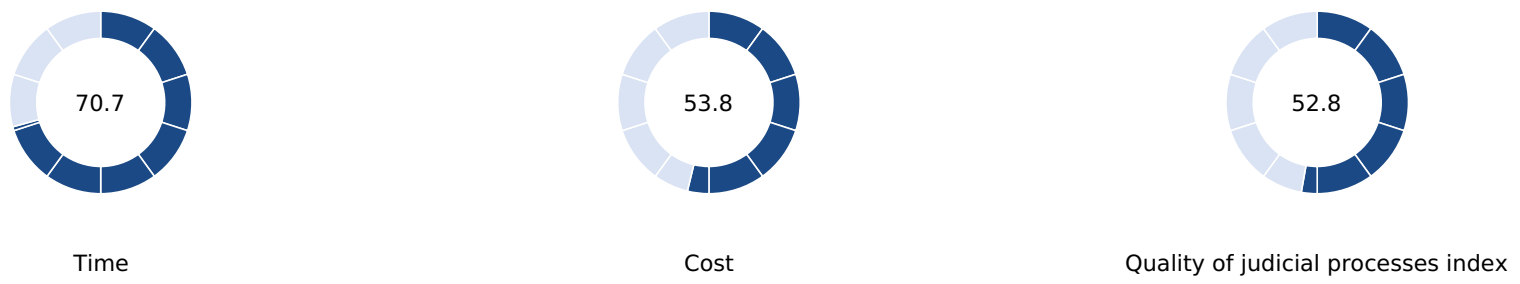


Figure - Enforcing Contracts in Peru and comparator economies - Ranking and Score



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

Figure - Enforcing Contracts in Peru - Time and Cost

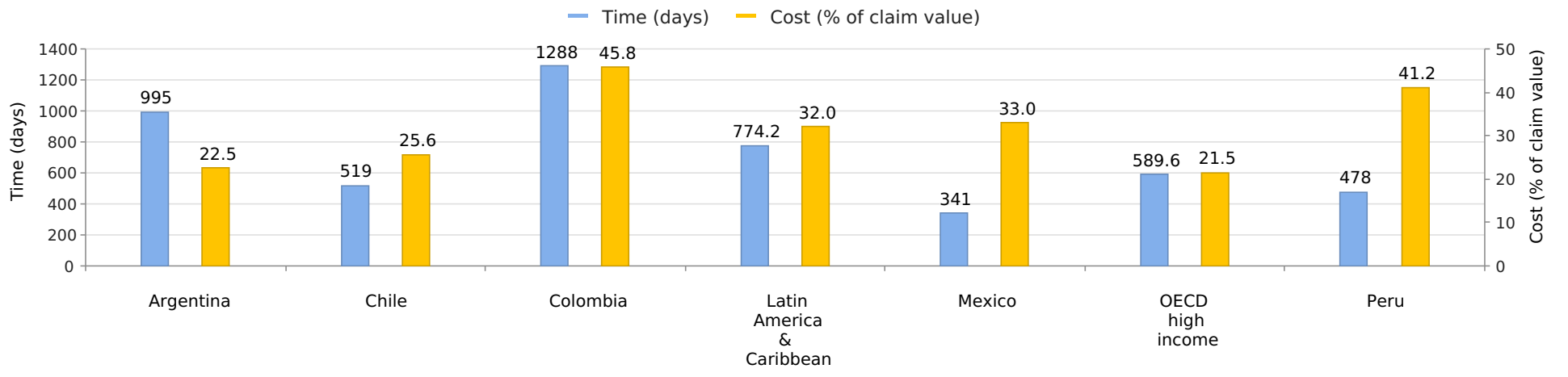
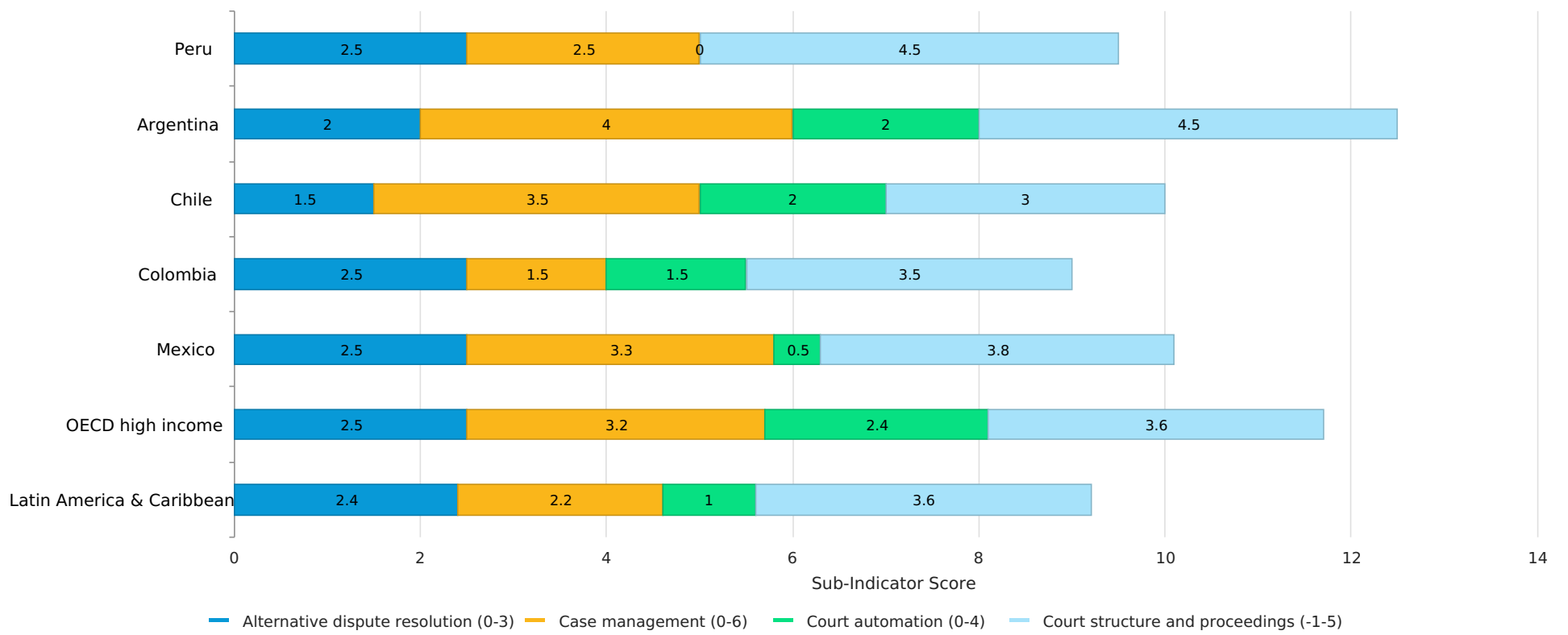


Figure - Enforcing Contracts in Peru and comparator economies - Measure of Quality



Details - Enforcing Contracts in Peru

	Indicator
Time (days)	478
Filing and service	80
Trial and judgment	223
Enforcement of judgment	175
Cost (% of claim value)	41.2
Attorney fees	30
Court fees	4.7
Enforcement fees	6.5
Quality of judicial processes index (0-18)	9.5
Court structure and proceedings (-1-5)	4.5
Case management (0-6)	2.5
Court automation (0-4)	0.0
Alternative dispute resolution (0-3)	2.5

Details - Enforcing Contracts in Peru - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		9.5
Court structure and proceedings (-1-5)		4.5
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.0
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?	n.a.	
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)		2.5
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?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	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)		2.5
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	1.0
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	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 was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Time required to recover debt (years)

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

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

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

Outcome

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

Recovery rate for creditors

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

Strength of insolvency framework index (0- 16)

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

Case study assumptions

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

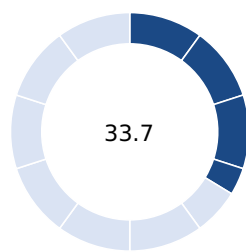
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic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

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

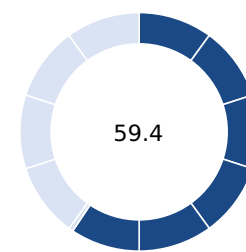
Resolving Insolvency - Peru

Indicator	Peru	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	31.3	31.2	70.2	92.9 (Norway)
Time (years)	3.1	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	7.0	16.8	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	9.5	7.2	11.9	None in 2018/19

Figure - Resolving Insolvency in Peru - Score

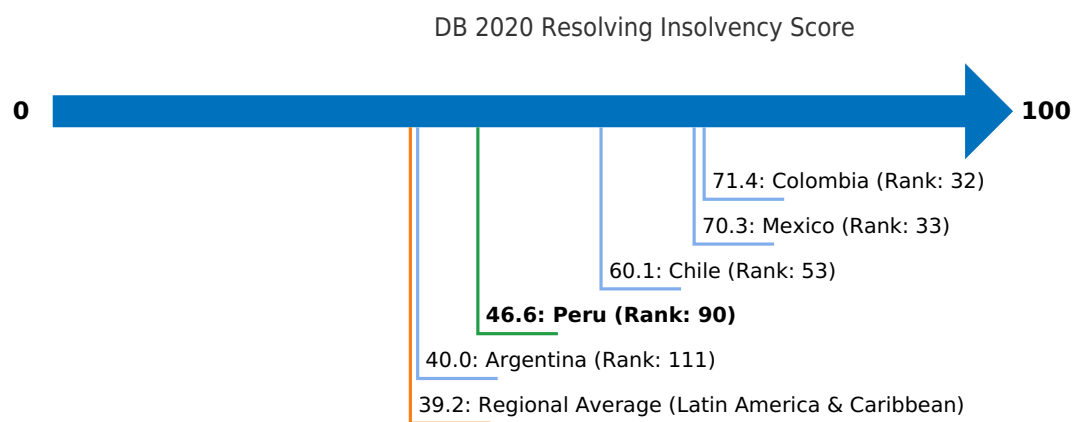


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Peru and comparator economies - Ranking and Score



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

Figure - Resolving Insolvency in Peru - Time and Cost

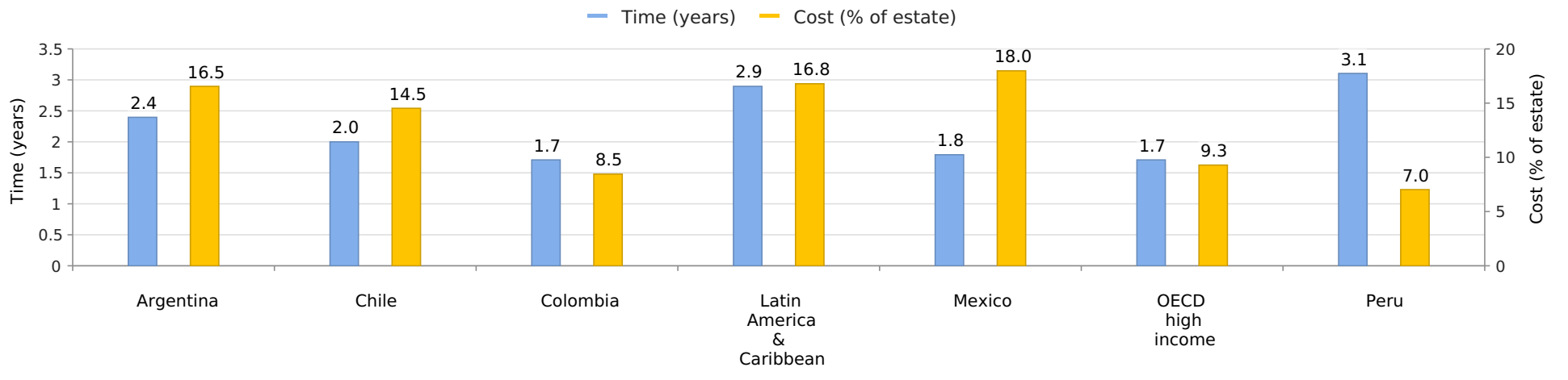
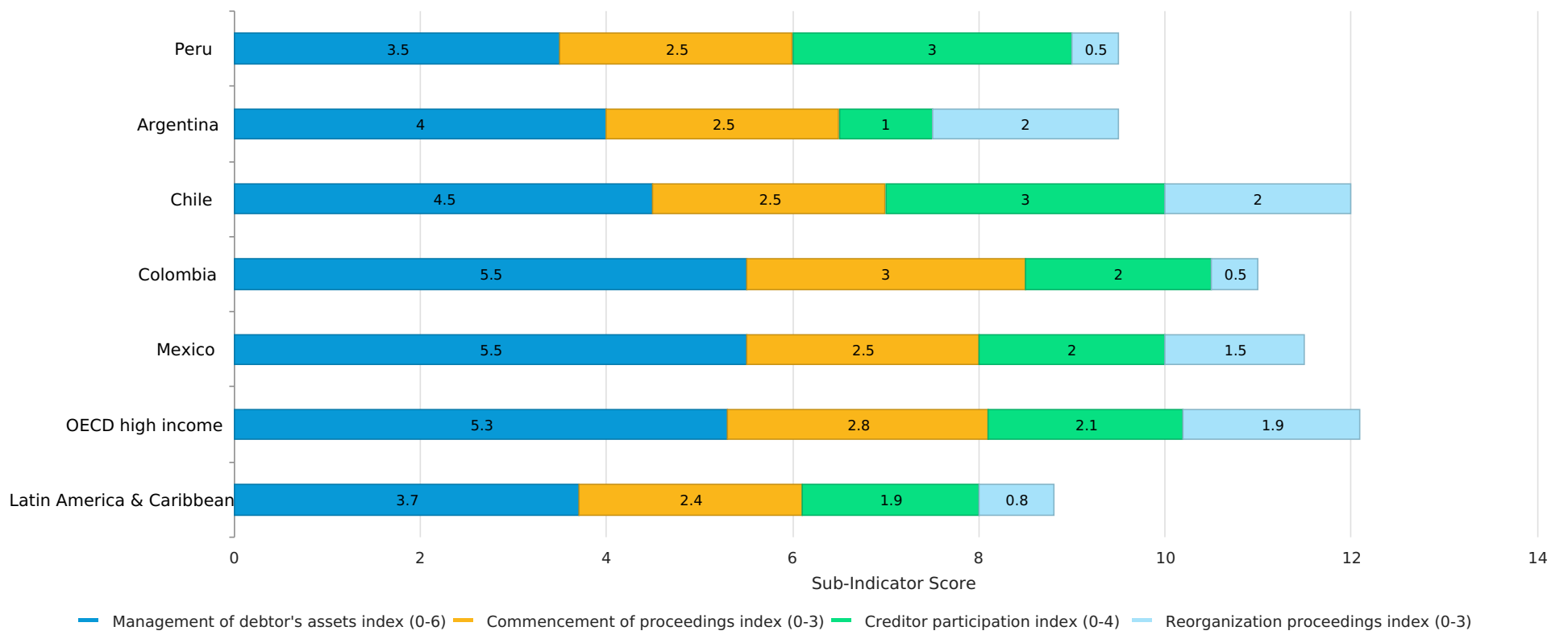
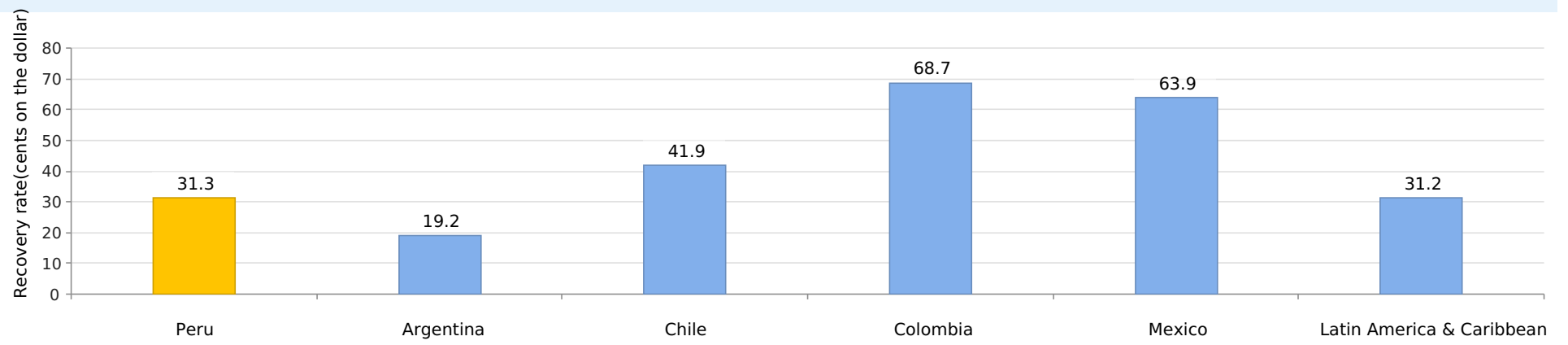


Figure - Resolving Insolvency in Peru and comparator economies - Measure of Quality



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

Figure - Resolving Insolvency in Peru and comparator economies - Recovery Rate



Details - Resolving Insolvency in Peru

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at reorganization)	The Insolvency Law (Ley General del Sistema Concursal) regulates two types of proceedings: the ordinary Insolvency proceeding (ordinary proceeding) and the preventive Insolvency proceeding (preventive proceeding). The ordinary Insolvency proceeding (ordinary proceeding) is aimed at reorganizing the debtor's company, and once it commences, all individual enforcement actions against the debtor would be automatically suspended, a list of creditor's claims is to be issued and a negotiation of a potential reorganization agreement will take place. However, because an agreement is rarely reached, the most probable scenario for the case at stake would be that the proceeding will be converted into a liquidation proceeding.
Outcome	piecemeal sale	Taking into consideration a that the reorganization proceeding will be converted into a liquidation proceeding, the hotel will cease operations and its assets will be sold separately
Time (in years)	3.1	It would take about 3 years for a reorganization proceeding which is converted into liquidation in Peru. The negotiation stage will last 1.5 years, after which the liquidation proceeding will start, assuming that there won't be an agreement with BizBank. After that a liquidator will be appointed and all measures will be observed in order to proceed with the judicial sale of the debtor's assets. The liquidation stage will last an additional 1.5 years.
Cost (% of estate)	7.0	The costs associated with the reorganization proceeding which is then converted into a liquidation proceeding like in the case of Mirage would amount to approximately 7% of the value of the estate according to our estimate. The main component of this expenditure would be the attorney's fees around 5%. The rest of the cost is represented by judicial and service fees and the fees of the insolvency administrator and the liquidator, which will amount 2% of the value of the debtor's estate.
Recovery rate (cents on the dollar)		31.3

Details - Resolving Insolvency in Peru - Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		9.5
Commencement of proceedings index (0-3)		2.5
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?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
Management of debtor's assets index (0-6)		3.5
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	No	0.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(a) Yes over all pre-commencement creditors, secured or unsecured	0.5
Reorganization proceedings index (0-3)		0.5
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		3.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

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

Employing Workers

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

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Hiring

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

Working hours

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

Redundancy rules

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

Redundancy cost

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

Case study assumptions

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

The worker:

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

The business:

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

Employing Workers - Peru

Details - Employing Workers in Peru

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	60.0
Maximum length of fixed-term contracts, including renewals (months)	60.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	277.3
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	3.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	35.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	25.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	13.0
Paid annual leave for a worker with 5 years of tenure (working days)	13.0
Paid annual leave for a worker with 10 years of tenure (working days)	13.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	13.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	Yes
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	Yes
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	Yes
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	0.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	2.9
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	14.3

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	17.1
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	11.4
Unemployment protection after one year of employment?	No

Business Reforms in Peru

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

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

DB2020

✓ **Trading across Borders:** Peru reduced the time to export and import by introducing electronic mandates for customs brokers and by streamlining import customs clearances.

DB2019

✓ **Starting a Business:** Peru made starting a business faster by reducing the time required to obtain the municipal license and building safety technical inspection from the district council.

✓ **Dealing with Construction Permits:** Peru strengthened construction quality control by imposing stricter qualification requirements for professionals in charge of technical inspections.

DB2017

✓ **Protecting Minority Investors:** Peru strengthened minority investors protections by requiring greater corporate transparency.

✓ **Paying Taxes:** Peru made paying taxes less costly by decreasing the corporate income tax rate.

DB2016

✓ **Getting Credit:** Peru improved its credit information system by implementing a new law on personal data protection.

✓ **Paying Taxes:** Peru made paying taxes easier for companies by creating an advanced online registry with up-to-date information on employees.

DB2013

✓ **Dealing with Construction Permits:** Peru made obtaining a construction permit easier by eliminating requirements for several preconstruction approvals.

✓ **Protecting Minority Investors:** Peru strengthened investor protections through a new law regulating the approval of related-party transactions and making it easier to sue directors when such transactions are prejudicial.

DB2012

✓ **Starting a Business:** Peru made starting a business easier by eliminating the requirement for micro and small enterprises to deposit start-up capital in a bank before registration.

✓ **Protecting Minority Investors:** Peru strengthened investor protections through a new law allowing minority shareholders to request access to nonconfidential corporate documents.

✓ **Paying Taxes:** Peru made paying taxes easier for companies by improving electronic filing and payment of the major taxes and promoting the use of the electronic option among the majority of taxpayers.

DB2011

✓ **Starting a Business:** Peru eased business start-up by simplifying the requirements for operating licenses and creating an online one-stop shop for business registration.

✓ **Dealing with Construction Permits:** Peru streamlined construction permitting by implementing administrative reforms.

✓ **Registering Property:** Peru introduced fast-track procedures at the land registry, cutting by half the time needed to register property.

✓ **Trading across Borders:** Peru made trading easier by implementing a new web-based electronic data interchange system, risk-based inspections and payment deferrals.

DB2010

✓ **Starting a Business:** Peru made starting a business easier by allowing online submission of electronic payroll books at no cost and by making company forms available online.

✓ **Registering Property:** Peru made registering property easier through faster electronic processing times and through an internet connection between the tax agency and notaries facilitating the payment of municipal taxes.

✓ **Paying Taxes:** Peru made paying taxes easier and less costly for companies by distributing software for value added tax payments, reducing the check tax and introducing a new regime of accelerated depreciation.

✓ **Trading across Borders:** Peru made trading across borders easier by adding cranes at the port of Callao and thereby speeding up port and terminal handling activities.

✓ **Enforcing Contracts:** Peru made enforcing contracts easier by introducing deadlines for filing evidence and contesting enforcement procedures and by permitting electronic judicial notices in lieu of publication in the official gazette.

Employing Workers: Peru decreased mandatory paid annual leave and reduced the severance payments applicable in redundancy dismissals.

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

www.doingbusiness.org



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