

Economy Profile  
Tajikistan

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



**Economy Profile of Tajikistan**

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

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

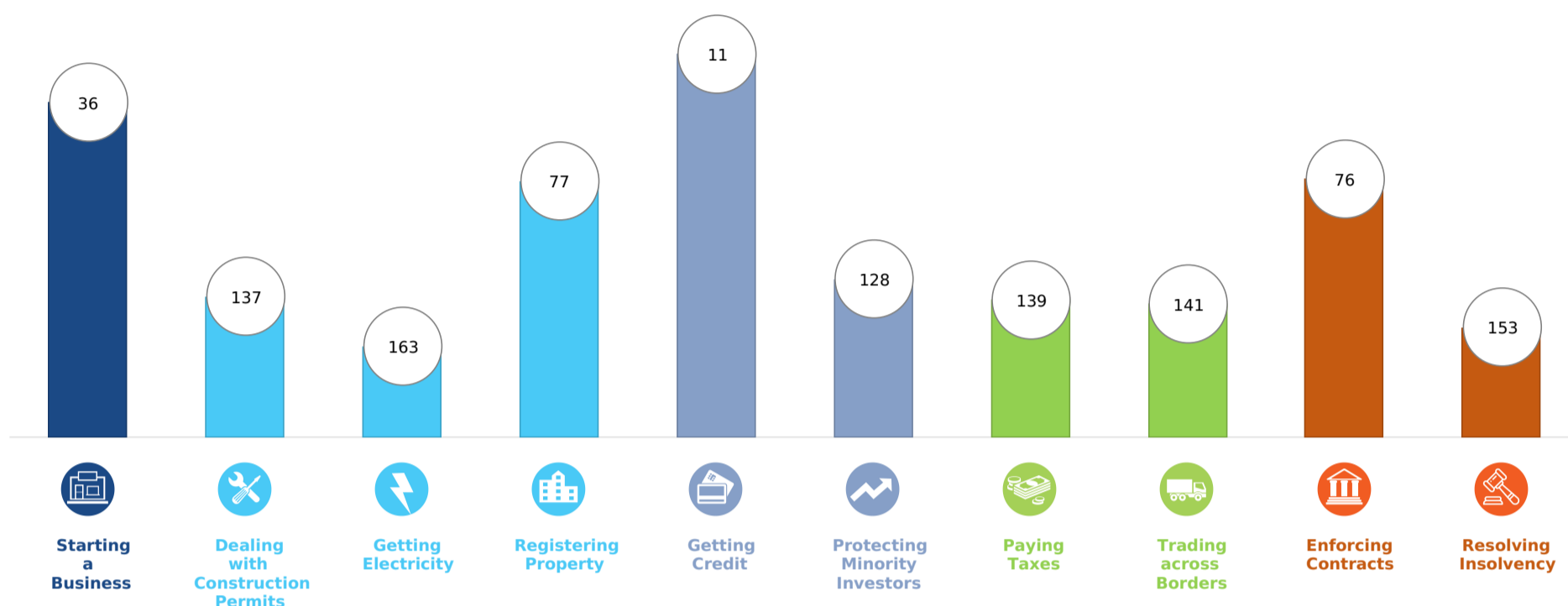
In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in 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](http://doingbusiness.org)

Ease of Doing Business in <b>Tajikistan</b> 	<b>Region</b>	Europe & Central Asia	<b>DB RANK</b>	<b>DB SCORE</b>
	<b>Income Category</b>	Low income	106	61.3
	<b>Population</b>	9,100,837		
	<b>City Covered</b>	Dushanbe		

Rankings on Doing Business topics - Tajikistan



Topic Scores



<b>Starting a Business</b> (rank) 36 Score of starting a business (0-100) 93.2 Procedures (number) 3 Time (days) 7 Cost (number) 17.5 Paid-in min. capital (% of income per capita) 0.0	<b>Getting Credit</b> (rank) 11 Score of getting credit (0-100) 90.0 Strength of legal rights index (0-12) 11 Depth of credit information index (0-8) 7 Credit registry coverage (% of adults) 0.0 Credit bureau coverage (% of adults) 47.6	<b>Trading across Borders</b> (rank) 141 Score of trading across borders (0-100) 60.9 <i>Time to export</i> Documentary compliance (hours) 66 Border compliance (hours) 27 <i>Cost to export</i> Documentary compliance (USD) 330 Border compliance (USD) 313 <i>Time to export</i> Documentary compliance (hours) 126 Border compliance (hours) 107 <i>Cost to export</i> Documentary compliance (USD) 260 Border compliance (USD) 223
<b>Dealing with Construction Permits</b> (rank) 137 Score of dealing with construction permits (0-100) 60.8 Procedures (number) 26 Time (days) 157 Cost (% of warehouse value) 3.0 Building quality control index (0-15) 12.0	<b>Protecting Minority Investors</b> (rank) 128 Score of protecting minority investors (0-100) 40.0 Extent of disclosure index (0-10) 8.0 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) 0.0 Extent of ownership and control index (0-7) 0.0 Extent of corporate transparency index (0-7) 0.0	<b>Enforcing Contracts</b> (rank) 76 Score of enforcing contracts (0-100) 60.7 Time (days) 430 Cost (% of claim value) 25.5 Quality of judicial processes index (0-18) 6.5
<b>Getting Electricity</b> (rank) 163 Score of getting electricity (0-100) 51.1 Procedures (number) 9 Time (days) 98 Cost (% of income per capita) 867.8 Reliability of supply and transparency of tariff index (0-8) 4	<b>Paying Taxes</b> (rank) 139 Score of paying taxes (0-100) 60.9 Payments (number per year) 7 Time (hours per year) 224 Total tax and contribution rate (% of profit) 67.3 Postfiling index (0-100) 40.4	<b>Resolving Insolvency</b> (rank) 153 Score of resolving insolvency (0-100) 28.4 Recovery rate (cents on the dollar) 29.6 Time (years) 1.7 Cost (% of estate) 17.0 Outcome (0 as piecemeal sale and 1 as going concern) 0 Strength of insolvency framework index (0-16) 4.0
<b>Registering Property</b> (rank) 77 Score of registering property (0-100) 66.4 Procedures (number) 4 Time (days) 33 Cost (% of property value) 2.8 Quality of the land administration index (0-30) 7.5		

## 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><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul>	<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><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-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.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-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.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-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.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul>	<p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-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.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-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.</li> </ul>
<p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	

Starting a Business - Tajikistan

Standardized Company

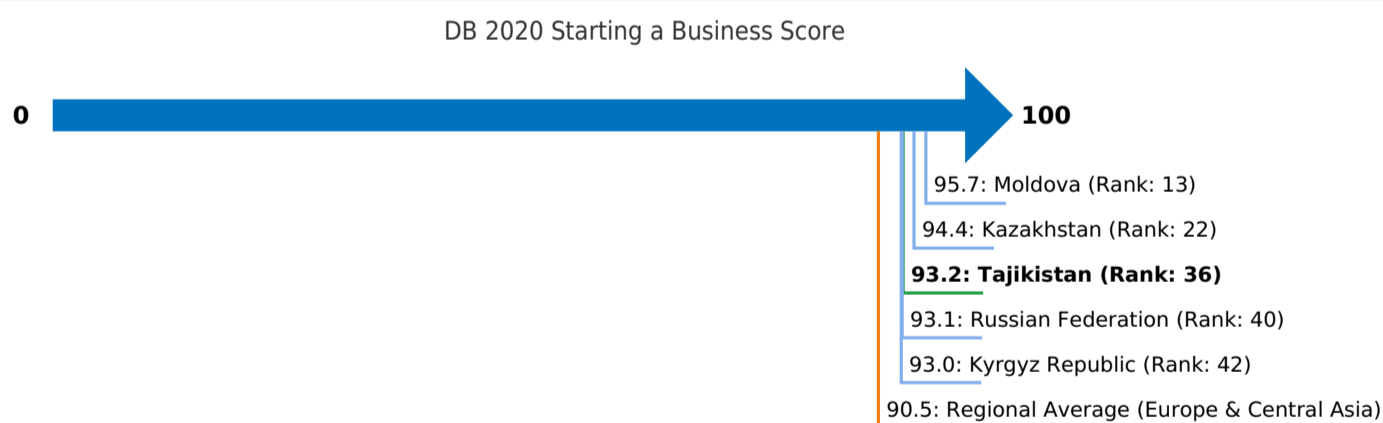
Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	No minimum
City Covered	Dushanbe

Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedure - Men (number)	3	5.2	4.9	1 (2 Economies)
Time - Men (days)	7	11.9	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	17.5	4.0	3.0	0.0 (2 Economies)
Procedure - Women (number)	3	5.2	4.9	1 (2 Economies)
Time - Women (days)	7	11.9	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	17.5	4.0	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	0.7	7.6	0.0 (120 Economies)

Figure - Starting a Business in Tajikistan - Score

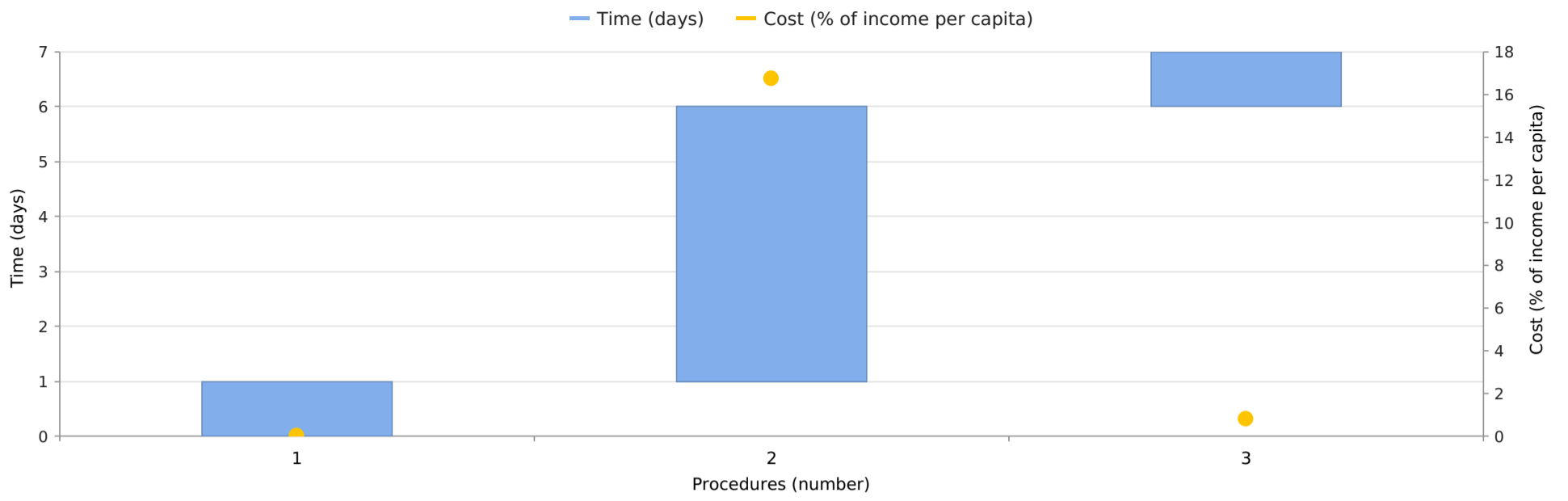


Figure - Starting a Business in Tajikistan and comparator economies - Ranking and Score



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 Tajikistan - 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 Tajikistan - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Pay and obtain receipt confirming the payment of the registration fee</b>  <i>Agency : Amonatbank</i>            The registration fees need to be paid in the office of Amonatbank located under the legal address of LLC.</p> <p>The proof of payment of the (1) company registration fee and (2) printing of the Registration Extract should be submitted to the one stop shop as part of the documents for registering a company.</p>	1 day	included in procedure 2
2	<p><b>Register the company with the State Registration of Legal Entities and Individual Entrepreneurs ("one stop shop") and obtain state registration certificate, Statistics Code, Tax Identification Number (TIN), and SIN (Social Identification Number)</b>  <i>Agency : Tax Authority</i>            In accordance with Article 5 of the Law of RT #508 "On State Registration of Legal Entities and Individual Entrepreneurs" dated May 19, 2009 the Tax authority is responsible for registration of legal entities.            The following documents should be submitted for registration at the one-stop shop:</p> <ul style="list-style-type: none"> <li>- application;</li> <li>- decision on establishment Company in Tajikistan;</li> <li>- copy of ID document and Tax Clearance Certificate of each shareholder, when shareholders are fiscal persons;</li> <li>- copy of certificates of registration of shareholders and Tax Clearance Certificate, when shareholders are legal entities</li> <li>- copy of ID document of applicant;</li> <li>- copy of document confirming legal address of the company;</li> <li>- proof of payment of state duty.</li> </ul> <p>In practice, registration body asks for additional documents which are not stipulated by the Law.</p> <p>In accordance with Article 10 of Law of RT 3508 the registration should be completed within five working days from the moment of submission of documents. Since the amendments to the Law of the Republic of Tajikistan "On State Registration of Legal Entities and Individual Entrepreneurs", upon registration, entrepreneurs obtain a single registration number, a TIN, a statistic code and the SIN (Social Protection and Pension number).</p> <p>According to the Article 4.5.1) of the Law on State Duty, the amount of state duty levied upon registration of an LLC is equal to 25 calculation indexes. According to Article 6.2 of the Law on State Registration of Legal Entities and Individual Entrepreneurs, the amount of state duty levied for the extract summarizing information about the registered entity is equal to 2 calculation indexes.</p> <p>Article 23 of the Law on State Budget for 2019 (adopted on November 26, 2018 and enforced on January 1, 2019) has established the calculation index in amount of 55 somoni. The calculation of fees is therefore <math>(25 * TJS 55 + 2 * TJS 55) = TJS 1,485</math>.</p>	5 days	TJS 1,375 State duty + TJS 110 (fee for the extract summarizing information about the registered entity)
3	<p><b>Make a company seal</b>  <i>Agency : Sealmaker</i>            The company seal is required for companies to perform its regular activities and enter in legal relationships - all contracts and agreements, together with any other documents that should have legal force, should be stamped by the company's seal. While the use of corporate seal is not mandated by law, in practice the seal stamp is needed to sign agreements, issue invoices, etc.</p>	1 day	TJS 70

⇒ 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	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul> <p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p> <p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul> <p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- 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.</li> <li>- 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.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul> <p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- 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.</li> <li>- 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.</li> <li>- 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.</li> </ul>

Dealing with Construction Permits - Tajikistan

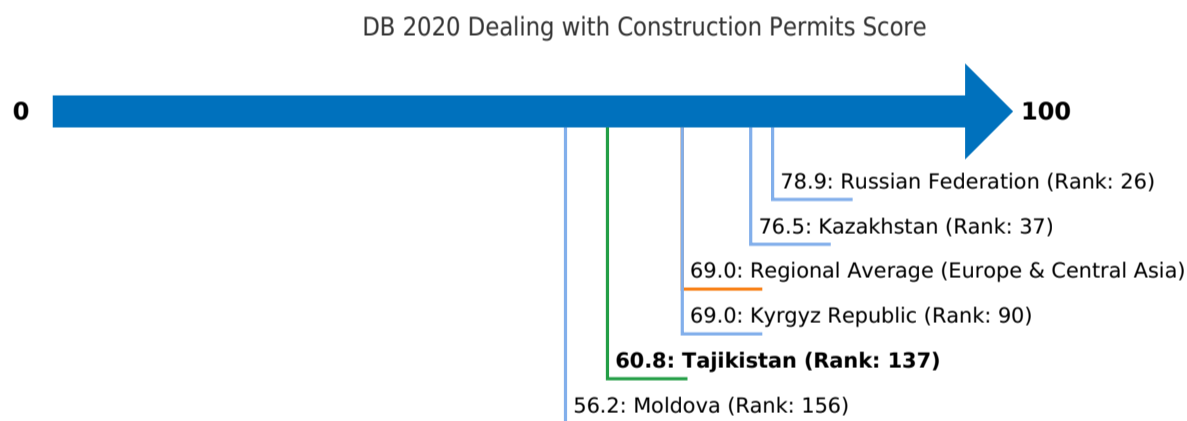
Standardized Warehouse

Estimated value of warehouse	TJS 443,648.80			
City Covered	Dushanbe			
Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	26	16.2	12.7	None in 2018/19
Time (days)	157	170.1	152.3	None in 2018/19
Cost (% of warehouse value)	3.0	4.0	1.5	None in 2018/19
Building quality control index (0-15)	12.0	12.1	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Tajikistan - Score

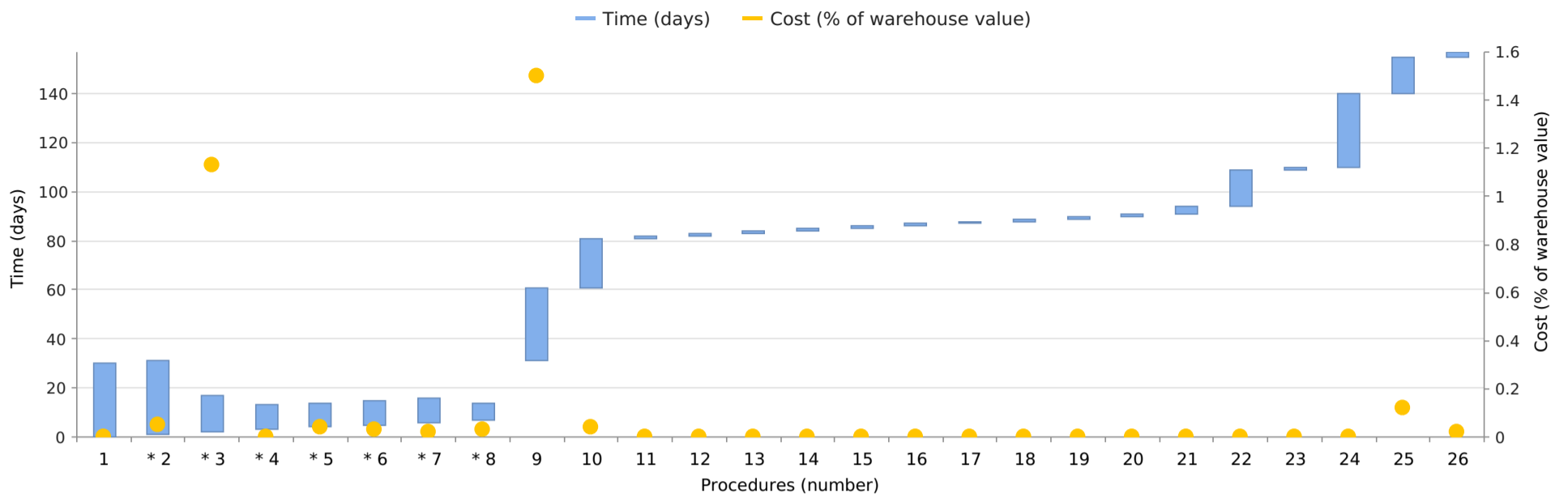


Figure - Dealing with Construction Permits in Tajikistan and comparator economies - Ranking and Score



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.

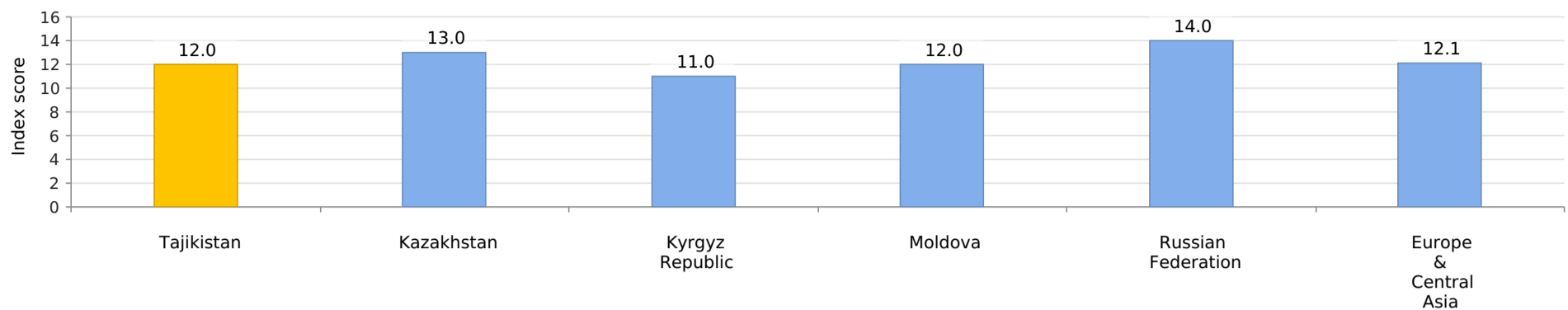
Figure - Dealing with Construction Permits in Tajikistan - Procedure, Time and Cost



\*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 Tajikistan and comparator economies - Measure of Quality



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

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Request and obtain project design permit</b>  <i>Agency</i> : Local Authority-Hukumat of Dushanbe            BuildCo has to apply to Hukumat (Municipality) of Dushanbe city for allocation of land plot for building a warehouse. The Hukumat coordinates the land allocation process with the Department of Architecture and Construction of Dushanbe City which prepares the project design permit. The Department of Architecture and Construction of Dushanbe City sends the project design permit back to Hukumat. At this point, BuildCo will need to coordinate/receive approvals from all the agencies that must approve the project at later stages (for example, electricity company, water company, fire safety, etc.).</p>	30 days	no charge
⇒ 2	<p><b>Request and obtain environmental project clearance from the Environmental Protection Agency</b>  <i>Agency</i> : Environmental Protection Agency            BuildCo must obtain a permit for air pollutant emissions and waste disposal after environmental clearance has been obtained. Although official tariffs have been adopted and collected, they are not published, disclosed in full to applicants, or registered with the Ministry of Justice as required by law.             The statutory time limit is 30 days. The applicable legislation is the Order of the State Environmental Review, approved by the Gov. Resolution №697 from 3.12.2012.</p>	30 days	TJS 200
⇒ 3	<p><b>Obtain topographic and geological surveys of the land plot</b>  <i>Agency</i> : Private Licensed Company            BuildCo must involve a private company to conduct topographic and engineering surveys of the land plot.</p>	15 days	TJS 5,000
⇒ 4	<p><b>Request and obtain technical conditions for water connection from the Water and Sewerage Agency</b>  <i>Agency</i> : Dushanbe Water and Sewerage Company            While the Assignment is being prepared technical conditions for water connection have to be obtained. Water services are requested in writing by filling out the application form.</p>	10 days	no charge
⇒ 5	<p><b>Request and obtain Architecture Planning Assignment</b>  <i>Agency</i> : Chief Architect of the City of Dushanbe            According to the regulations, construction companies must obtain the architectural planning assignment ("Assignment") at this stage. A site visit might be required to prepare the Assignment. However, in most of the cases no representative of a construction company has to be present during the site visit.             Documents which have to be submitted to obtain the Assignment are:            • The Act on the Selection of the Land Plot and the Decision on the Project            • Assignment for the project put together by a project design firm hired by the client and the client himself</p>	10 days	TJS 165
⇒ 6	<p><b>Request and obtain project clearance from State Sanitary Hygienic Service under the Ministry of Health</b>  <i>Agency</i> : State Sanitary Hygienic Service (Ministry of Health)            Although official tariffs have been adopted and collected, they are not published, disclosed in full to applicants, or registered with the Ministry of Justice as required by law.             The applicable legislation is Articles 9, 13, 25, and 26 of the Regulation of the Government on the Order of Registration, Drawing and Issuing of Sanitary Hygienic Conclusion, No. 139 (dated March 31, 2004).</p>	10 days	TJS 150
⇒ 7	<p><b>Request and obtain project clearance from the Dushanbe Water and Sewerage Agency</b>  <i>Agency</i> : Dushanbe Water and Sewerage Agency            The applicable legislation is the Rules of connection to utilities and public services, approved by the Resolution of the Government of the Republic of Tajikistan on June 3, 2014, №354.</p>	10 days	TJS 100

8	<p><b>Request and obtain fire safety project clearance from the State Anti-Fire Agency under the Ministry of Domestic Affairs</b></p> <p><i>Agency</i> : State Anti-Fire Agency (Ministry of Domestic Affairs)</p> <p>The approval is granted with technical requirements to be complied with. Although official tariffs have been adopted and collected, they are not published, disclosed in full to applicants, or registered with the Ministry of Justice as required by law.</p> <p>The applicable legislation is the Law № 363 "On Fire Safety" as of 20 March 2009.</p>	7 days	TJS 150
9	<p><b>Request and obtain approval of project design drawings by Construction and Architecture Department</b></p> <p><i>Agency</i> : Construction and Architecture Department under State Committee on Construction and Architecture</p> <p>Approval is granted in the form of a Consolidated Expert Approval of the Project.</p> <p>The tariffs have been approved by the State Committee on Construction and Architecture under the Government in June 14, 2007 under which payment for the expertise is calculated based on the design estimate. In our case, it is calculated as 15% of the design project cost, which is assumed to be approximately 10% of the value of the warehouse.</p> <p>The applicable legislation is the Code of Norms and Rules of the Republic of Tajikistan, Structure and the Order of Development, Concordance and Approval of Project Estimates on Construction of Buildings, registered in the Ministry of Justice, No. 199 (dated April 25, 2006); Valuation of Works on Holding State Expertise of Design Estimates, on Major and Current Repairs of Objects Irrespective the Sources of Finance and Forms of Enterprise Property, approved by the Chairman of the Committee on Architecture and Construction under the Government (dated September 20, 2002).</p> <p>Government Resolution #282 on May 6, 2009 changed the statutory time limit to 20 working days for constructions over 1,000 cubic meters. However, in practice it takes more than stipulated time limit.</p>	30 days	TJS 6,655
10	<p><b>Request and obtain final project clearance from the Construction and Architecture Department</b></p> <p><i>Agency</i> : Construction and Architecture Department under State Committee on Construction and Architecture</p> <p>The applicable legislation is the Regulation of the Government of Republic of Tajikistan, Provision on Agencies Involved in State Construction Inspection, No. 553 (dated December 25, 1997); Articles 1.1, 2.6, 2.7, and 2.9 of the Regulation of the Chairman of Dushanbe City, On Applying a Simple Mechanism of Receiving and Reviewing of Applications Submitted by Legal Entities and Physical Persons with Regard to Construction, Architecture, and Land Allocation; The order of administrative procedures related to the construction activities in Tajikistan, validated by the Government Resolution №282 from 6.05.2009.</p>	20 days	TJS 165
11	<p><b>Receive a periodic inspection from the Sanitary Hygienic Service</b></p> <p><i>Agency</i> : Sanitary Hygienic Service</p> <p>Periodic inspections occur during construction at the discretion of the authority and without prior notice. BuildCo does not request these inspections.</p> <p>The applicable legislation is Regulation of the Government of Republic of Tajikistan on Approving the Order of Registration, Drawing and Issuing of Sanitary Hygienic Conclusion, No. 139 (dated March 31, 2004); Provision on State Sanitary Hygienic Services of Republic of Tajikistan, Regulation of the Government of Republic of Tajikistan, Provision on Agencies Involved in State Construction Inspection, No. 553 (dated December 25, 1997).</p>	1 day	no charge
12	<p><b>Receive a periodic inspection from the Fire Safety Agency</b></p> <p><i>Agency</i> : Fire Safety Agency</p> <p>Periodic inspections occur during construction at the discretion of the authority and without prior notice. BuildCo does not request these inspections.</p> <p>The applicable legislation is the Law on Fire Safety, No. 995 (dated July 21, 1994), Regulation on State Fire Control, dated December 1, 1995; Regulation of the Government of RT, Provision on Agencies Involved in State Construction Inspection, No. 553, dated December 25, 1997.</p>	1 day	no charge
13	<p><b>Receive a periodic inspection from the Ministry of Environmental Protection</b></p> <p><i>Agency</i> : Ministry of Environmental Protection</p> <p>Periodic inspections occur during construction at the discretion of the authority and without prior notice. BuildCo does not request these inspections.</p>	1 day	no charge

14	<p><b>Receive foundation works inspection from the State Architecture Inspection - Dushanbe City</b></p> <p><i>Agency</i> : State Architecture Inspection - Dushanbe City</p> <p>The applicable legislation is the Regulation of the Chairman of Dushanbe City on Applying a Simple Mechanism of Receiving and Reviewing of Applications Submitted by Legal Entities and Physical Persons with Regard to Construction, Architecture, and Land Allocation.</p> <p>Law No .194, as of June 28, 2006 "On Inspections of Business Entities in Republic of Tajikistan" was amended through List of Inspection Authorities, approved by Resolution (№38/01) as of 23 May 2008 and registered in Ministry of Justice №426. According to these changes, if an inspection is conducted by one controlling entity (district, city, province or national level) then the other entities of the same controlling authority are not allowed to inspect the same business within the next two years.</p> <p>The State Architecture Inspection of Dushanbe inspects the construction process in every major milestone, including foundations, structure, plumbing works and roofing works. Once the construction permit the state architecture and construction inspection authority registers the newly issued permit for construction in the register of new building objects. It also opens a journal of planned inspection for the object, which is synchronized with the construction schedule.</p>	1 day	no charge
15	<p><b>Receive structure works inspection from the State Architecture Inspection - Dushanbe City</b></p> <p><i>Agency</i> : State Architecture Inspection - Dushanbe City</p> <p>The State Architecture Inspection of Dushanbe inspects the construction process in every major milestone, including foundations, structure, plumbing works and roofing works. Once the construction permit the state architecture and construction inspection authority registers the newly issued permit for construction in the register of new building objects. It also opens a journal of planned inspection for the object, which is synchronized with the construction schedule.</p>	1 day	no charge
16	<p><b>Receive plumbing works inspection from the State Architecture Inspection - Dushanbe City</b></p> <p><i>Agency</i> : State Architecture Inspection - Dushanbe City</p> <p>The State Architecture Inspection of Dushanbe inspects the construction process in every major milestone, including foundations, structure, plumbing works and roofing works. Once the construction permit the state architecture and construction inspection authority registers the newly issued permit for construction in the register of new building objects. It also opens a journal of planned inspection for the object, which is synchronized with the construction schedule.</p>	1 day	no charge
17	<p><b>Receive roofing works inspection from the State Architecture Inspection - Dushanbe City</b></p> <p><i>Agency</i> : State Architecture Inspection - Dushanbe City</p> <p>The State Architecture Inspection of Dushanbe inspects the construction process in every major milestone, including foundations, structure, plumbing works and roofing works. Once the construction permit the state architecture and construction inspection authority registers the newly issued permit for construction in the register of new building objects. It also opens a journal of planned inspection for the object, which is synchronized with the construction schedule.</p>	1 day	no charge
18	<p><b>Receive a periodic inspection from the Labor Authority</b></p> <p><i>Agency</i> : Labor Authority</p> <p>There is no legal basis for the inspection by this agency, but it occurs in practice.</p>	1 day	no charge
19	<p><b>Request water and sewage connection</b></p> <p><i>Agency</i> : Dushanbe Water and Sewerage Company</p> <p>BuildCo has to request water and sewage connection from the Water and Sewerage Agency. This procedure is regulated by the Decree of the Government of Tajikistan # 354 on "Rules of connection to utilities and public services" from June 3, 2014, №354.</p>	1 day	no charge
20	<p><b>Receive inspection for water and sewage connection</b></p> <p><i>Agency</i> : Dushanbe Water and Sewerage Company</p> <p>Periodic inspections may occur several times at the discretion of inspecting bodies. There is no legal fee, though there is a penalty for violations.</p>	1 day	no charge
21	<p><b>Obtain water and sewage connection</b></p> <p><i>Agency</i> : Dushanbe Water and Sewerage Company</p> <p>The applicable legislation is Code of Norms and Rules of the Republic of Tajikistan, Structure and the Order of Development, Concordance and Approval of Project Documents with Regard to Construction of Buildings and Erections, No. 199 (dated April 25, 2006); Water Code of the Republic of Tajikistan No. 34 (dated November 29, 2000).</p>	3 days	no charge
22	<p><b>Request and receive a decision by Working Commission</b></p> <p><i>Agency</i> : Working Commission</p> <p>The Working Commission includes representatives from the customer (BuildCo), general contractors and subcontractors and the general designer.</p> <p>The applicable legislation is the Regulation of Construction and Architecture Committee under the Government of the Republic of Tajikistan on Approving Code of Rules and Norms of the Republic of Tajikistan (dated January 3, 2001); Basic Provisions of Putting into Operation of constructed objects, No. 1 (dated January 4, 2002).</p>	15 days	no charge
23	<p><b>Receive inspection by the State Acceptance Commission</b></p> <p><i>Agency</i> : State Acceptance Commission</p>	1 day	no charge

24	<p><b>Obtain decision of the State Acceptance Commission / final decision of the Mayor</b>  <i>Agency</i> : State Acceptance Commission</p> <p>The Chairman of the State Acceptance Commission acts as the representative of the city. The decision of the mayor is made based on the commission's decision. The State Acceptance Commission includes representatives from the city, the rayon, the customer (the builder), general contractors and subcontractors, the general designer, the senior architect of the city, the Fire and Sanitary Station, the electric power agency, the Environment Ministry, the water agency, and other interested state agencies.</p> <p>The applicable legislation is the Regulation of the Committee on Architecture and Construction under the Government of the Republic of Tajikistan on Approving Code of Norms and Rules (dated January 3, 2004); Basic Provisions of Putting constructed objects into Operation, No. 1 (dated January 4, 2002); and Articles 1.1., 2.6., 2.7., and 2.9 of the Regulation of the Chairman of Dushanbe City on Applying of a Simple Mechanism of Receiving and Reviewing of Applications Submitted by Legal Entities and Physical Persons with Regard to Construction, Architecture and Land Allocation, No. 264 (dated June 12, 2006).</p> <p>Law No. 380 "On Architecture, Urban Construction and Construction Activities" as of March 2008, introduced two time frames for obtaining the final decision of the State Acceptance Commission. Depending on the type of the construction it should take 30 days for commercial buildings and 10 days for residential buildings.</p>	30 days	no charge
25	<p><b>Obtain approval of the Bureau on Technical Inventory (BTI) on acceptance of building and issuance of technical passport</b>  <i>Agency</i> : SUE "Registration of Immovable Property"</p> <p>The price list for the technical passport is approved by the Ministry of Economic Development and Trade of the Republic of Tajikistan on the November 12, 1999, N3/1-382 and approved by the State Company "TajikUtilityServices" on the 26th of November 1999, N262/4 and implemented on the January 1, 2000.</p> <p>According to the price list, the calculation is computed according to the surface area, number of rooms and additional work completed based on worker hours.</p>	15 days	TJS 520
26	<p><b>Register the building</b>  <i>Agency</i> : SUE "Registration of Immovable Property"</p> <p>Registration of constructions is completed by the SUE "Registration of Immovable Property". Required documents for submission are the Act on the Allocation of Land for the Construction and the Construction Acceptance Act.</p> <p>According to the law, after registration a notary issues a certificate certifying the right to property. This certificate is issued for immovable property newly constructed. The following documents are required to submit to the notary:</p> <ul style="list-style-type: none"> <li>- Land allocation permit for construction</li> <li>- Decision of the local authorities on the acceptance of the constructed object as finished</li> <li>- Acceptance act</li> <li>- Note of registration at the Bureau of Technical Inventory.</li> </ul>	2 days	TJS 78

⇒ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Tajikistan - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>12.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge; In official gazette.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
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
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
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.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
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
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>
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)	No party is held liable under the law.	0.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Passing a certification exam.	2.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Passing a certification exam.	2.0



## ⚡ 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 - Tajikistan

#### Standardized Connection

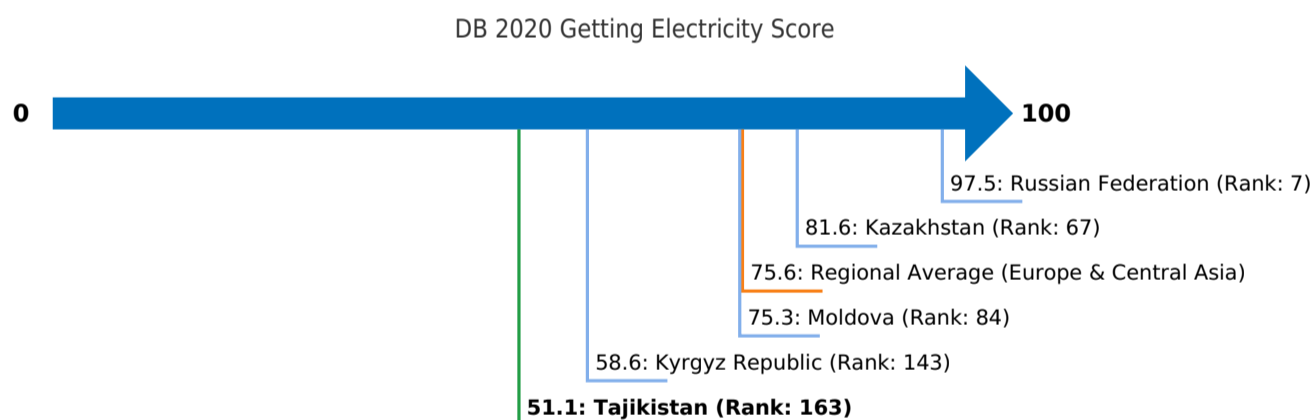
Name of utility	Shabakahoi Barkii Shahri Dushanbe
Price of electricity (US cents per kWh)	6.3
City Covered	Dushanbe

Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	9	5.1	4.4	3 (28 Economies)
Time (days)	98	99.6	74.8	18 (3 Economies)
Cost (% of income per capita)	867.8	271.9	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	4	6.2	7.4	8 (26 Economies)

Figure - Getting Electricity in Tajikistan - Score

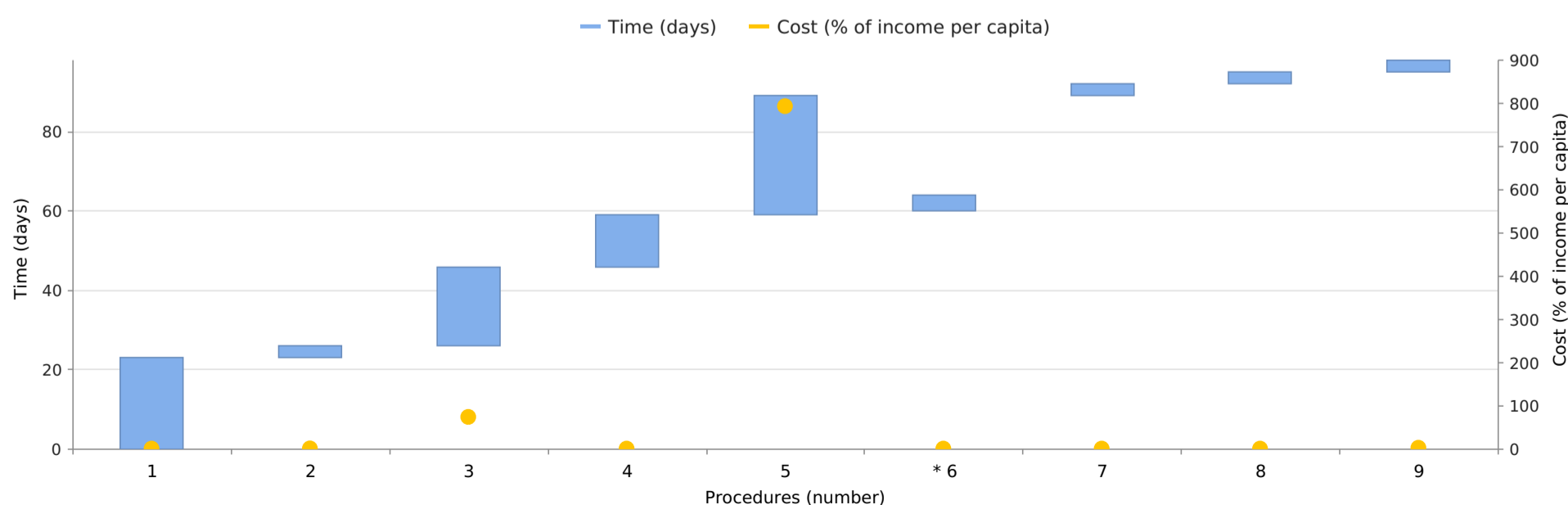


Figure - Getting Electricity in Tajikistan and comparator economies - Ranking and Score



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 Tajikistan - Procedure, Time and Cost

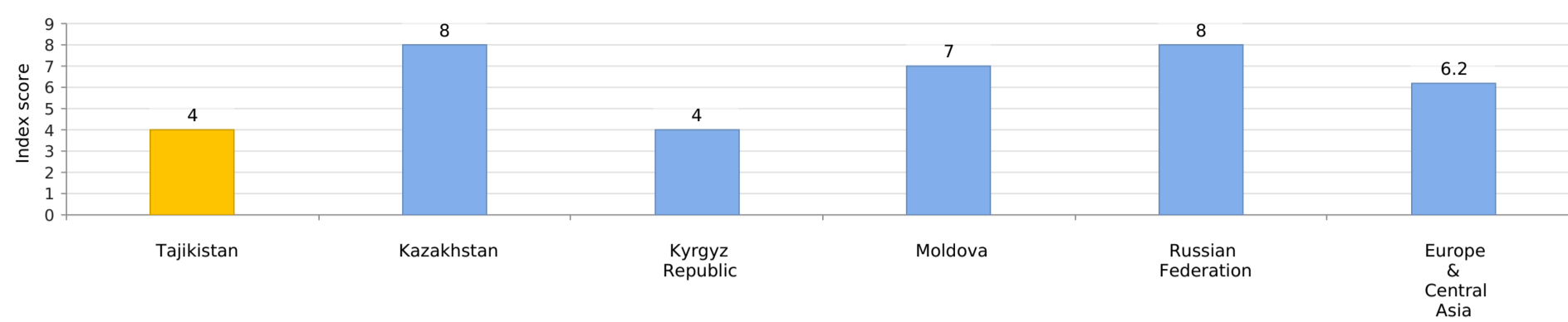


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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 Tajikistan and comparator economies - Measure of Quality



## Details - Getting Electricity in Tajikistan - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application and await technical conditions</b>  <i>Agency</i> : Barki Tojik/Dushanbe City Electrical Grid            The customer submits the application for an electricity connection to the City Electric Grid (Shabakhoi Barki Sahri Dushanbe) stating the amount of power to be consumed and area where the building is located. The City Electric Grid after analyzing the application passes its Technical Proposal to JSHC Barki Tojik. Documents attached to the application: copy of owner's passport and the permit from Hukumat. JSHC Barki Tojik prepares technical conditions            Technical conditions include the point of connection, allowed load, connection voltage and calculation of the connection fee. Five copies of the technical conditions are prepared and are submitted to the applicant, Dushanbe City Electric Grid, archive at State Agency at the Energy Supervision and JSHC Barki Tojik.</p>	23 calendar days	TJS 0
2	<p><b>Obtain external inspection and approval of technical conditions</b>  <i>Agency</i> : State Agency for Energy Supervision            State Agency for Energy Supervision inspects the site before the external connection works can start. In some cases inspection does not take place, however, in other cases it does.</p>	3 calendar days	TJS 40
3	<p><b>Obtain project design of connection and its approval</b>  <i>Agency</i> : Project design organization            Once the technical conditions are ready and approved by the State Agency for Energy Supervision, the electrical engineer develops the project design of connection. The project design must be reviewed and cleared by several agencies, such as the Dushanbe City Electrical Grid "Shabakhoi Barki shahri Dushanbe", Ministry of Transport and Communications, Water Agency, State Fire Services, State Construction and Architecture Agency and others. A total of 12 agencies.</p>	20 calendar days	TJS 6,500
4	<p><b>Obtain excavation permit from the local Hukumat</b>  <i>Agency</i> : District Hukumat (local government)            Customer obtains excavation permit from local Hukumat of his/her district</p>	13 calendar days	TJS 0
5	<p><b>Await completion of external works by private electrical contractor</b>  <i>Agency</i> : Electrical Contractor            Once the plan is approved an electrical contractor hired by the customer can complete external connection works according to the technical conditions. At the end of the works the following documents are prepared by the electrical contractor: documentation on the running of the 10 kV cable (акт работ по прокладке кабеля 10 кВ), documentation on the testing of the transformer (протокол испытания трансформатора), documentation on the testing of 10 kV cable (протокол испытания кабеля 10 кВ) etc. The electrical contractor also installs a meter.             Once the external connection works are finished the completed by the electrical contractor high voltage side of the connection up to the meter point is the responsibility of the utility for maintenance purposes and from the meter point up to the building is the responsibility of the customer.</p>	30 calendar days	USD 8,000
⇒ 6	<p><b>Await and receive inspection of meter</b>  <i>Agency</i> : Tajik Agency for Standards            Once the meter is installed the Tajik Agency for Standards checks whether the meter is installed in compliance with the technical rules.</p>	4 calendar days	USD 0
7	<p><b>Await and receive inspection of completed works by State Energy Supervision Service</b>  <i>Agency</i> : State Energy Supervision            Once the external connection works are completed the State Agency for Energy Supervision also inspects whether the completed works (internal and external) are in line with the technical conditions and whether the laboratory testing and measurements are in order.</p>	3 calendar days	TJS 0
8	<p><b>Await and receive second inspection of completed works</b>  <i>Agency</i> : Shabakhoi Barkii Shahri Dushanbe            Once the external connection works are completed Dushanbe City Electric Grids inspects whether the completed works (internal and external) are in line with the technical conditions and whether the laboratory testing and measurements are in order. They prepare specifications of any faults in an inspection report and give a time limit for fixing the faults.</p>	3 calendar days	TJS 0
9	<p><b>Sign supply contract and await final connection</b>  <i>Agency</i> : Dushanbe City Electrical Grid            Upon the inspection, temporary connection is given to the customer for 72 hours. Thus, within 72 hours the customer signs the supply contract and the temporary connection is converted into permanent without any interruption or any additional request.</p>	3 calendar days	USD 20

⇒ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Tajikistan - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	4
<b>Total duration and frequency of outages per customer a year (0-3)</b>	2
System average interruption duration index (SAIDI)	2.2
System average interruption frequency index (SAIFI)	3.0
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	2.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	0
Does the distribution utility use automated tools to restore service?	No
<b>Regulatory monitoring (0-1)</b>	0
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	No
<b>Financial deterrents aimed at limiting outages (0-1)</b>	0
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.ams.tj/index.php?option=com_content&amp;view=article&amp;id=22&amp;Itemid=22&amp;lang=ru">http://www.ams.tj/index.php?option=com_content&amp;view=article&amp;id=22&amp;Itemid=22&amp;lang=ru</a>
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.

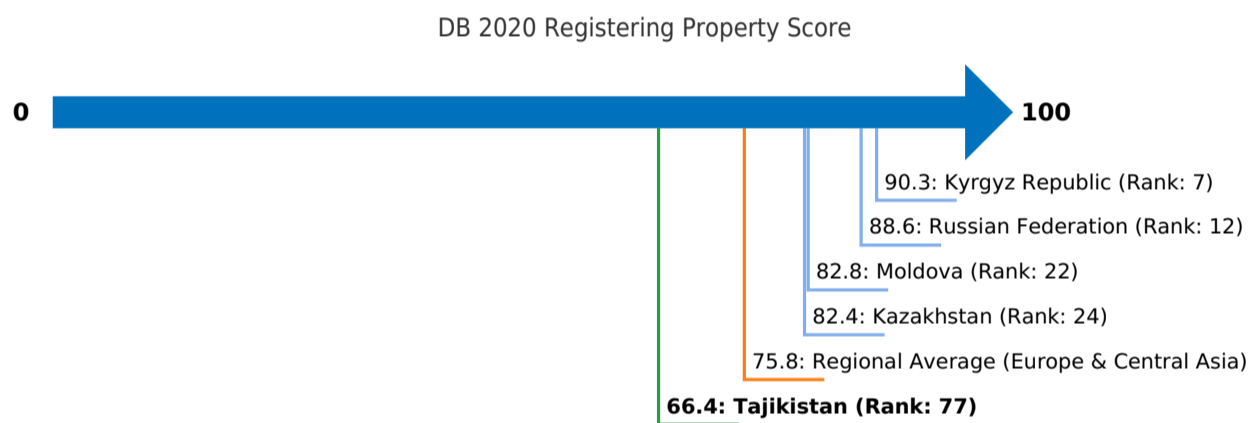
Registering Property - Tajikistan

Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Procedures (number)	4	5.5	4.7	1 (5 Economies)
Time (days)	33	20.8	23.6	1 (2 Economies)
Cost (% of property value)	2.8	2.7	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	7.5	20.4	23.2	None in 2018/19

Figure - Registering Property in Tajikistan - Score

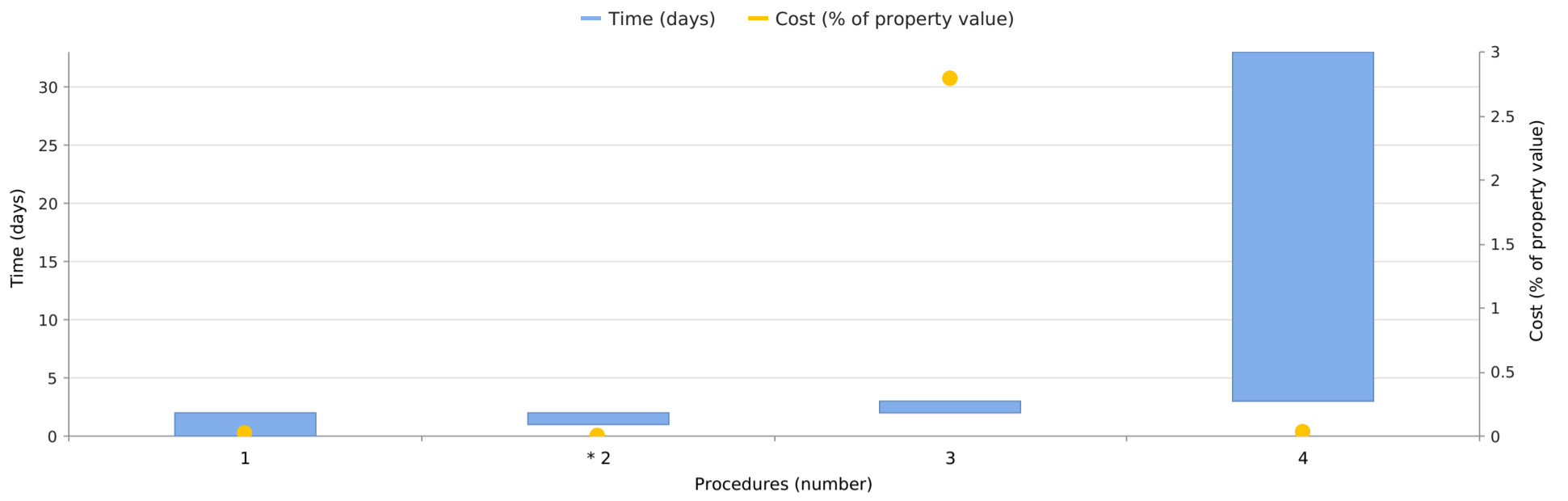


Figure - Registering Property in Tajikistan and comparator economies - Ranking and Score



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 Tajikistan - Procedure, Time and Cost

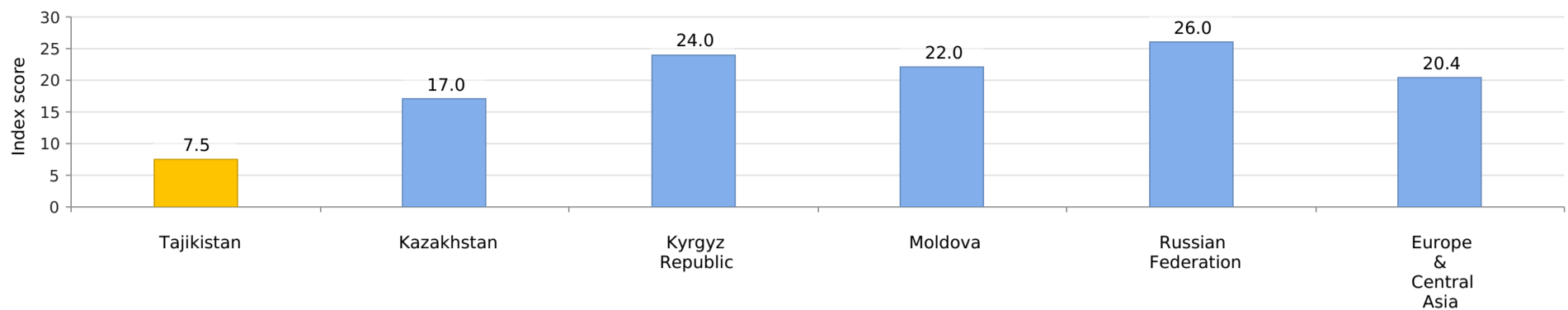


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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 Tajikistan and comparator economies - Measure of Quality



## Details - Registering Property in Tajikistan - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain the non-encumbrance certificate from the Bureau of Technical Inventory (BTI)</b>  <i>Agency</i> : State Unitary Enterprise "Real Estate Registration" (SUE).            The vendor prepares documents confirming the ownership rights for the buildings and documents confirming absence of bans, arrest and mortgage on the property to be sold. Among ownership documents for the building is a SUE certificate, which provides technical characteristics of the building and its inventory cost, as well as information on encumbrance. It is issued for 1 month. The current certificate is taken to the SUE, where there is a database with all plots of land. The certificate is to be updated with the most recent information on an actual size of the land/immovable property, on changes made (i.e. additional buildings constructed, or any changes made to the immovable property), including additional obligations and characteristics. The updated certificate is returned to the vendor. The certificate is required for notarization of sale purchase agreement by notary.</p>	2 days	TJS 100.2
⇒ 2	<p><b>Obtain the tax clearance certificate from the Ministry of State Revenue and Duties</b>  <i>Agency</i> : Tax Committee under the Government of the Republic of Tajikistan            The vendor obtains a certificate (spravka) to show that all taxes have been paid, and makes any necessary payments in arrears. It is required for protection of the buyer from the unforeseen tax burdens related to the property being acquired and also for the notary to confirm the absence of any tax arrears.</p>	1 day	no charge
3	<p><b>Prepare and notarize the sale purchase agreement</b>  <i>Agency</i> : Public Notary            It is mandatory for the notary to notarize the sale purchase agreement.</p> <p>Documentation requirements:</p> <ul style="list-style-type: none"> <li>• Identification documents of buyer and seller, including document conforming tax ID (either ID certificate or a passport with a tax ID stamp) of each of the party involved</li> <li>• Documents confirming the seller's ownership rights for the property</li> <li>• SUE Certificate providing characteristics of the building and its inventory cost (including information on encumbrances – bans, arrests, mortgages.)</li> <li>• Certificate from the Tax inspection confirming absence of tax debts</li> <li>• Rights confirming documents for the land plot where the building is located</li> <li>• Original foundations documents of the agreement parties i.e. charters, foundation agreements and documents on registration</li> <li>• Documents evidencing authorities of the agreement signatories such as Power of Attorney, Extract from the Minutes of the General Meeting of Shareholders or Order on appointment of the CEO etc.</li> </ul>	1 day	TJS 12,362.8; (40% of the calculation index applied on each square meter of the property lot (55 Somoni x 0.4=22 Somoni per square meter of the land plot only) + 100 Somoni (registration fee))
4	<p><b>Register the property rights for the building at the State Unitary Enterprise</b>  <i>Agency</i> : State Unitary Enterprise "Real Estate Registration" (SUE)            The purchaser goes to a branch of the State Unitary Enterprise in order to register the building and the property rights transfer. A note is made in the registry book and the inventory cards of SUE on the basis of the purchase agreement. Thus, a new entry is made in the SUE database. The transfer is processed and a new certificate transferring the rights, "Shahodatnoma" is issued.</p>	30 days	TJS 130.91; (Cost for registration is 1.4 times the standard cost of 93.51.)

⇒ Takes place simultaneously with previous procedure.

## Details - Registering Property in Tajikistan - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>7.5</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>0.0</b>
Type of land registration system in the economy:	Dual system (Title & Deed)	
What is the institution in charge of immovable property registration?	State Subsidiary Enterprise "Registration of Immovable Property" in Dushanbe	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Land Administration Committee of Dushanbe	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
<b>Transparency of information index (0-6)</b>		<b>1.0</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, on public boards	0.5
Link for online access:		
Is the applicable fee schedule for any 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, on public boards	0.5
Link for online access:		
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?	No	0.0
Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, in person	0.0
Link for online access:		
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?	No	0.0

Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
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
<b>Land dispute resolution index (0-8)</b>		<b>6.5</b>
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:	Article 143 of the Civil Code of the RT and the Article 7 of the Law on "State Registration of Immovable Property and the Rights to it"	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	Article 15 of the Law on "State Registration of Immovable Property and the Rights to it"	
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?	Yes	0.5
Legal basis:	Article 67 of the Law of the Republic of Tajikistan "On State Registration of Immovable Property and Rights Thereto"	
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary; Lawyer;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
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?	Economic court of Dushanbe city	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
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:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
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.

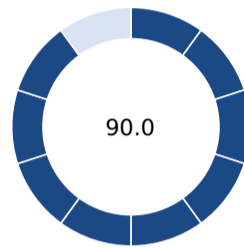
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where 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 - Tajikistan

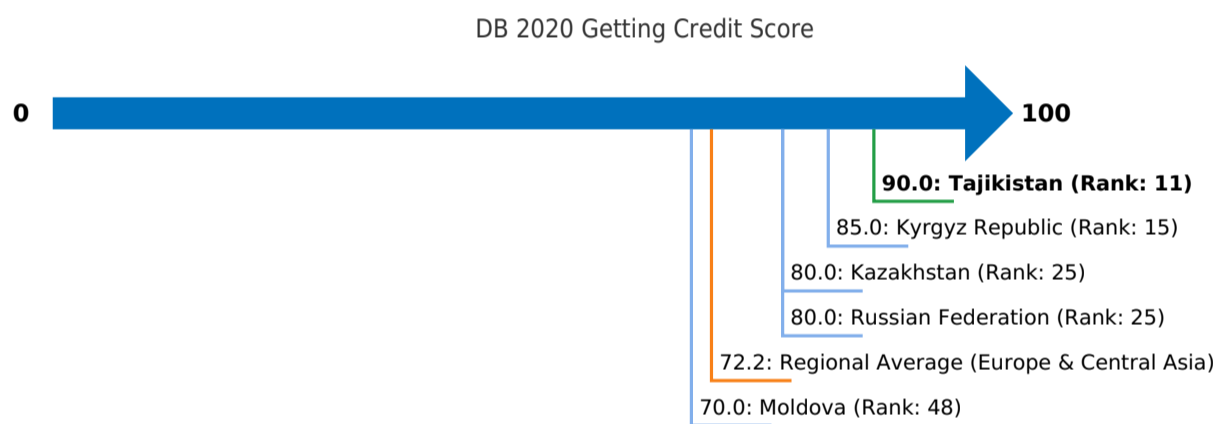
Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	11	7.8	6.1	12 (5 Economies)
Depth of credit information index (0-8)	7	6.7	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	0.0	24.0	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	47.6	41.7	66.7	100.0 (14 Economies)

Figure - Getting Credit in Tajikistan - Score



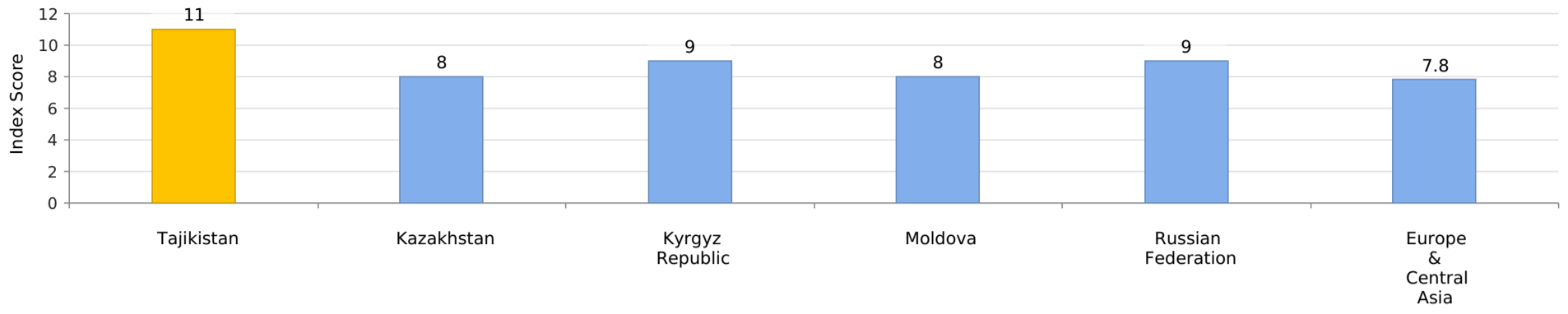
Score - Getting Credit

Figure - Getting Credit in Tajikistan 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 Tajikistan and comparator economies



Details - Legal Rights in Tajikistan

Strength of legal rights index (0-12)

11

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? Yes

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

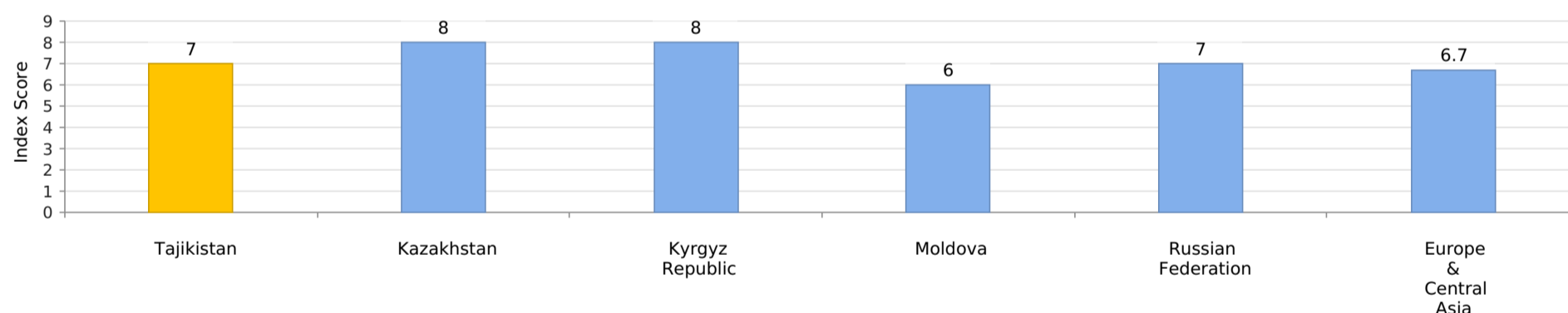
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

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? Yes

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 Tajikistan and comparator economies





## Details - Credit Information in Tajikistan

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	No	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	No	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	2,613,537	0
Number of firms	33,100	0
Total	2,646,637	0
<b>Percentage of adult population</b>	<b>47.6</b>	<b>0.0</b>

## 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.

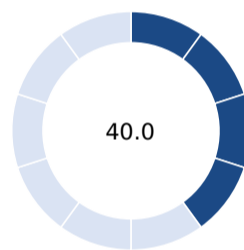
Protecting Minority Investors - Tajikistan

Stock exchange information

Stock exchange	Central Asian Stock Exchange
Stock exchange URL	https://www.case.com.tj
Listed firms with equity securities	0
City Covered	Dushanbe

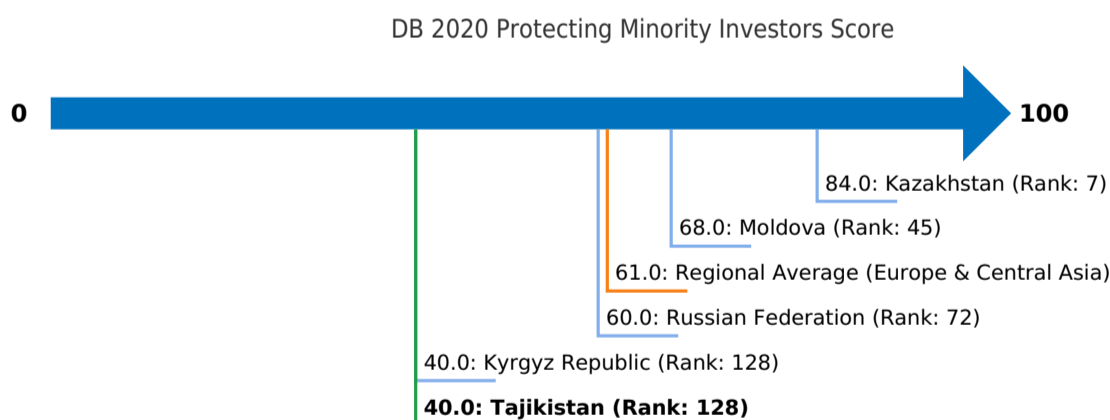
Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	8.0	7.5	6.5	10 (13 Economies)
Extent of director liability index (0-10)	6.0	5.0	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	6.0	6.8	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	0.0	3.4	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	0.0	3.7	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	0.0	4.1	5.7	7 (13 Economies)

Figure - Protecting Minority in Tajikistan - Score



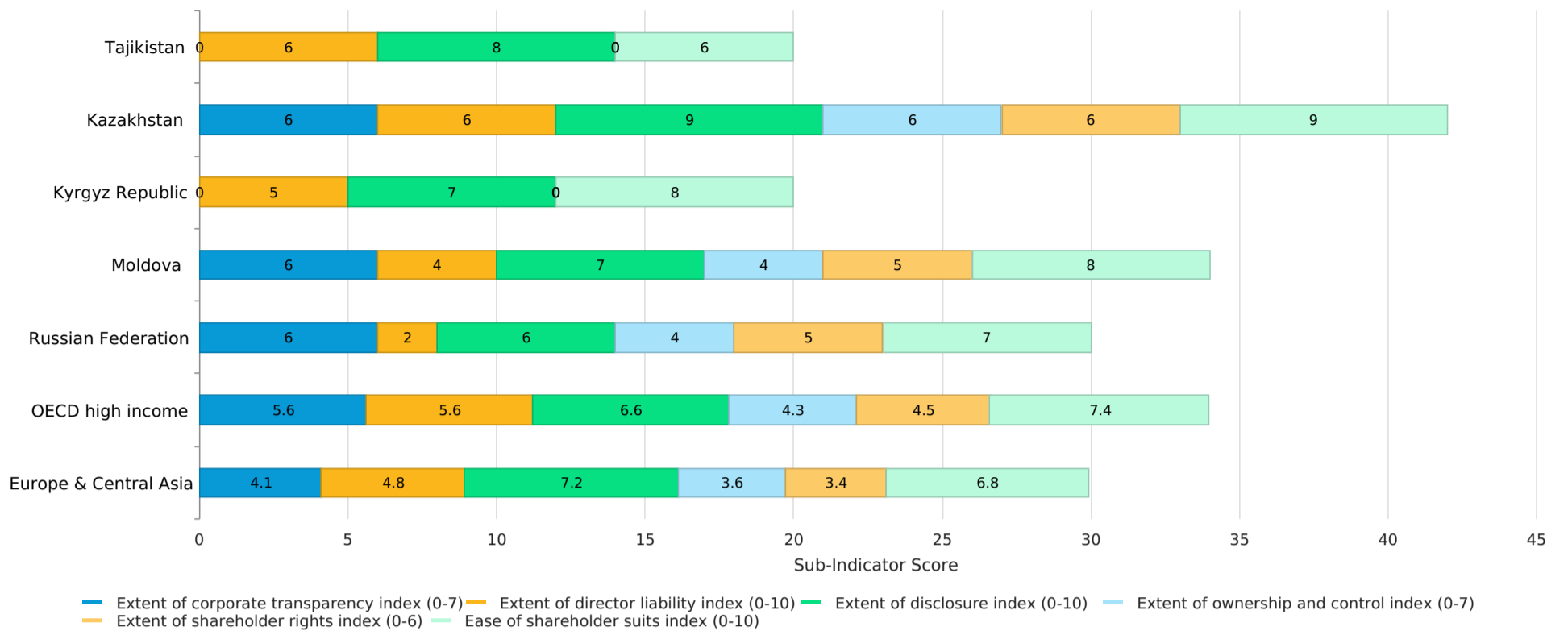
Score - Protecting Minority Investors

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



## Details - Protecting Minority Investors in Tajikistan - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>8.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	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)	No disclosure obligation	0.0
<b>Extent of director liability index (0-10)</b>		<b>6.0</b>
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
<b>Ease of shareholder suits index (0-10)</b>		<b>6.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Documents that the defendant relied on	1.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>0.0</b>
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
<b>Extent of ownership and control index (0-7)</b>		<b>0.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0

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?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0
<b>Extent of corporate transparency index (0-7)</b>		<b>0.0</b>
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?	Yes	1.0
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?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	No	0.0

## 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.

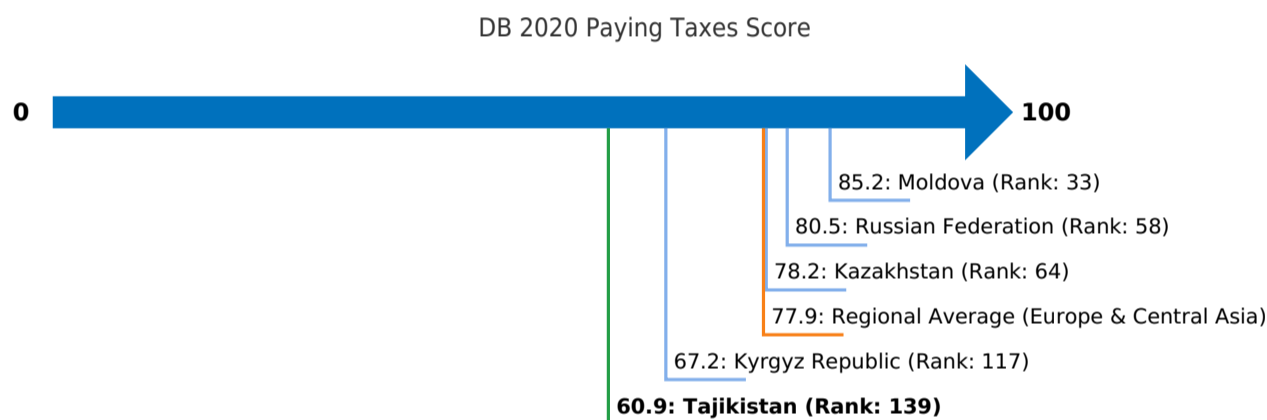
Paying Taxes - Tajikistan

Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Payments (number per year)	7	14.4	10.3	3 (2 Economies)
Time (hours per year)	224	213.1	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	67.3	31.7	39.9	26.1 (33 Economies)
Postfiling index (0-100)	40.4	68.2	86.7	None in 2018/19

Figure - Paying Taxes in Tajikistan - Score



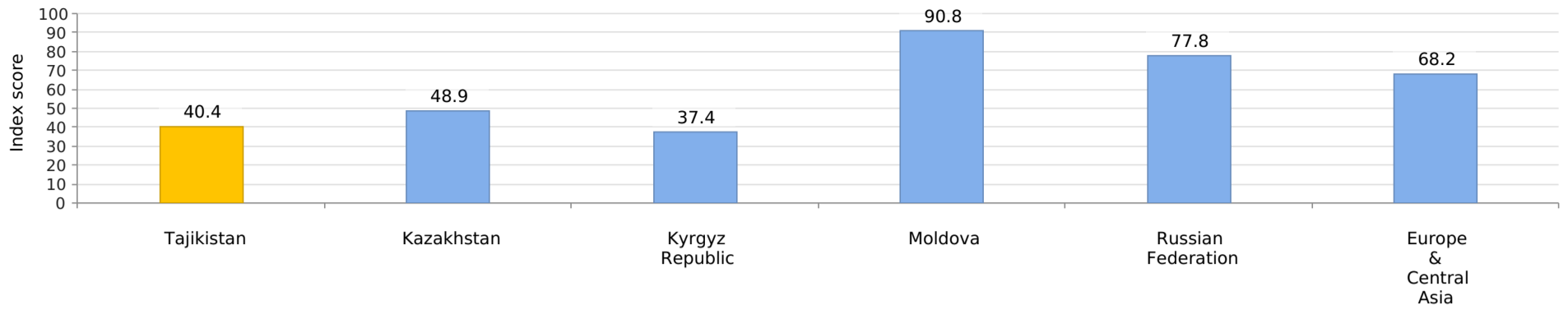
Figure - Paying Taxes in Tajikistan and comparator economies - Ranking and Score



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 Tajikistan and comparator economies - Measure of Quality



## Details - Paying Taxes in Tajikistan

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
Social tax	1.0	online	48.0	25%	gross salaries	28.48	
Corporate income tax	1.0	online	74.0	14% (but not less than 1% of turnover)	taxable profit	17.68	
Road tax	1.0	online		1%	adjusted turnover	16.66	
Real estate tax	1.0	online		various rates	per square meter	3.97	
Vehicle tax	1.0	online		12.5% of calculation index (TJS 40)	vehicle capacity	0.47	
Tax on interest	0.0			12%	interest	0.31	not included
Value added tax (VAT)	1.0	online	102.0	18%	value added	0.00	not included
Employee paid - Social tax	1.0	online		1%	gross salaries	0.00	withheld
Totals	7		224			67.3	

## Details - Paying Taxes in Tajikistan - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	17.7
Labor tax and contributions (% of profit)	28.5
Other taxes (% of profit)	21.1

## Details - Paying Taxes in Tajikistan - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>40.4</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Restricted to international traders	
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
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	50% - 74%	
Time to comply with a corporate income tax correction (hours)	10.5	83.5
Time to complete a corporate income tax correction (weeks)	7.0	78.1

**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 - Tajikistan

Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	27	16.1	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	313	150.0	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	66	25.1	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	330	87.6	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	107	20.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	223	158.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	126	23.4	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	260	85.9	23.5	0 (30 Economies)

Figure - Trading across Borders in Tajikistan - Score

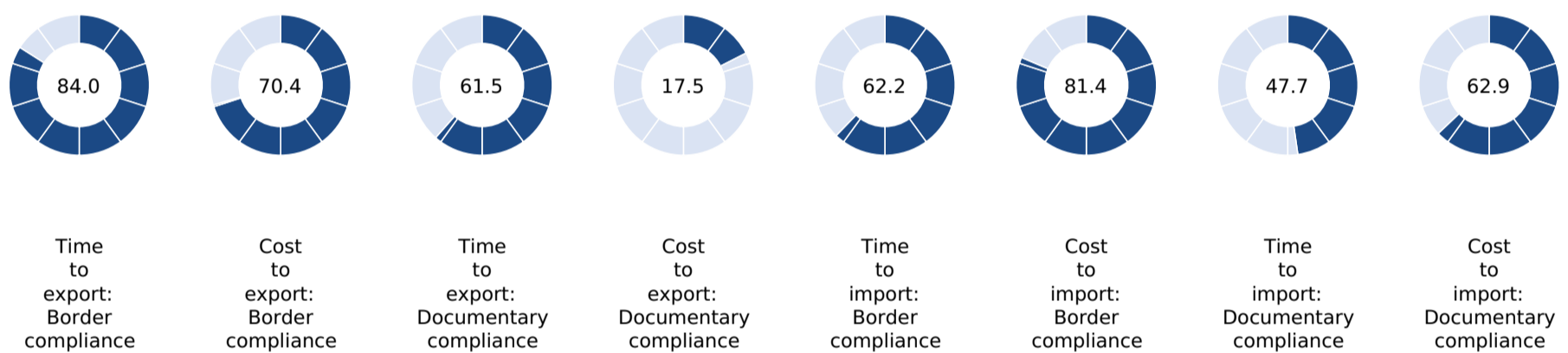
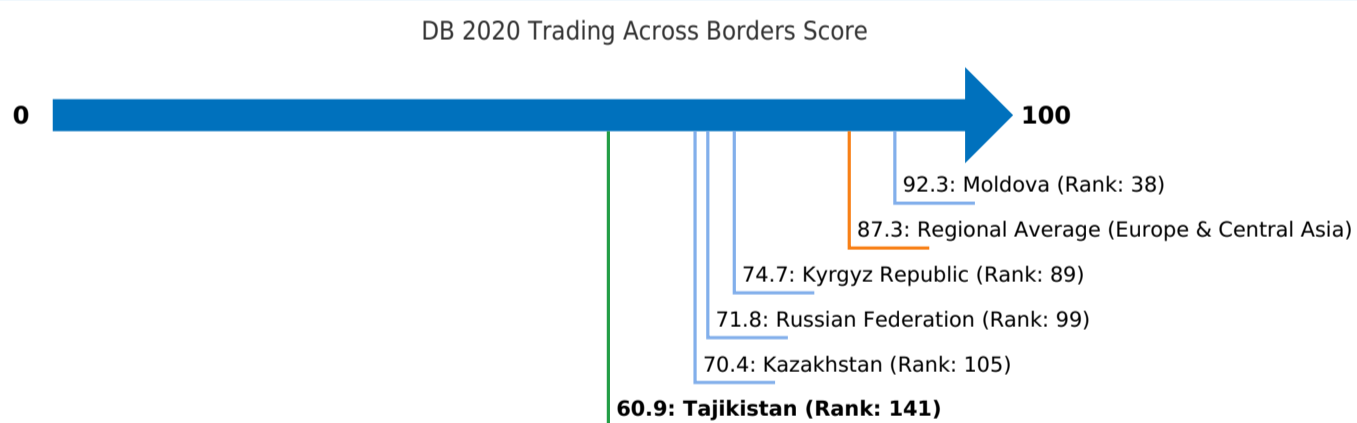
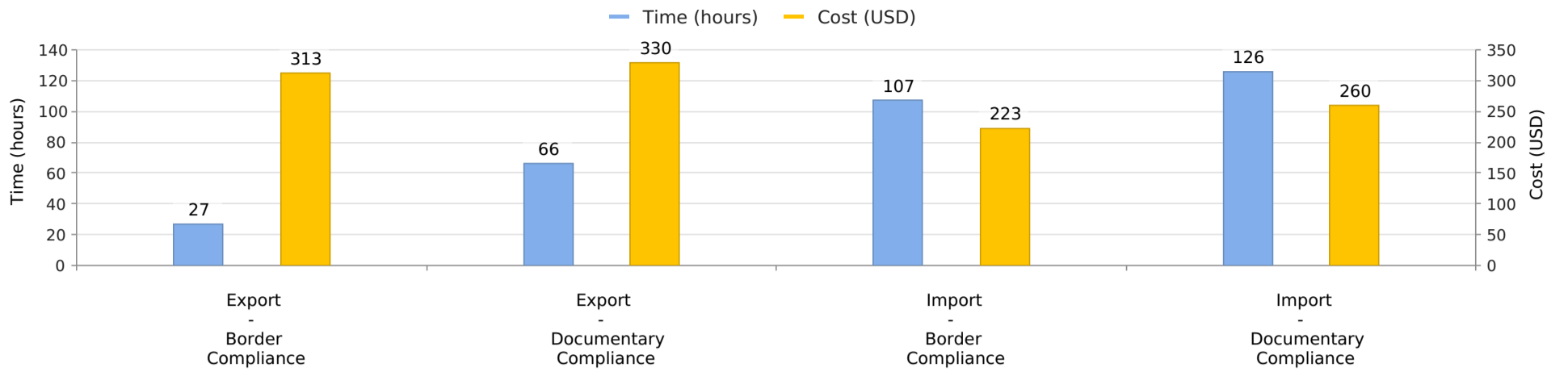


Figure - Trading across Borders in Tajikistan and comparator economies - Ranking and Score



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 Tajikistan - Time and Cost



## Details - Trading across Borders in Tajikistan

Characteristics	Export	Import
Product	HS 08 : Edible fruit and nuts; peel of citrus fruit or melons	HS 8708: Parts and accessories of motor vehicles
Trade partner	Turkey	China
Border	Dusty-Tursunzade border crossing	Dusty-Tursunzade border crossing
Distance (km)	71	71
Domestic transport time (hours)	3	3
Domestic transport cost (USD)	433	433

## Details - Trading across Borders in Tajikistan - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	24.0	313.3
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	2.5	0.0
Import: Clearance and inspections required by customs authorities	104.0	223.3
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	2.5	0.0



## Details - Trading across Borders in Tajikistan - Trade Documents

## Export

## Import

Certificate of conformity

Bill of lading

Certificate of origin

Certificate of conformity

Commercial invoice

Commercial invoice

Customs export declaration

Customs import declaration

Document confirming payment of customs fees

Document confirming payment of customs fees

CMR waybill

Inspection report

Sales purchase contract

Packing list

Terminal handling receipts

CMR waybill

TIR carnet

Sales purchase contract

Import permit from Turkey

Terminal handling receipts

Phytosanitary certificate

SOLAS certificate

Phytosanitary permit to export to Turkey

Inspection report from the Customs Committee

## Enforcing Contracts

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

### What the indicators measure

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

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

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

- Average attorney fees
- Court costs
- Enforcement costs

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

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

### Case study assumptions

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

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

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the 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 - Tajikistan

Standardized Case

Claim value	TJS 39,838
Court name	Dushanbe Commercial Court
City Covered	Dushanbe

Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Time (days)	430	496.4	589.6	120 (Singapore)
Cost (% of claim value)	25.5	26.6	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	6.5	10.3	11.7	None in 2018/19

Figure - Enforcing Contracts in Tajikistan - Score

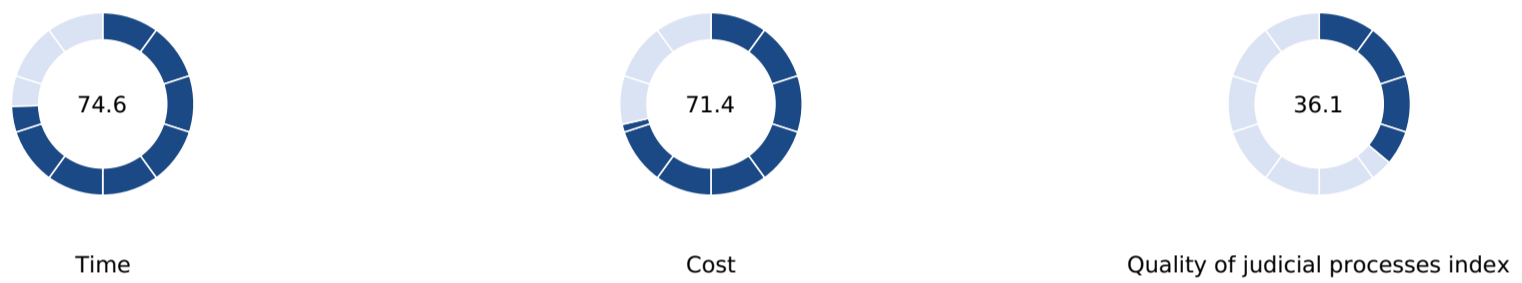
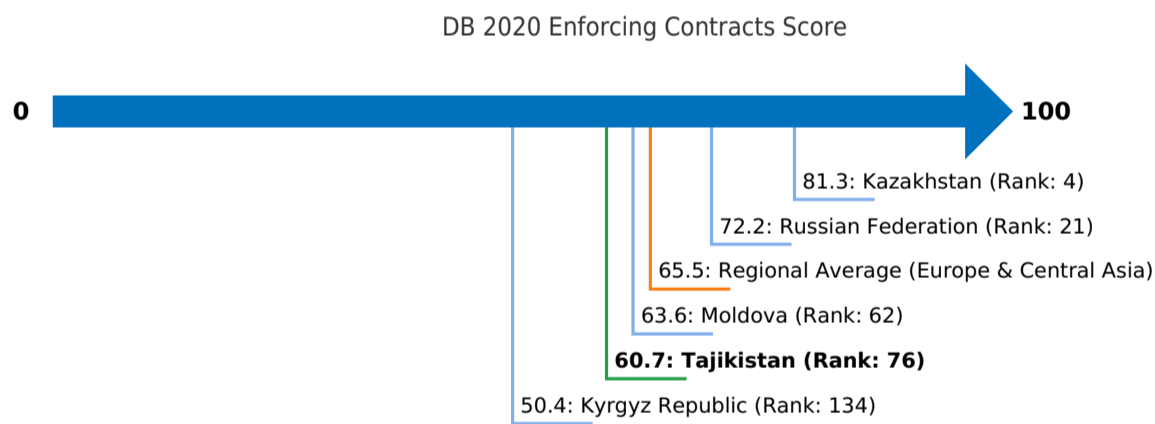


Figure - Enforcing Contracts in Tajikistan and comparator economies - Ranking and Score



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 Tajikistan - Time and Cost

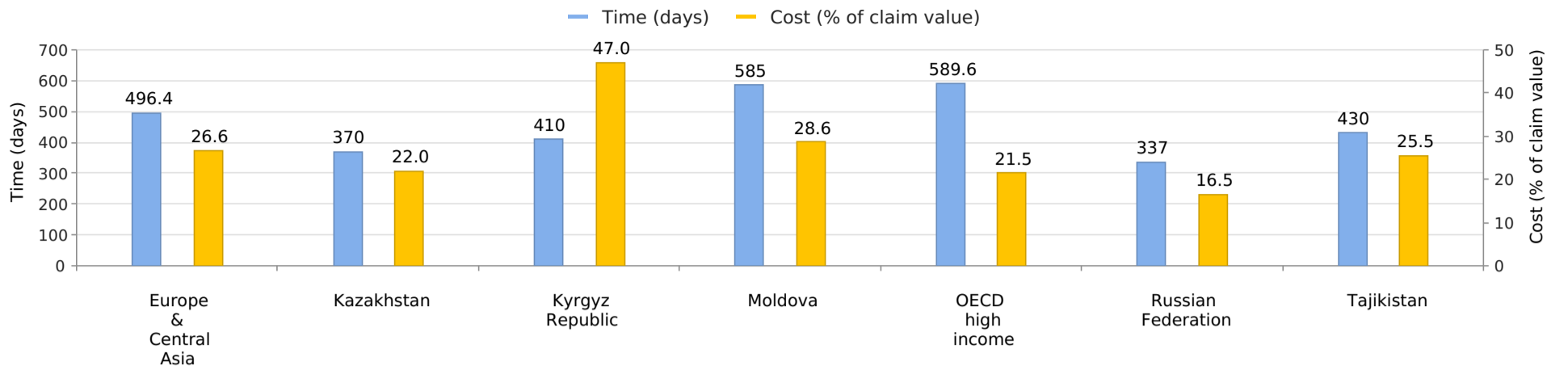
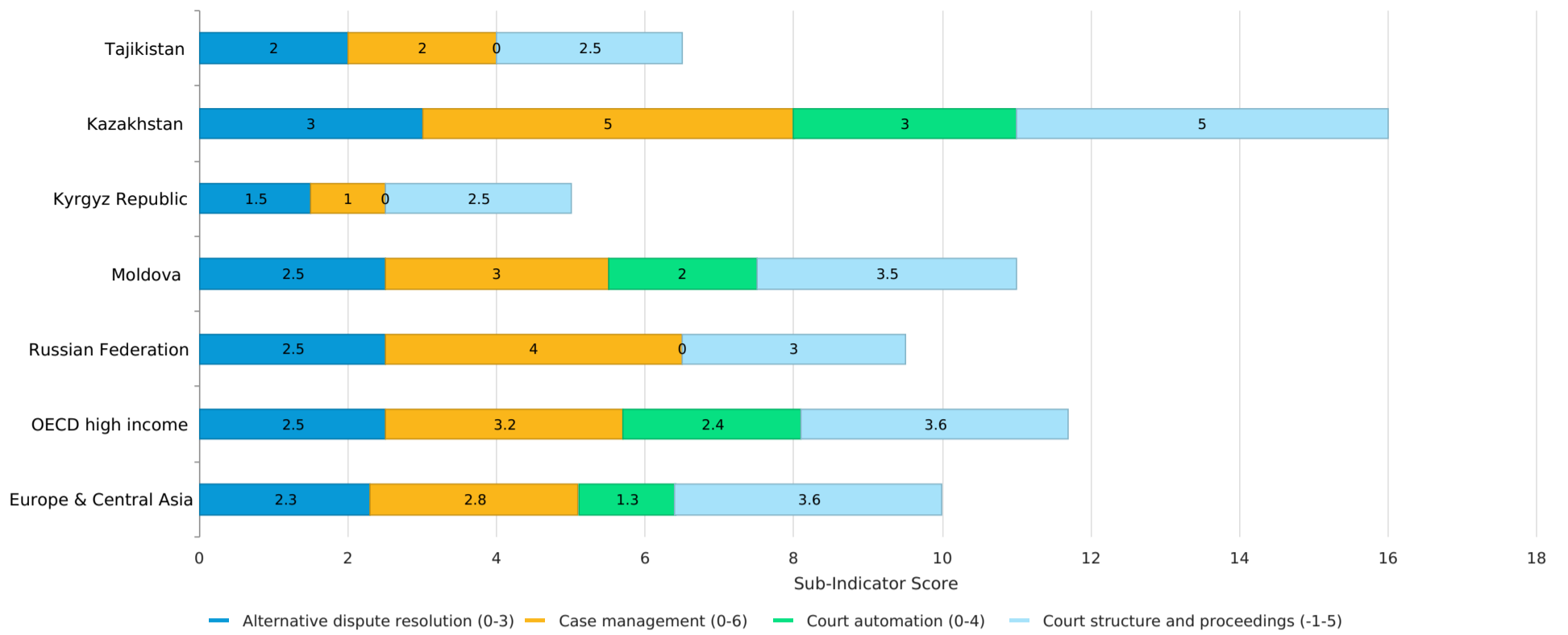


Figure - Enforcing Contracts in Tajikistan and comparator economies - Measure of Quality



Details - Enforcing Contracts in Tajikistan

	Indicator
<b>Time (days)</b>	<b>430</b>
Filing and service	40
Trial and judgment	120
Enforcement of judgment	270
<b>Cost (% of claim value)</b>	<b>25.5</b>
Attorney fees	8.5
Court fees	10
Enforcement fees	7
<b>Quality of judicial processes index (0-18)</b>	<b>6.5</b>
Court structure and proceedings (-1-5)	2.5
Case management (0-6)	2.0
Court automation (0-4)	0.0
Alternative dispute resolution (0-3)	2.0

## Details - Enforcing Contracts in Tajikistan - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>6.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>2.5</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		0.0
2.a. Is there a small claims court or a fast-track procedure for small claims?	No	
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?	No	0.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>2.0</b>
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
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?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
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?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>0.0</b>
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	
<b>Alternative dispute resolution (0-3)</b>		<b>2.0</b>
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	0.5
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)	No
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

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## 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.](#)

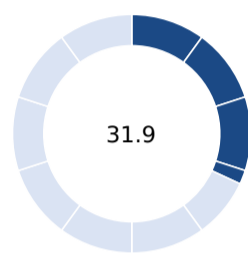
What the indicators measure	Case study assumptions
<p><b>Time required to recover debt (years)</b></p> <ul style="list-style-type: none"> <li>• Measured in calendar years</li> <li>• Appeals and requests for extension are included</li> </ul> <p><b>Cost required to recover debt (% of debtor's estate)</b></p> <ul style="list-style-type: none"> <li>• Measured as percentage of estate value</li> <li>• Court fees</li> <li>• Fees of insolvency administrators</li> <li>• Lawyers' fees</li> <li>• Assessors' and auctioneers' fees</li> <li>• Other related fees</li> </ul> <p><b>Outcome</b></p> <ul style="list-style-type: none"> <li>• Whether business continues operating as a going concern or business assets are sold piecemeal</li> </ul> <p><b>Recovery rate for creditors</b></p> <ul style="list-style-type: none"> <li>• Measures the cents on the dollar recovered by secured creditors</li> <li>• Outcome for the business (survival or not) determines the maximum value that can be recovered</li> <li>• Official costs of the insolvency proceedings are deducted</li> <li>• Depreciation of furniture is taken into account</li> <li>• Present value of debt recovered</li> </ul> <p><b>Strength of insolvency framework index (0- 16)</b></p> <ul style="list-style-type: none"> <li>• Sum of the scores of four component indices:</li> <li>• Commencement of proceedings index (0-3)</li> <li>• Management of debtor's assets index (0-6)</li> <li>• Reorganization proceedings index (0-3)</li> <li>• Creditor participation index (0-4)</li> </ul>	<p>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</p> <ul style="list-style-type: none"> <li>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</li> <li>- 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.</li> <li>- 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.</li> </ul> <p>In addition, <i>Doing Business</i> 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.</p>



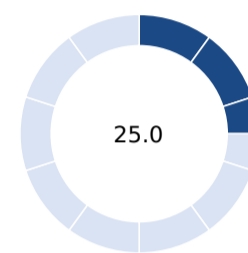
Resolving Insolvency - Tajikistan

Indicator	Tajikistan	Europe & Central Asia	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	29.6	38.5	70.2	92.9 (Norway)
Time (years)	1.7	2.3	1.7	0.4 (Ireland)
Cost (% of estate)	17.0	13.3	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	4.0	11.2	11.9	None in 2018/19

Figure - Resolving Insolvency in Tajikistan - Score

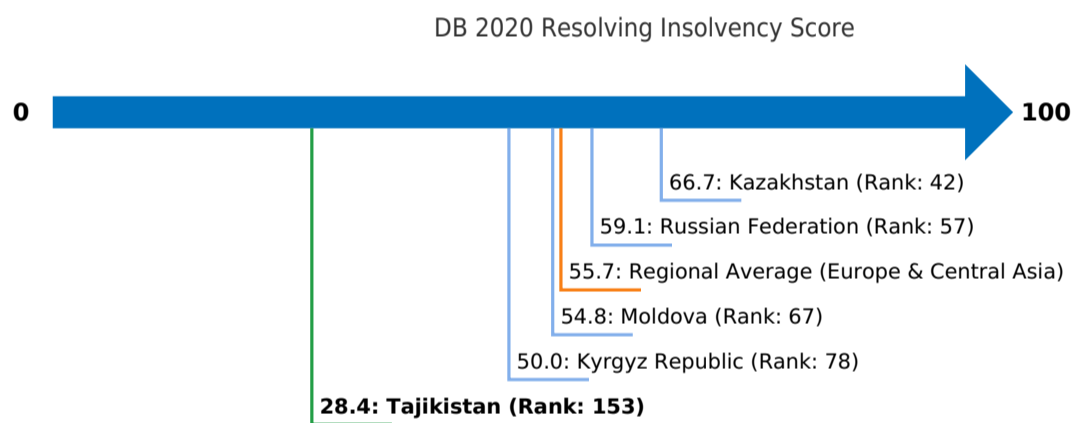


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Tajikistan 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 Tajikistan - Time and Cost

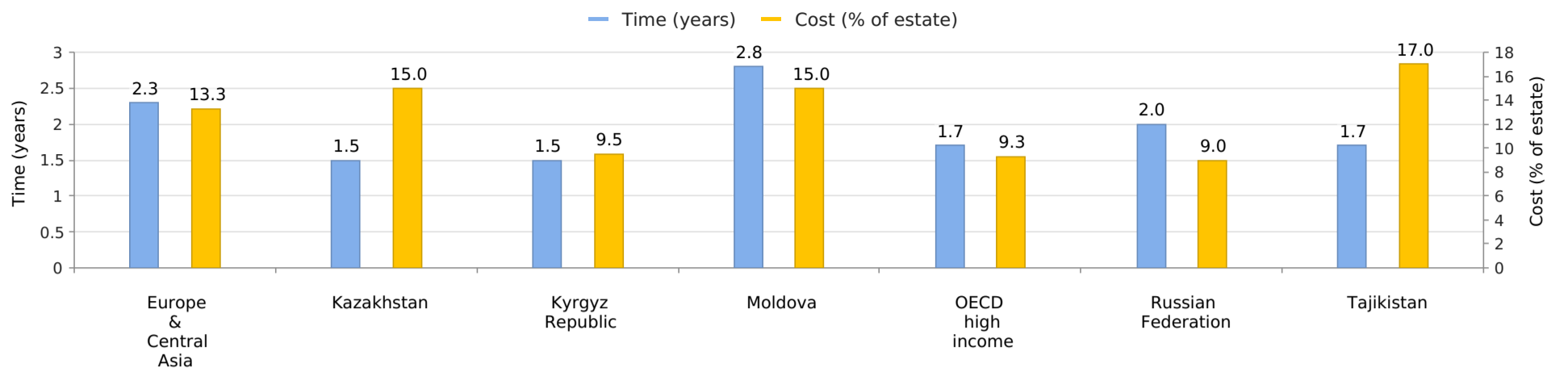
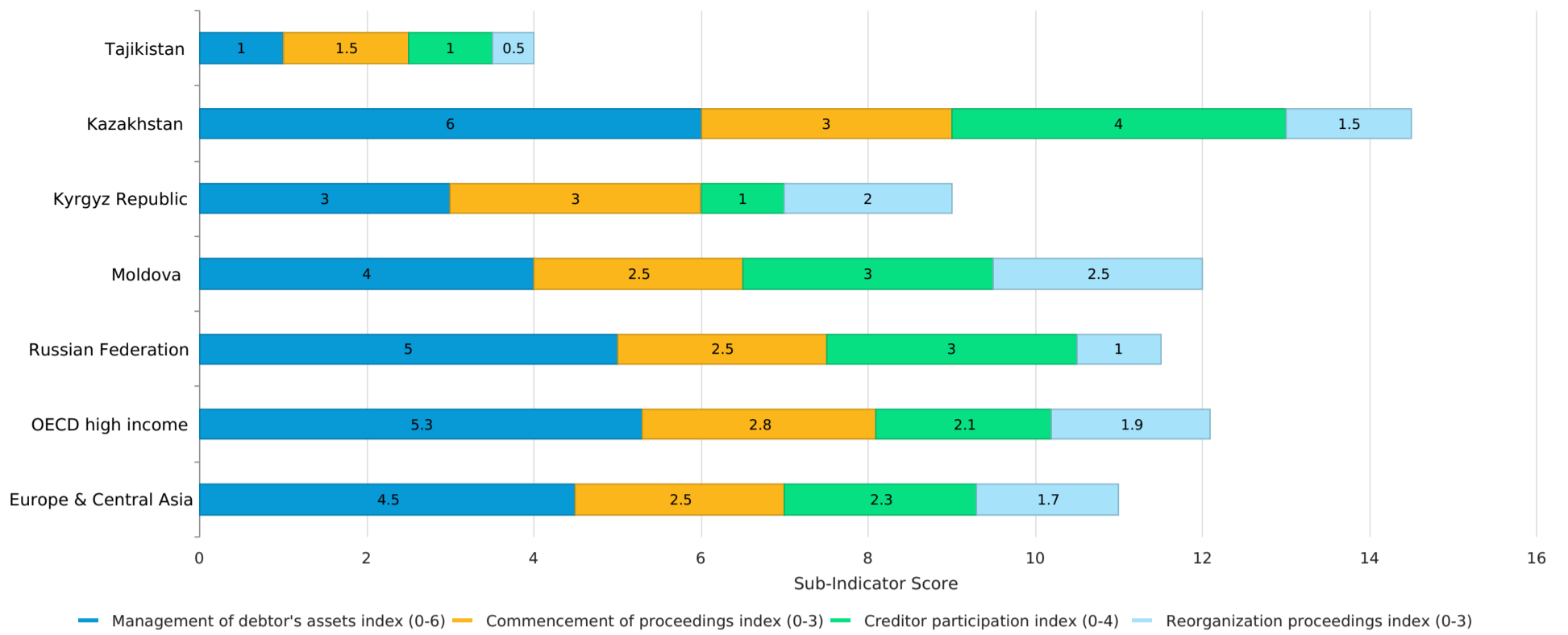
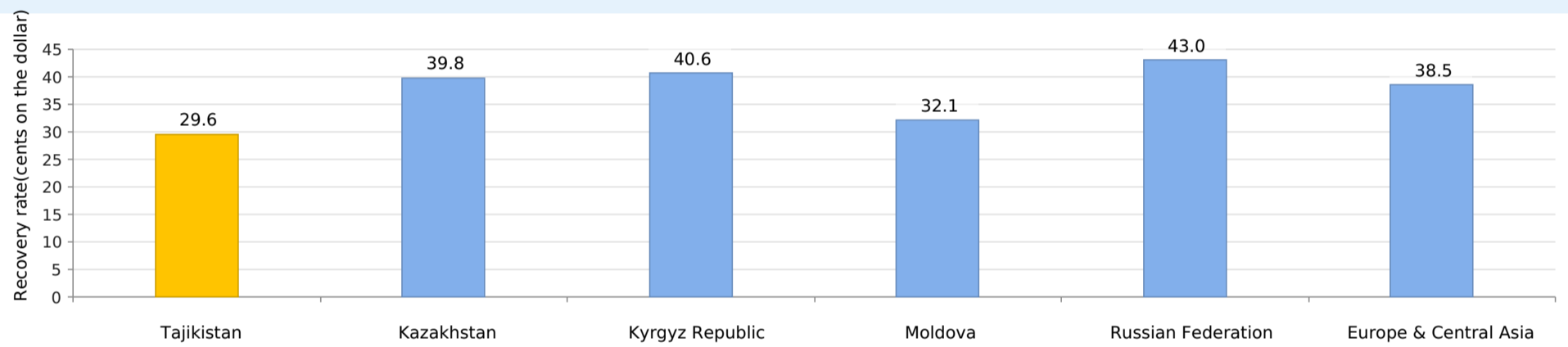


Figure - Resolving Insolvency in Tajikistan and comparator economies - Measure of Quality



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 Tajikistan and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Tajikistan

Indicator	Answer	Score
Proceeding	foreclosure	The most likely procedure would be foreclosure because it would allow the bank, whose is also a major secured creditor, to receive some or all of its money sooner than other procedures. The foreclosure would be stopped only if liquidation proceedings were commenced. The court, however, is not authorized to initiate liquidation by its own motion. As for other creditors, they most likely will not even know about the ongoing foreclosure until it is too late to take any action. Furthermore, even if liquidation is initiated on top of foreclosure, both proceedings may develop in parallel.
Outcome	piecemeal sale	It will be very difficult to find a buyer for the hotel as a whole.
Time (in years)	1.7	It would take 3 months to decide the case at the court of first instance. Most likely some expert opinions will be needed, which will extend this term by 2 more months. Then the case will be decided at the cassation stage. This will take 2 months (1 to file and 1 to decide). Afterwards the case may go for review proceedings (third instance) but not necessarily. As for the execution, the Execution Service will take up the case after 20 days. Then, around 1 year will be required to evaluate and sell the property. Around three auctions will be needed, and each of them will take 2-3 months. Only then the money will be transferred to the bank.
Cost (% of estate)	17.0	For a foreclosure procedure, the cost is approximately 17% of the value of the estate to resolve the case. This includes court fees (2%), attorneys' fees (6%), auctioneer's (execution) fee (7%) and remuneration of other professionals involved in foreclosure proceedings such as accountants and assessors (around 2%).
Recovery rate (cents on the dollar)		29.6

## Details - Resolving Insolvency in Tajikistan - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>4.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>1.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(b) Debtor may file for liquidation only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(d) Both (a) and (b) options need to be complied with, concurrently	0.5
<b>Management of debtor's assets index (0-6)</b>		<b>1.0</b>
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?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	No	0.0
Does the insolvency framework allow avoidance of undervalued transactions?	No	0.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
<b>Reorganization proceedings index (0-3)</b>		<b>0.5</b>
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
<b>Creditor participation index (0-4)</b>		<b>1.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	No	0.0

**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 - Tajikistan

## Details - Employing Workers in Tajikistan

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	45.5
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	50.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	100.0
Restrictions on night work?	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	18.0
Paid annual leave for a worker with 5 years of tenure (working days)	18.0
Paid annual leave for a worker with 10 years of tenure (working days)	18.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	18.0
<b>Redundancy rules</b>	
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?	Yes
Priority rules for redundancies?	Yes
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	8.7
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	8.7
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	8.7
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	8.7
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	13.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	13.0

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	13.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	13.0
Unemployment protection after one year of employment?	No



## Business Reforms in Tajikistan

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.

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DB2020

- ✓ **Starting a Business:** Tajikistan made starting a business easier by registering companies for a Social Identification Number at the time of incorporation.
- ✓ **Getting Credit:** Tajikistan strengthened access to credit by launching a unified, modern and notice-based collateral registry; introducing a functional secured transactions system; broadening the scope of assets that can be used as collateral; allowing the general description of debts and obligations; granting secured creditors absolute priority; and providing a time limit and clear grounds for relief from automatic stays during reorganization procedures.
- ✓ **Trading across Borders:** Tajikistan made exporting faster by prioritizing customs clearance of perishable goods exports.

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DB2019

- ✓ **Trading across Borders:** Tajikistan made trading across borders easier by streamlining customs clearance with Uzbekistan through the Simplified Customs Corridor agreement.

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DB2018

- ✓ **Starting a Business:** Tajikistan made starting a business easier by raising the revenue threshold for mandatory value added tax registration.
- ✓ **Registering Property:** Tajikistan made registering property easier by eliminating a procedure and reducing time as the registration of the sale-purchase agreement at the city government is no longer practiced. At the same time, fee increases raise the cost of transferring property.

**Employing Workers:** Tajikistan changed rules pertaining severance payments, introduced the requirement to obtain the approval of a third party before dismissing one, and a group of 9 redundant employees, and abolished restrictions on night work for non-pregnant women and non-nursing mothers.

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DB2017

- ✗ **Starting a Business:** Tajikistan made starting a business more difficult by requiring that companies with annual revenue of more than SM 500,000 register as a VAT payer
- ✓ **Registering Property:** Tajikistan made transferring property easier by eliminating the requirement to file an application to re-register land use rights at the State Land Use Committee.
- ✓ **Paying Taxes:** Tajikistan made paying taxes easier by introducing electronic invoices and expanding the electronic system for filing and paying taxes to include road tax. It also made paying taxes less costly by reducing road tax rates. On the other hand, land tax rates were increased.

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DB2016

- ✓ **Paying Taxes:** Tajikistan made paying taxes easier for companies by introducing an electronic filing and payment system for corporate income tax, VAT and labor taxes. On the other hand, it increased real estate tax fees.
- ✓ **Trading across Borders:** Tajikistan made trading across borders easier by making it possible to submit customs declarations electronically.

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DB2015

- ✓ **Starting a Business:** Tajikistan made starting a business easier by enabling the Statistics Agency to issue the statistics code for the new business at the time of registration.
- ✓ **Dealing with Construction Permits:** Tajikistan made dealing with construction permits less costly by reducing the fee to obtain the architectural planning assignment.
- ✓ **Getting Credit:** Tajikistan improved access to credit information by beginning to provide credit scores.
- ✓ **Paying Taxes:** Tajikistan made paying taxes easier for companies by introducing an electronic system for filing and paying corporate income tax, VAT and labor taxes.

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DB2014

- ✗ **Starting a Business:** Tajikistan made starting a business more difficult by requiring preliminary approval from the tax authority and the submission of additional documents at registration.
- ✓ **Getting Credit:** Tajikistan improved access to credit information by establishing a private credit bureau.
- ✓ **Paying Taxes:** Tajikistan made paying taxes easier and less costly for companies by reducing the corporate income tax rate, merging the minimal income tax with the corporate income tax and abolishing the retail sales tax. At the same time, Tajikistan increased the land and vehicle tax rates.

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DB2013

- ✓ **Protecting Minority Investors:** Tajikistan strengthened investor protections by making it easier to sue directors in cases of prejudicial related-party transactions.

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DB2012

✓ **Starting a Business:** Tajikistan made starting a business easier by allowing entrepreneurs to pay in their capital up to 1 year after the start of operations, thereby eliminating the requirements related to opening a bank account.

✗ **Getting Credit:** Access to credit using movable property in Tajikistan became more complicated because the movable collateral registry stopped its operations in January, 2011.

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DB2011

✓ **Starting a Business:** Tajikistan made starting a business easier by creating a one-stop shop that consolidates registration with the state and the tax authority.

✓ **Protecting Minority Investors:** Tajikistan strengthened investor protections by requiring greater corporate disclosure in the annual report and greater access to corporate information for minority investors.

✓ **Paying Taxes:** Tajikistan lowered its corporate income tax rate.

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DB2010

✓ **Starting a Business:** Tajikistan made starting a business easier by reducing the minimum capital requirement and speeding up the issuance of tax identification numbers.

✓ **Dealing with Construction Permits:** Tajikistan made dealing with construction permits easier and less time consuming by eliminating several procedures.

✗ **Registering Property:** Tajikistan made transferring property more costly by increasing the state duty for property transactions.

✓ **Getting Credit:** Tajikistan improved its credit information system through a new law allowing the creation of a private credit bureau.

✓ **Protecting Minority Investors:** Tajikistan strengthened investor protections through amendments to the joint stock companies law enhancing disclosure requirements for related-party transactions, increasing director liability in cases where related-party transactions harm the company and allowing shareholders to request the rescission of such transactions.

✓ **Resolving Insolvency:** Tajikistan improved its insolvency process by amending its insolvency law to reduce the duration and cost of proceedings.

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DB2009

✗ **Dealing with Construction Permits:** In Tajikistan dealing with construction permits became more time consuming because of administrative backlogs and more costly because of an increase in fees.

✓ **Protecting Minority Investors:** Tajikistan strengthened investor protections by introducing rules on the approval of related-party transactions, increasing disclosure requirements for such transactions and allowing minority investors to initiate suits against directors on behalf of the company in order to defend their rights as shareholders.

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DB2008

✓ **Starting a Business:** Tajikistan made starting a business easier by reducing the number of business activities subject to licensing requirements.

*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](http://www.doingbusiness.org)



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