

Doing Business 2008

France

COMPARING REGULATION IN 178 ECONOMIES

Doing Business 2008 **France**

A Project Benchmarking the Regulatory Cost of
Doing Business in 178 Economies

Doing Business Project
World Bank Group



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Copies of *Doing Business 2008*, *Doing Business 2007: How to Reform*, *Doing Business in 2006: Creating Jobs*, *Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulation* may be purchased at www.doingbusiness.org.

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Introduction

Doing Business 2008 is the fifth in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. *Doing Business* presents quantitative indicators on business regulations and the protection of property rights that can be compared across 178 economies—from Afghanistan to Zimbabwe—and over time.

Regulations affecting 10 stages of a business's life are measured: starting a business, dealing with licenses, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Data in *Doing Business 2008* are current as of June 1, 2007. The indicators are used to analyze economic outcomes and identify what reforms have worked, where, and why.

The *Doing Business* methodology has limitations. Other areas important to business -- such as a country's proximity to large markets, the quality of its infrastructure services (other than those related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions, and the underlying strength of institutions -- are not studied directly by *Doing Business*. To make the data comparable across countries, the indicators refer to a specific type of business -- generally a limited liability company operating in the largest business city.

Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. The data not only highlight the extent of obstacles to doing business; they also help identify the source of those obstacles, supporting policymakers in designing reform.

The data set covers 178 economies: 46 in Sub-Saharan Africa, 31 in Latin America and the Caribbean, 28 in Europe and Central Asia, 24 in East Asia and Pacific, 17 in the Middle East and North Africa and 8 in South Asia—as well as 24 OECD high-income economies as benchmarks. Some of the regions have been divided into subregions to generate a total of 13 regional profiles.

The following pages present the summary *Doing Business* indicators for France along with the comparator economies selected. The data used for this country profile come from the *Doing Business* database and are summarized in graphs and tables. This report allows a comparison of the economies not only with one another but also with the “best practice” economy for each indicator.

The best-practice economies are identified by their position in each indicator as well as their overall ranking and by their capacity to provide good examples of business regulation to other economies. These best-practice economies do not necessarily rank number 1 in the topic or indicator, but they are in the top 5.

More information is available in the full report. *Doing Business 2008* presents the indicators, analyzes their relationship with economic outcomes and recommends reforms. The data, along with information on ordering the report, are available on the *Doing Business* website

<http://www.doingbusiness.org>

Economy Rankings - Ease of Doing Business

France is ranked 31 out of 178 economies. Singapore is the top ranked economy in the Ease of Doing Business.

France - Compared to Global Best / Selected Economies:

France's ranking in Doing Business 2008

Rank	Doing Business 2008
Ease of Doing Business	31
Starting a Business	12
Dealing with Licenses	17
Employing Workers	144
Registering Property	159
Getting Credit	36
Protecting Investors	64
Paying Taxes	82
Trading Across Borders	25
Enforcing Contracts	14
Closing a Business	32

Reforms - Who is reforming?

This year Egypt tops the list of reformers that are making it easier to do business. Egypt's reforms went deep with reforms in 5 of the 10 areas studied by Doing Business, and it greatly improved its position in the global rankings as a result. Besides Egypt, the other top 10 reformers are, in order, Croatia, Ghana, FYR Macedonia, Georgia, Colombia, Saudi Arabia, Kenya, China, and Bulgaria.

1. **Egypt**, the top reformer in the region and worldwide, greatly improved its position in the global rankings on the ease of doing business. Its reforms went deep. Egypt cut the minimum capital required to start a business, from 50,000 Egyptian pounds to just 1,000 and halved the time and cost of start-up. It reduced fees for registering property from 3 percent of the property value to a low, fixed amount. It eased the bureaucracy that builders face in getting construction permits. It launched new one-stop shops for traders at Egyptian ports, cutting the time to import by seven days and the time to export by five. And it established a new private credit bureau that will soon be making it easier for borrowers to get credit.

2. **Croatia** reformed in four of the 10 areas studied by Doing Business. Two years ago, registering property in Croatia took 956 days. Now it takes 174. Company start-up also became faster, with procedures consolidated at a "one-stop shop" and pension and health services registration now online. Credit became easier to access: a new credit bureau was launched, and a unified registry now records charges against movable property in one place. In its first two months, €1.4 billion in credit was registered. In addition, amendments to the country's insolvency law introduced professional requirements for bankruptcy trustees and shorter timelines.

3. **Ghana**, a top 10 reformer for the second year running, continues to increase the efficiency of its public services. It cut bottlenecks in property registration, reducing delays from six months to one. Greater efficiency at the company registry and the environment agency cut the time for business start-up to 42 days. Changes in the port authority's operations sped up imports. New civil procedure rules and mandatory arbitration and mediation reduced the time it takes to enforce contracts.

4. **FYR Macedonia** eliminated the minimum capital requirement for business start-up, sped up the process for getting construction permits, lowered the corporate income tax rate to 12 percent (with another cut to 10 percent planned for 2008), and simplified tax payment procedures. Its ranking on the ease of doing business rose from 96 to 75.

5. **Georgia** reformed in six areas. It strengthened investor protections, including through amendments to its securities law that eliminate loopholes that had allowed corporate insiders to expropriate minority investors. It adopted a new insolvency law that shortens timelines for reorganization of a distressed company or disposition of a debtor's assets. Georgia sped up approvals for construction permits and simplified procedures for registering property. It made starting a business easier by eliminating the paid-in capital requirement. In addition, the country's private credit bureau added payment information from retailers, utilities, and trade creditors to the data it collects and distributes.

6. **Colombia**, the region's top reformer, has made great strides in easing trade. By extending port operating hours and adopting more selective customs inspections, it reduced the time for port and terminal handling activities by three days. The country strengthened investor protections by increasing disclosure requirements for related-party transactions. It introduced an electronic tax filing system, cutting the average time businesses must spend on tax compliance each year by 188 hours, or 41 percent. And it is progressively reducing the corporate income tax rate, from 35 to 34 percent in 2007 and 33 percent in 2008.

7. **Saudi Arabia**, the runner-up reformer in the region, eliminated the minimum capital requirement of 1,057 percent of income per capita and reduced the days needed for company start-up from 39 to 15. It launched a commercial credit bureau whose reports include the credit exposure of companies. It also sped up trade, reducing the number of documents required for importing and cutting the time needed for handling at ports and terminals by two days for both imports and exports.

8. **Kenya**, the region's other top 10 reformer, launched an ambitious licensing reform program. So far the program has eliminated 110 business licenses and simplified eight others. The changes have streamlined business start-up and cut both the time and cost of getting building permits. The program will eventually eliminate or simplify at least 900 more of the country's 1,300 licenses. Property registration is also faster now, thanks to the introduction of competition among land valuers. And the country's private credit bureau now collects a wider range of data.

9. In **China**, a new property law put private property rights on equal footing with state property rights. The law also expanded the range of assets that can be used as collateral to include inventory and accounts receivable. The new bankruptcy law gives secured creditors priority to the proceeds from their collateral. Construction also became easier, with electronic processing of building permits reducing delays by two weeks.

10. **Bulgaria** eased the tax burden on businesses and made it easier to pay taxes online. Bulgaria also introduced private bailiffs to improve efficiency in enforcing judgments. And it made building inspections less burdensome.

Number of reforms in Doing Business 2008

Rank	Economy	Starting a Business	Dealing with Licenses	Employing Workers	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business	Total number of reforms
1	Egypt	✓	✓		✓	✓			✓			5
2	Croatia	✓			✓	✓					✓	4
3	Ghana	✓			✓	✓			✓	✓		5
4	Macedonia, FYR	✓	✓					✓				3
5	Colombia						✓	✓	✓			3
6	Georgia	✓	✓		✓	✓	✓				✓	6
7	Saudi Arabia	✓				✓			✓			3
8	Kenya	✓	✓		✓	✓						4
9	China		✓			✓					✓	3
10	Bulgaria		✓					✓		✓		3
	France				✓	✓						2
	Belgium	✓										1
	Germany	✓			✗							0
	Italy										✓	1
	Spain			✓				✓				2
	Switzerland			✓								1
	United Kingdom											0

Note: Economies are ranked on the number and impact of reforms, Doing Business selects the economies that reformed in 3 or more of the Doing Business topics. Second, it ranks these economies on the increase in rank in Ease of Doing Business from the previous year. The larger the improvement, the higher the ranking as a reformer.

Summary of Indicators - France

Starting a Business	Procedures (number)	5
	Duration (days)	7
	Cost (% GNI per capita)	1.1
	Paid in Min. Capital (% of GNI per capita)	0.0
Dealing with Licenses	Procedures (number)	13
	Duration (days)	137
	Cost (% of income per capita)	24.9
Employing Workers	Difficulty of Hiring Index	67
	Rigidity of Hours Index	60
	Difficulty of Firing Index	40
	Rigidity of Employment Index	56
	Nonwage labor cost (% of salary)	47
	Firing costs (weeks of wages)	32
Registering Property	Procedures (number)	9
	Duration (days)	123
	Cost (% of property value)	6.1
Getting Credit	Legal Rights Index	6
	Credit Information Index	4
	Public registry coverage (% adults)	24.8
	Private bureau coverage (% adults)	0.0
Protecting Investors	Disclosure Index	10
	Director Liability Index	1
	Shareholder Suits Index	5
	Investor Protection Index	5.3
Paying Taxes	Payments (number)	23
	Time (hours)	132
	Profit tax (%)	8.3
	Labor tax and contributions (%)	52.1
	Other taxes (%)	5.8
	Total tax rate (% profit)	66.3

Trading Across Borders	Documents for export (number)	4
	Time for export (days)	11
	Cost to export (US\$ per container)	1028
	Documents for import (number)	5
	Time for import (days)	12
	Cost to import (US\$ per container)	1148
Enforcing Contracts	Procedures (number)	30
	Duration (days)	331
	Cost (% of claim)	17.4
Closing a Business	Time (years)	1.9
	Cost (% of estate)	9
	Recovery rate (cents on the dollar)	47.4

Starting a Business in France: Entry Regulation

When entrepreneurs draw up a business plan and try to get under way, the first hurdles they face are the procedures required to incorporate and register the new firm before they can legally operate. Economies differ greatly in how they regulate the entry of new businesses. In some the process is straightforward and affordable. In others the procedures are so burdensome that entrepreneurs may have to bribe officials to speed the process—or may decide to run their business informally.

The data on starting a business are based on a survey and research investigating the procedures that a standard small to medium-size company needs to complete to start operations legally. These include obtaining all necessary permits and licenses and completing all required inscriptions, verifications and notifications with authorities to enable the company to formally operate. The time and cost required to complete each procedure under normal circumstances are calculated, as well as the minimum capital that must be paid in. It is assumed that all information is readily available to the entrepreneur, that there has been no prior contact with officials and that all government and nongovernment entities involved in the process function without corruption.

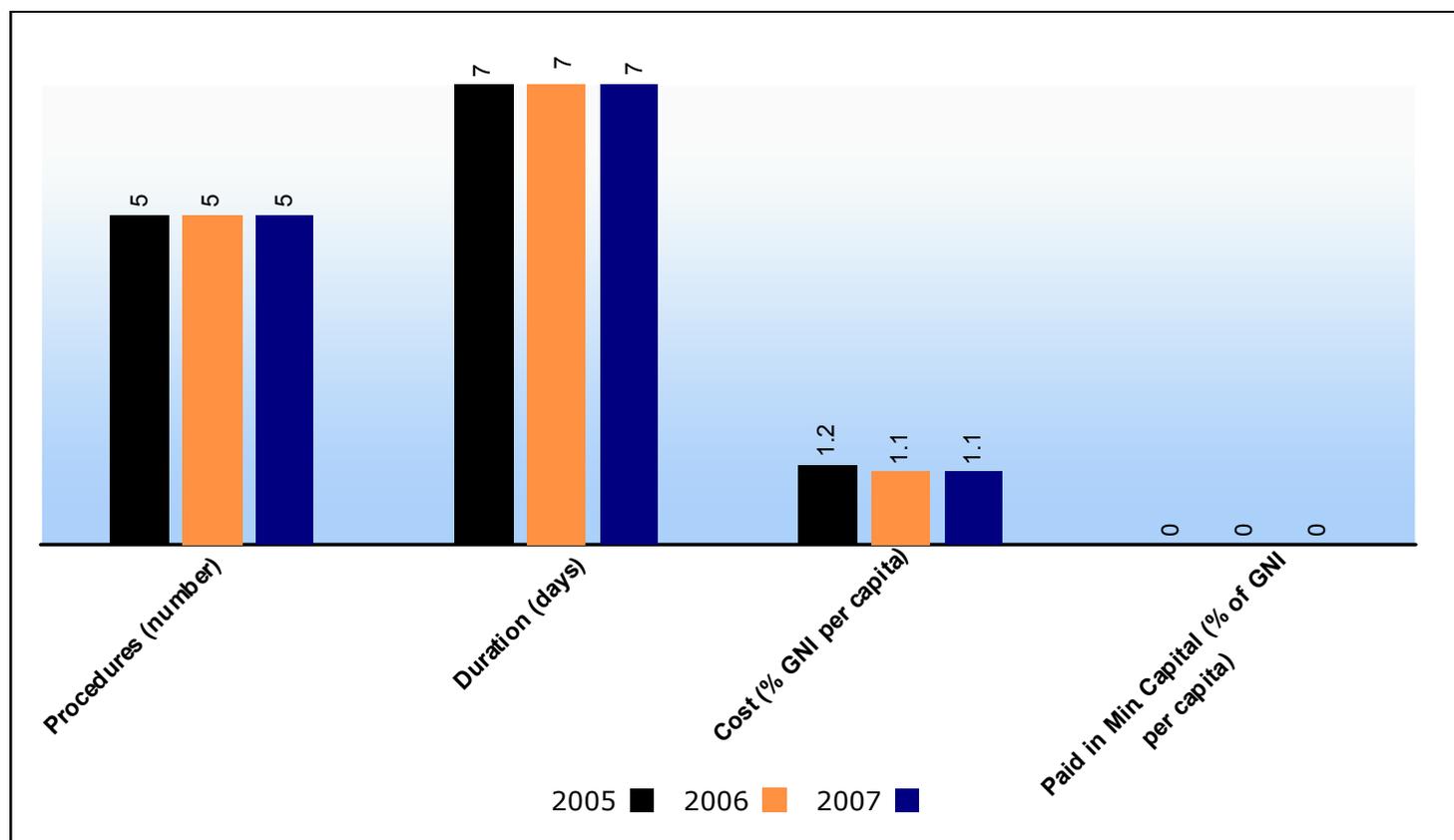
To make the data comparable across economies, detailed assumptions about the type of business are used. Among these assumptions are the following: the business is a limited liability company conducting general commercial activities in the largest business city; it is 100% domestically owned, with start-up capital of 10 times income per capita, turnover of at least 100 times income per capita and between 10 and 50 employees; and it does not qualify for any special benefits, nor does it own real estate. Procedures are recorded only where interaction is required with an external party. It is assumed that the founders complete all procedures themselves unless professional services (such as by a notary or lawyer) are required by law. Voluntary procedures are not counted, nor are industry-specific requirements and utility hook-ups. Lawful shortcuts are counted.

Cumbersome entry procedures are associated with more corruption, particularly in developing countries. Each procedure is a point of contact—an opportunity to extract a bribe. Analysis shows that burdensome entry regulations do not increase the quality of products, make work safer or reduce pollution. Instead, they constrain private investment; push more people into the informal economy; increase consumer prices; and fuel corruption.

1. Historical data: Starting a Business in France

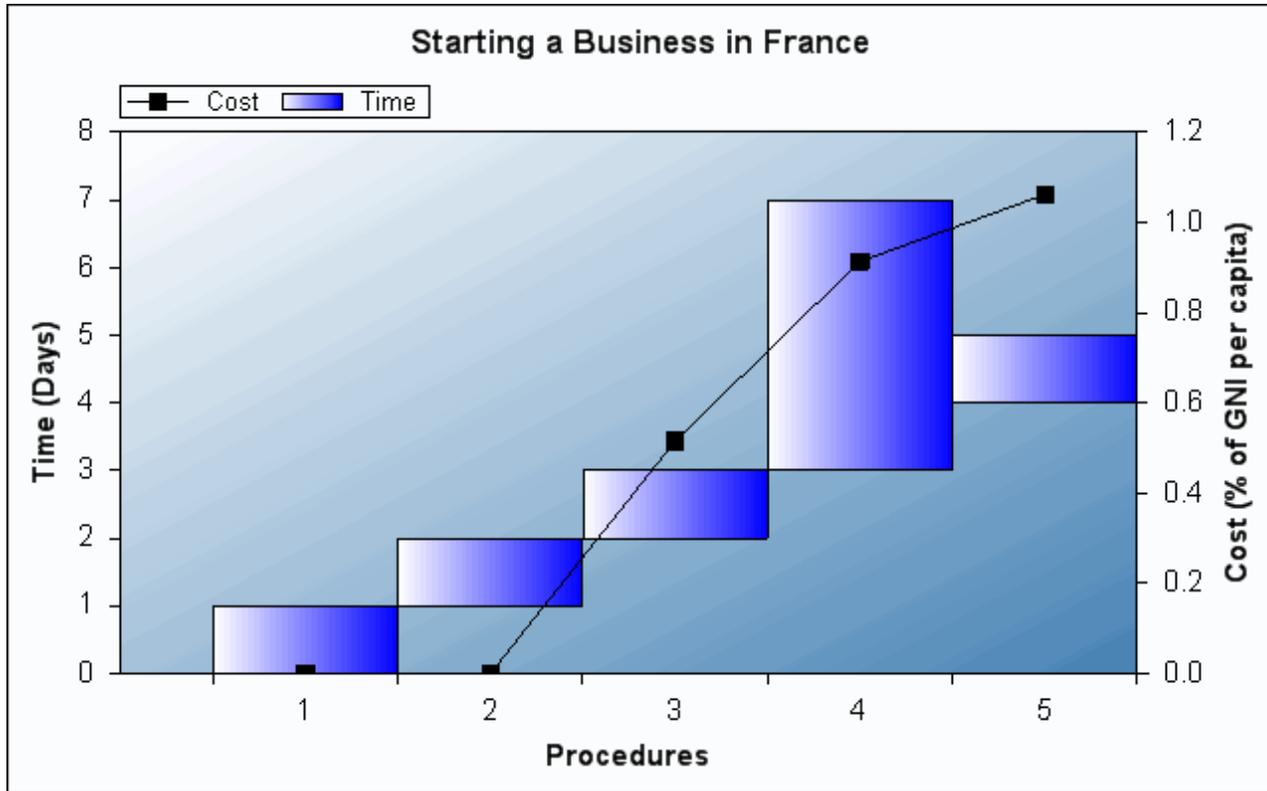
Starting a Business data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		10	12
Procedures (number)	5	5	5
Duration (days)	7	7	7
Cost (% GNI per capita)	1.2	1.1	1.1
Paid in Min. Capital (% of GNI per capita)	0.0	0.0	0.0

2. The following graph illustrates the Starting a Business indicators in France over the past 3 years:



3. Steps to Starting a Business in France

It requires 5 procedures, takes 7 days, and costs 1.06% GNI per capita to start a business in France.



List of Procedures:

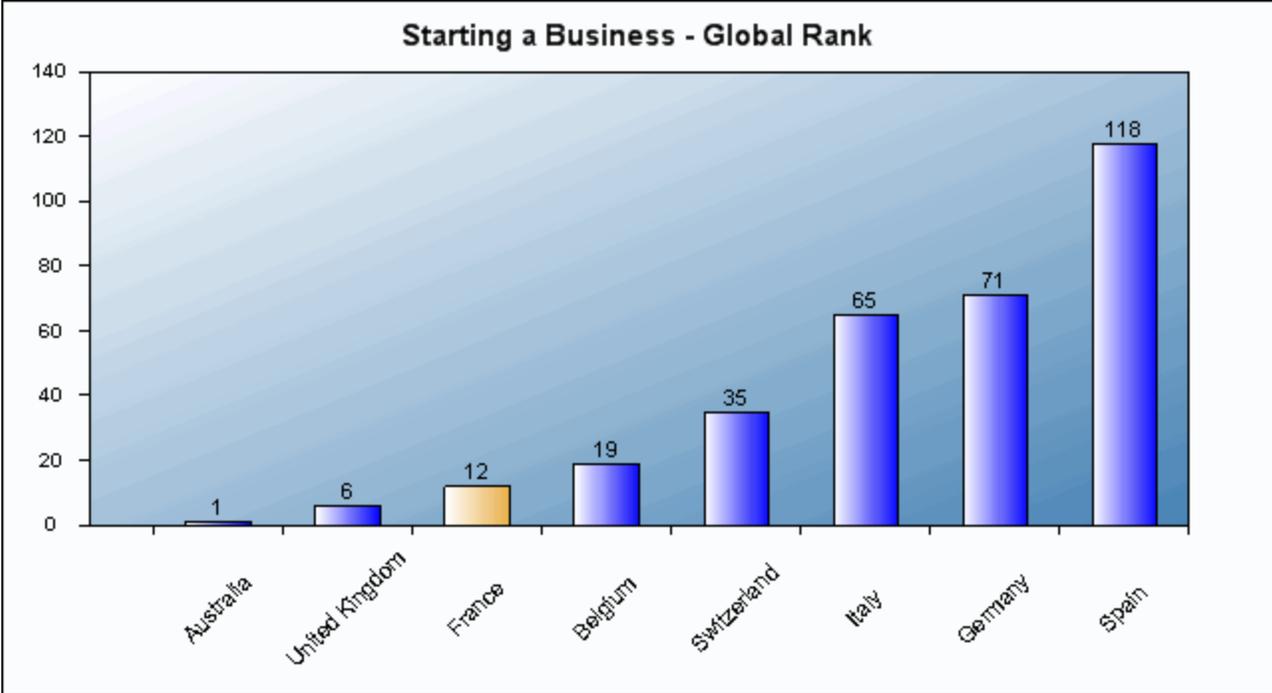
1. Check name for uniqueness
2. Open a bank account and deposit start-up capital
3. Publish a notice of incorporation of the company
4. File a request for a company's registration
5. Have company books stamped

More details are available in the appendix.

4. Benchmarking Starting a Business Regulations:

France is ranked 12 overall for Starting a Business. Australia is the top ranked economy followed by Canada, New Zealand and United States.

Ranking of France in Starting a Business - Compared to best practice and selected economies:



The following table shows Starting a Business data for France compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Procedures (number)	Duration (days)	Cost (% GNI per capita)	Paid in Min. Capital (% of GNI per
Australia*	2	2		0.0
Denmark			0.0	

<i>Selected Economy</i>				
France	5	7	1.1	0.0

<i>Comparator Economies</i>				
Belgium	3	4	5.3	20.1
Germany	9	18	5.7	42.8
Italy	9	13	18.7	9.8
Spain	10	47	15.1	13.7
Switzerland	6	20	2.1	13.9
United Kingdom	6	13	0.8	0.0

* The following economies are also best practice economies for :

Procedures (number): Canada, New Zealand

Paid in Min. Capital (% of GNI per capita): Canada, Ireland, Israel, Mauritius, New Zealand, Puerto Rico, Thailand, Trinidad and Tobago, United Kingdom, United States

Dealing with Licenses in France: Building a Warehouse

Once entrepreneurs have registered a business, what regulations do they face in operating it? To measure such regulation, Doing Business focuses on the construction sector. Construction companies are under constant pressure—from government to comply with inspections and with licensing and safety regulations and from customers to be quick and cost-effective. These conflicting pressures point to the tradeoff in building regulation—the tradeoff between protecting people (construction workers, tenants, passersby) and keeping the cost of building affordable.

In many countries, especially poor ones, complying with building regulations is so costly in time and money that many builders opt out. Builders may pay bribes to pass inspections or simply build illegally—leading to hazardous construction. In other countries compliance is simple, straightforward and inexpensive—yielding better results.

The indicators on dealing with licenses record all procedures officially required for an entrepreneur in the construction industry to build a warehouse. These include submitting project documents (building plans, site maps) to the authorities, obtaining all necessary licenses and permits, completing all required notifications and receiving all necessary inspections. They also include procedures for obtaining utility connections, such as electricity, telephone, water and sewerage. The time and cost to complete each procedure under normal circumstances are calculated. All official fees associated with legally completing the procedures are included. Time is recorded in calendar days. The survey assumes that the entrepreneur is aware of all existing regulations and does not use an intermediary to complete the procedures unless required to do so by law.

To make the data comparable across economies, several assumptions about the business and its operations are used. The business is a small to medium-size limited liability company, located in the most populous city, domestically owned and operated, in the construction business, with 20 qualified employees. The warehouse to be built:

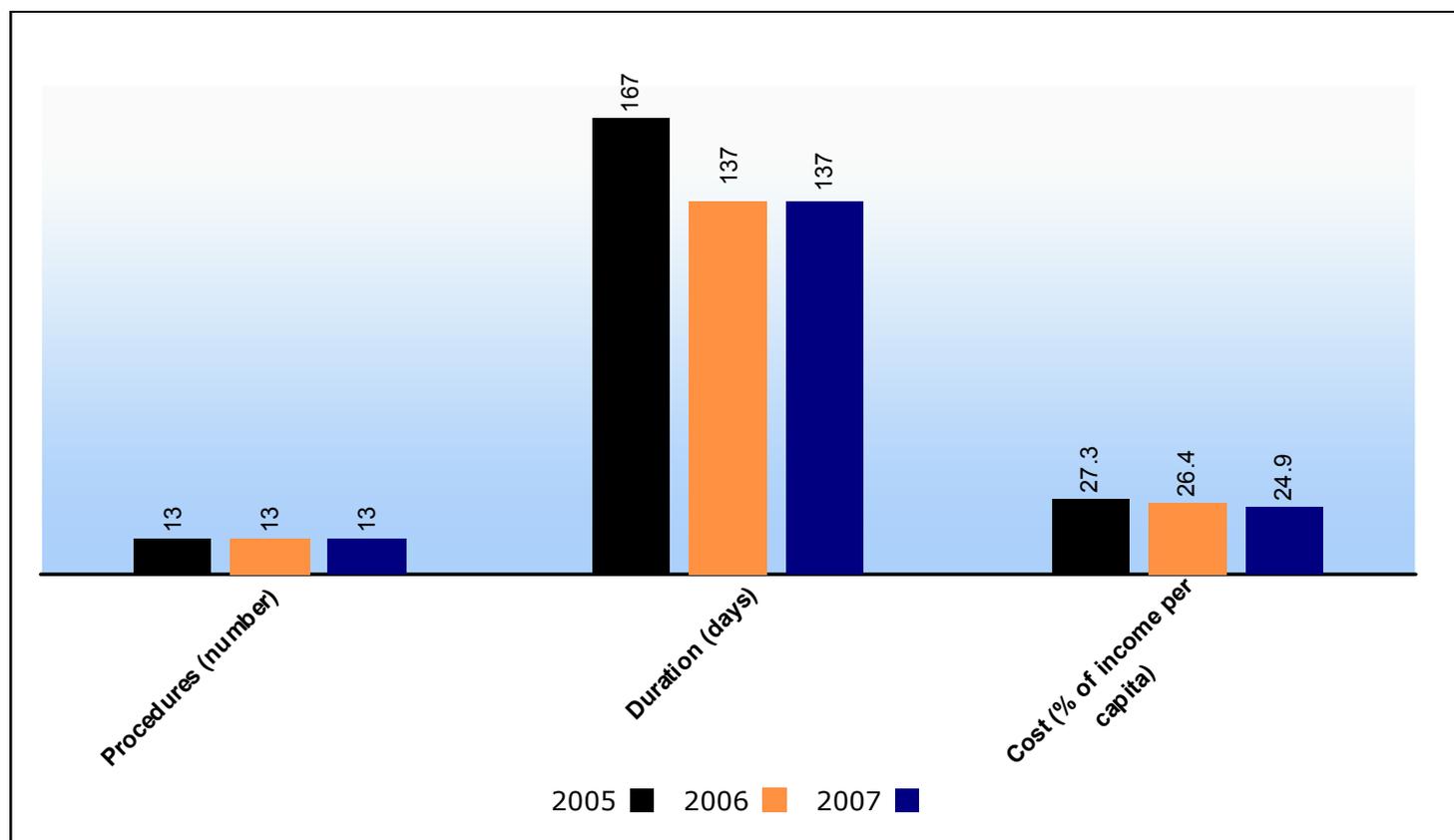
- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect.
- Will be connected to electricity, water, sewerage (sewage system, septic tank or their equivalent) and one land phone line. The connection to each utility network will be 32 feet, 10 inches (10 meters) long.
- Will be used for general storage, such as of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

Where the regulatory burden is large, entrepreneurs move their activity into the informal economy. There they operate with less concern for safety, leaving everyone worse off.

1. Historical data: Dealing with Licenses in France

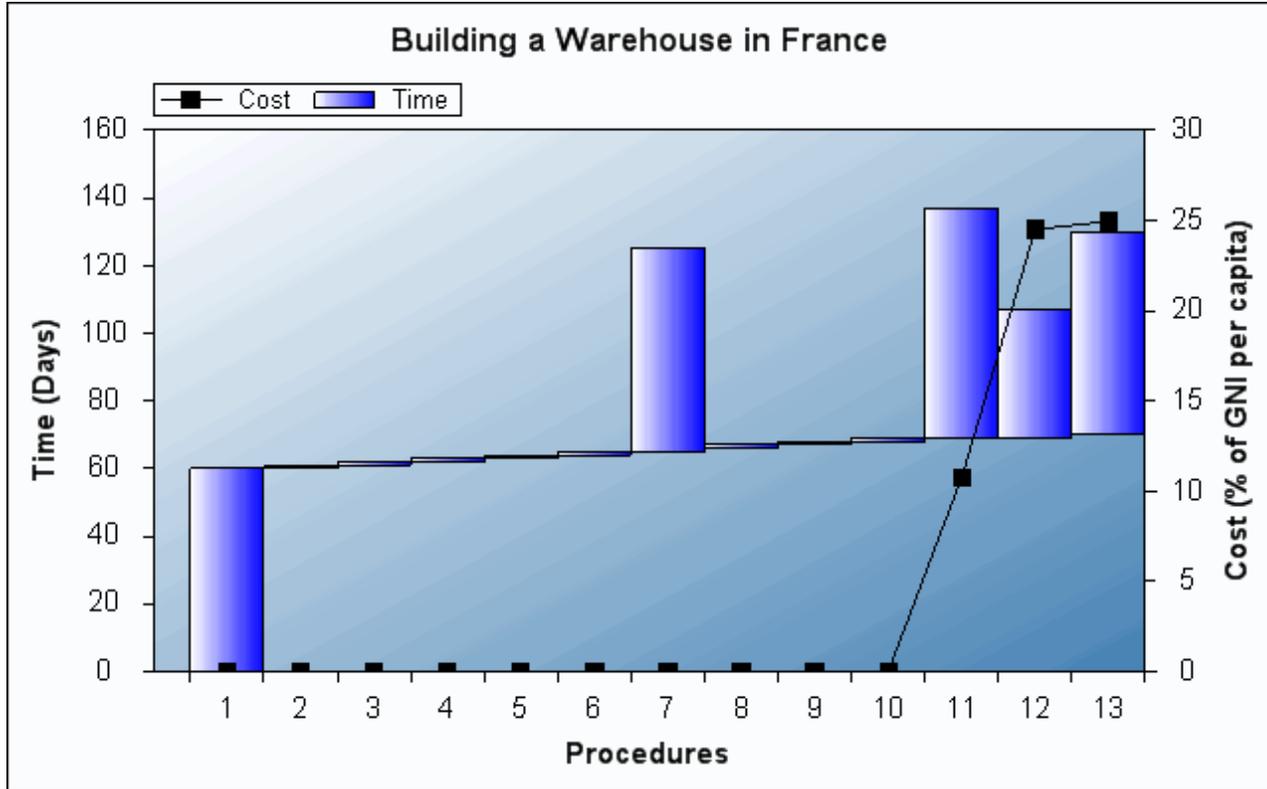
Dealing with Licenses data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		18	17
Procedures (number)	13	13	13
Duration (days)	167	137	137
Cost (% of income per capita)	27.3	26.4	24.9

2. The following graph illustrates the Dealing with Licenses indicators in France over the past 3 years:



3. Steps to Building a Warehouse in France

It requires 13 procedures, takes 137 days, and costs 24.95% GNI per capita to build a warehouse in France.



List of Procedures:

1. Obtain building permit
2. Declare intention to build to the prefecture
3. Apply for water connection
4. SEDIF visits the site to prepare a cost estimate (devis) for water connection
5. Apply for electricity connection
6. EDF visits the site to prepare a cost estimate (devis) for the electricity connection
7. Approved permit is publicly displayed
8. File a declaration of the worksite opening
9. Declare completion of construction
10. Receive visit by building inspectors and obtain compliance certificate
11. Obtain electricity connection
12. Obtain water connection

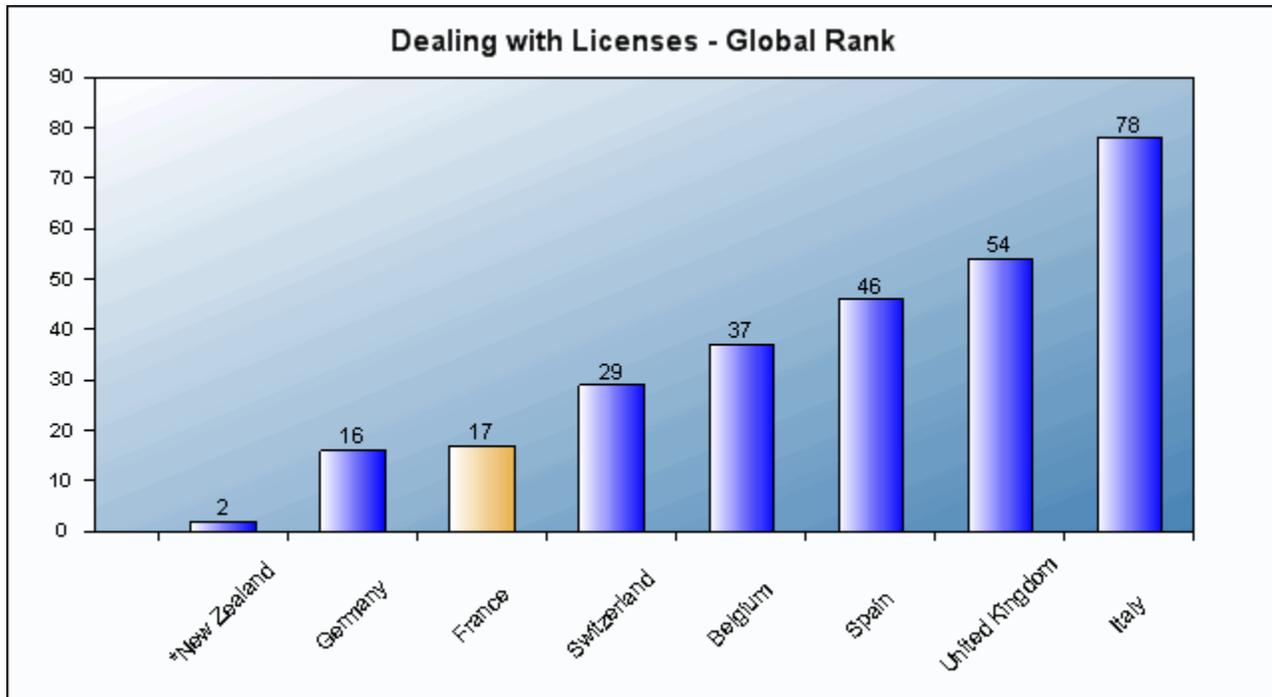
13. Obtain telephone connection

More details are available in the appendix.

4. Benchmarking Dealing with Licenses Regulations:

France is ranked 17 overall for Dealing with Licenses. St. Vincent and the Grenadines is the top ranked economy followed by New Zealand, Belize and Marshall Islands.

Ranking of France in Dealing with Licenses - Compared to best practice and selected economies:



* The following economies are also best practice economies for Building a Warehouse: St. Vincent and the Grenadines

The following table shows Dealing with Licenses data for France compared to best practice and comparator economies:

Best Practice Economies	Procedures (number)	Duration (days)	Cost (% of income per capita)
Denmark	6		
Korea		34	
United Arab Emirates			1.5

Selected Economy			
France	13	137	24.9

Comparator Economies			
Belgium	14	169	63.7
Germany	12	100	63.1
Italy	14	257	138.2
Spain	11	233	64.9
Switzerland	14	154	52.7
United Kingdom	19	144	64.6

Employing Workers in France: Labor Regulations

Every economy has established a complex system of laws and institutions intended to protect workers and guarantee a minimum standard of living for its population. This system encompasses four bodies of law: employment, industrial relations, social security and occupational health and safety laws. Doing Business examines government regulation in the area of employment and social security laws.

Three measures are presented: a rigidity of employment index, a nonwage labor cost measure and a firing cost measure. The rigidity of employment index is the average of three subindices: difficulty of hiring, rigidity of hours and difficulty of firing. Each index takes values between 0 and 100, with higher values indicating more rigid regulation. The difficulty of hiring index measures the flexibility of contracts and the ratio of the minimum wage to the value added per worker. The rigidity of hours index covers restrictions on weekend and night work, requirements relating to working time and the workweek, and mandated days of annual leave with pay. The difficulty of firing index covers workers' legal protections against dismissal, including the grounds permitted for dismissal and procedures for dismissal (individual and collective).

The nonwage labor cost covers all social security payments and payroll taxes associated with hiring an employee, expressed as a percentage of the worker's salary. The firing cost indicator measures the cost of advance notice requirements, severance payments and penalties due when terminating a redundant worker, expressed in weeks of salary.

The indicators on employment regulations are based on a detailed study of employment laws. Data are also gathered on the specific constitutional provisions governing the two areas studied. To ensure accuracy, both the actual laws and the applicable collective bargaining agreements are used. Finally, all data are verified and completed by local law firms through a detailed survey of employment regulations.

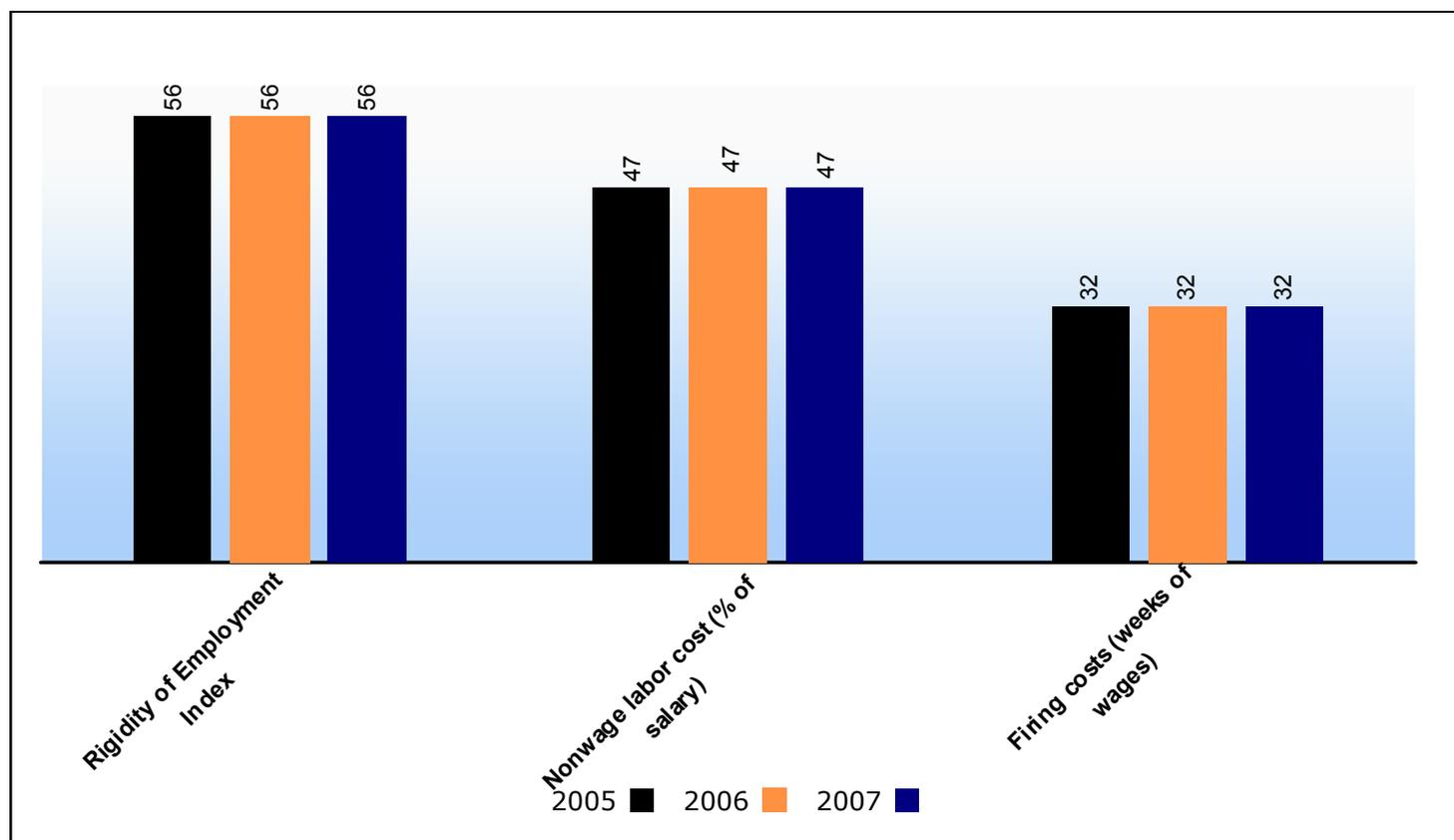
To make the data comparable across economies, a range of assumptions about the worker and the company are used. Assumptions about the worker include that he is a nonexecutive, full-time male employee who has worked in the same company for 20 years and is not a member of the labor union (unless membership is mandatory). The company is assumed to be a limited liability manufacturing corporation that operates in the country's most populous city, is 100% domestically owned and has 201 employees. The company is also assumed to be subject to collective bargaining agreements in countries where such agreements cover more than half the manufacturing sector and apply even to firms not party to them.

Most employment regulations are enacted in response to market failures. But that does not mean that today's regulations are optimal. Analysis across countries shows that while employment regulation generally increases the tenure and wages of incumbent workers, rigid regulations have many undesirable side effects. These include less job creation, smaller company size, less investment in research and development, and longer spells of unemployment and thus the obsolescence of skills—all of which may reduce productivity growth. Many countries err on the side of excessive rigidity, to the detriment of businesses and workers alike.

1. Historical data: Employing Workers in France

Employing Workers data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		146	144
Rigidity of Employment Index	56	56	56
Nonwage labor cost (% of salary)	47	47	47
Firing costs (weeks of wages)	32	32	32

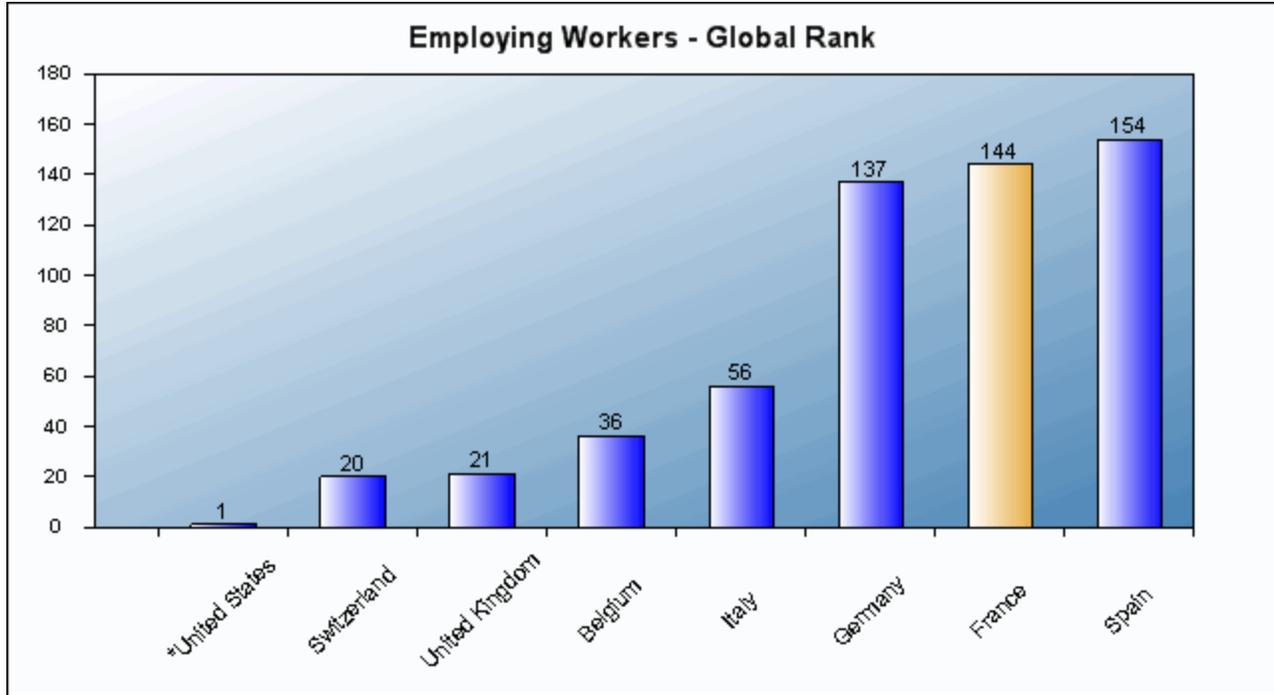
2. The following graph illustrates the Employing Workers indicators in France over the past 3 years:



3. Benchmarking Employing Workers Regulations:

France is ranked 144 overall for Employing Workers. Marshall Islands is the top ranked economy followed by Brunei, Georgia and Tonga.

Ranking of France in Employing Workers - Compared to best practice and selected economies:



* The following economies are also best practice economies for Employing Workers: Marshall Islands, Singapore

The following table shows Employing Workers data for France compared to best practice and comparator economies:

Best Practice Economies	Rigidity of Employment Index	Nonwage labor cost (% of salary)	Firing costs (weeks of wages)
Bangladesh*		0	
Denmark*			0
Hong Kong, China*	0		

Selected Economy			
France	56	47	32

Comparator Economies			
Belgium	20	55	16
Germany	44	19	69
Italy	38	37	2
Spain	56	33	56
Switzerland	17	15	13
United Kingdom	7	11	22

* The following economies are also best practice economies for :

Rigidity of Employment Index: Singapore, United States

Nonwage labor cost (% of salary): Botswana, Ethiopia, Maldives

Firing costs (weeks of wages): New Zealand, United States

Registering Property in France: Regulation of Property Transfer

Property registries were first developed to help raise tax revenue. Defining and publicizing property rights through registries has also proved to be good for entrepreneurs. Land and buildings account for between half and three-quarters of the wealth in most economies. Securing rights to this property strengthens incentives to invest and facilitates commerce. And with formal property titles, entrepreneurs can obtain mortgages on their home or land and start businesses.

Doing Business measures the ease of registering property based on a standard case of an entrepreneur who wants to purchase land and a building in the largest business city. It is assumed that the property is already registered and free of title dispute. The data cover the full sequence of procedures necessary to transfer the property title from the seller to the buyer. Every required procedure is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf.

Local property lawyers and officials in property registries provide information on required procedures as well as the time and cost to complete each one. For most countries the data are based on responses from both. Based on the responses, three indicators are constructed:

- Number of procedures to register property.
- Time to register property (in calendar days).
- Official costs to register property (as a percentage of the property value).

A large share of the property in developing countries is not formally registered, limiting financing opportunities for businesses. Recognizing this constraint, some developing country governments have embarked on extensive property titling programs. Yet bringing assets into the formal sector is of little value unless they stay there.

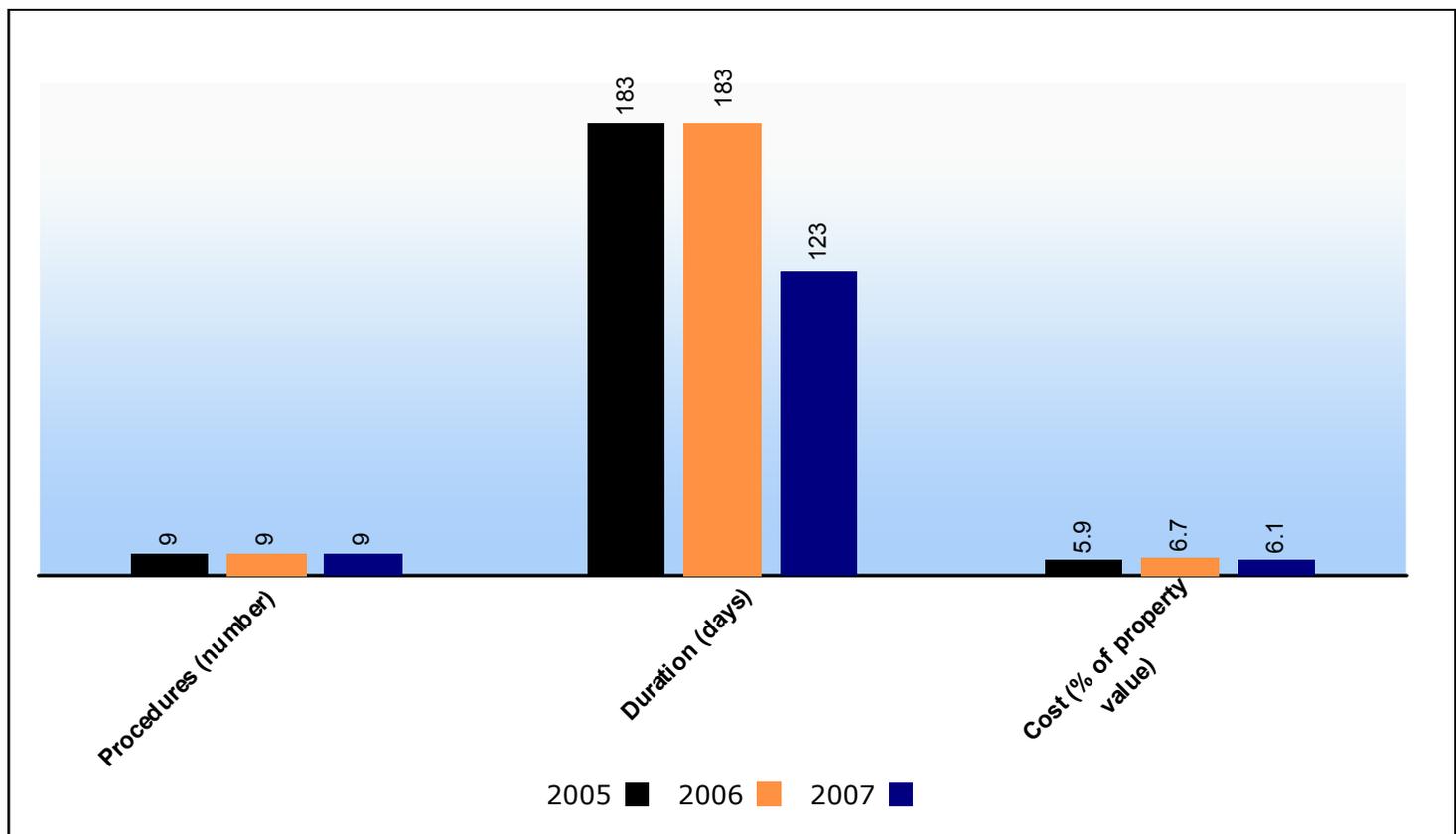
Many titling programs in Africa were futile because people bought and sold property informally—neglecting to update the title records in the property registry. Why? Doing Business shows that completing a simple formal property transfer in the largest business city of an African country costs 12% of the value of the property and takes more than 100 days on average. Worse, the property registries are so poorly organized that they provide little security of ownership. For both reasons, formalized titles quickly go informal again.

Efficient property registration reduces transaction costs and helps keep formal titles from slipping into informal status. Simple procedures to register property are also associated with greater perceived security of property rights and less corruption. That benefits all entrepreneurs, especially women, the young and the poor. The rich have few problems protecting their property rights. They can afford to invest in security systems and other measures to defend their property. But small entrepreneurs cannot. Reform can change this.

1. Historical data: Registering Property in France

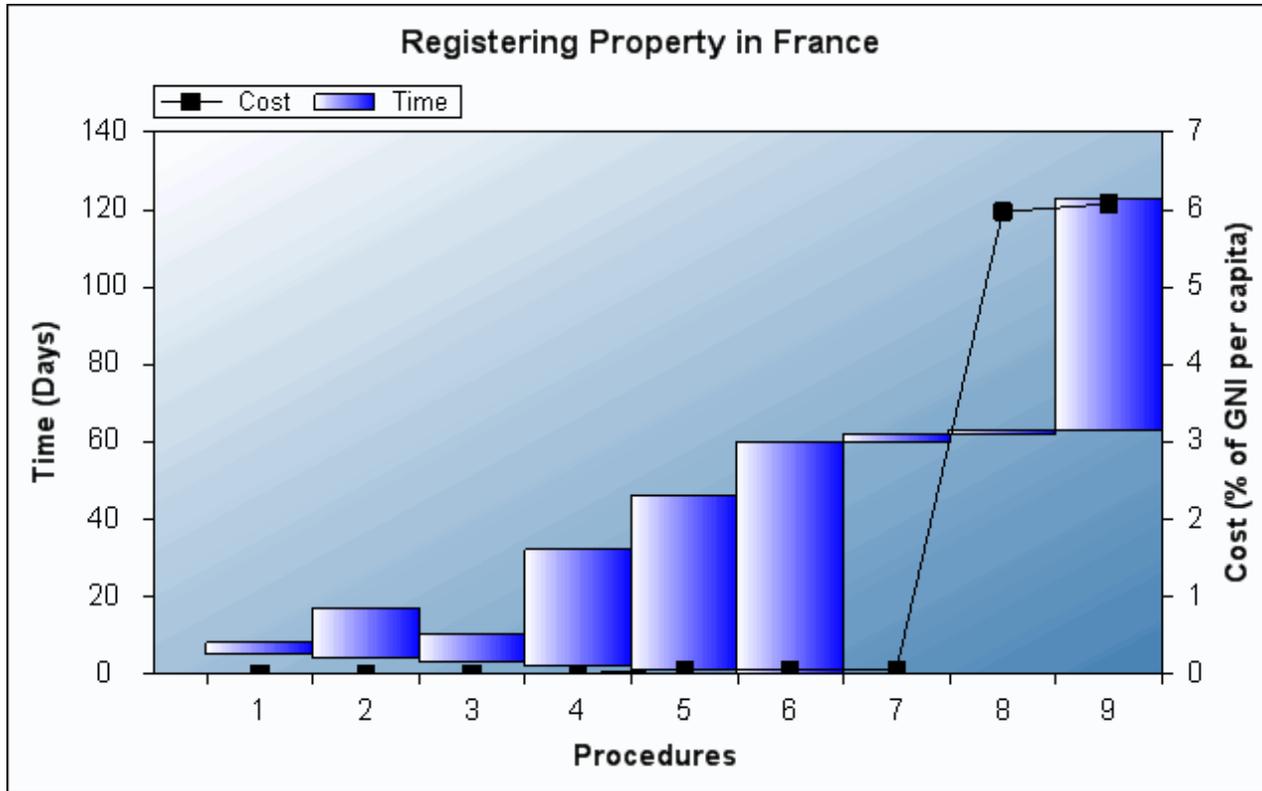
Registering Property data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		162	159
Procedures (number)	9	9	9
Duration (days)	183	183	123
Cost (% of property value)	5.9	6.7	6.1

2. The following graph illustrates the Registering Property indicators in France over the past 3 years:



3. Steps to Registering Property in France

It requires 9 procedures, takes 123 days, and costs 6.07% GNI per capita to register the property in France.



List of Procedures:

1. Obtain from the relevant Land Registry a non-encumbrance certificate and a 30-year search on the property
2. Obtain copies of all transfer deeds over a 30-year period
3. Obtain a cadastral certificate and a map from the Cadastral Registry
4. Obtain planning certificates
5. The notary obtains environmental reports mentioning the presence or absence of termites and asbestos
6. Obtain the waiver of preemption rights from the Municipality
7. Notaries prepare the draft of the deed of sale
8. The deed of sale is executed by a notary
9. Apply for registration of the deed of sale at the relevant Land Registry

More details are available in the appendix.

4. Benchmarking Registering Property Regulations:

France is ranked 159 overall for Registering Property. New Zealand is the top ranked economy followed by Armenia, Saudi Arabia and Lithuania.

Ranking of France in Registering Property - Compared to best practice and selected economies:



The following table shows Registering Property data for France compared to best practice and comparator economies:

Best Practice Economies	Procedures (number)	Duration (days)	Cost (% of property value)
New Zealand*		2	
Norway*	1		
Saudi Arabia*			0.0

Selected Economy			
France	9	123	6.1

Comparator Economies			
Belgium	7	132	12.7
Germany	4	40	5.2
Italy	8	27	0.6
Spain	4	18	7.1
Switzerland	4	16	0.4
United Kingdom	2	21	4.1

* The following economies are also best practice economies for :

Procedures (number): Sweden

Duration (days): Sweden, Thailand

Cost (% of property value): Bhutan

Getting Credit in France: Legal Rights and Credit Information

Firms consistently rate access to credit as among the greatest barriers to their operation and growth. Doing Business constructs two sets of indicators of how well credit markets function—one on credit registries and the other on legal rights of borrowers and lenders.

Credit registries—institutions that collect and distribute credit information on borrowers—can greatly expand access to credit. By sharing credit information, they help lenders assess risk and allocate credit more efficiently. And they free entrepreneurs from having to rely on personal connections alone when trying to obtain credit. Three indicators are constructed to measure the sharing of credit information:

- Public registry coverage, which reports the number of individuals and firms covered by a public credit registry as a percentage of the adult population.
- Private bureau coverage, which reports the number of individuals and firms covered by a private credit bureau as a percentage of the adult population.
- Depth of credit information index, which measures the extent to which the rules of a credit information system facilitate lending based on the scope of information distributed, the ease of access to information and the quality of information.

The data are from surveys of public registries and the largest private credit bureau in the country.

Effective regulation of secured lending—through collateral and bankruptcy laws—can also ease credit constraints. By giving a lender the right to seize and sell a borrower's secured assets upon default, collateral limits the lender's potential losses and acts as a screening device for borrowers. The strength of legal rights index measures 10 aspects of the rights of borrowers and creditors in collateral and bankruptcy laws, including whether:

- General rather than specific description of assets and debt is permitted in collateral agreements (expanding the scope of assets and debt covered).
- Any legal or natural person may grant or take security in assets.
- A unified registry operates that includes charges over movable property.
- Secured creditors have priority both within bankruptcy and outside it.
- Parties may agree on out-of-court enforcement of collateral by contract.
- Creditors may both seize and sell collateral out of court, no automatic stay or “asset freeze” applies upon bankruptcy, and the bankrupt debtor does not retain control of the firm.

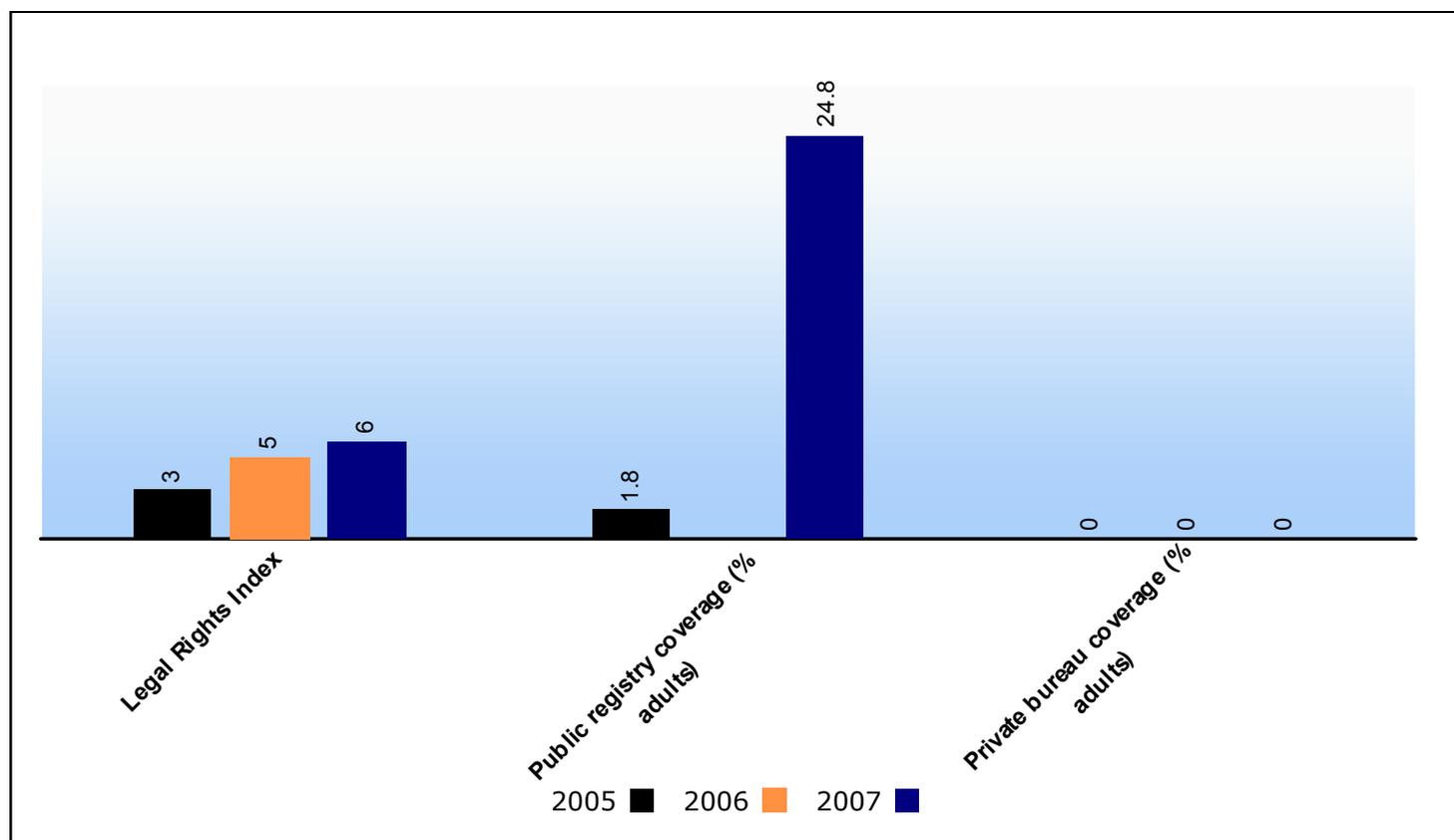
The index ranges from 0 (weak legal rights) to 10 (strong legal rights). The data were obtained by examining collateral and bankruptcy laws and legal summaries and verified through a survey of financial lawyers.

Where good-quality credit information is available and legal rights are stronger, more credit is extended. Benefits flow beyond those gaining access to credit. With better-functioning credit markets, unemployment is lower, and women and low-income people benefit the most.

1. Historical data: Getting Credit in France

Getting Credit data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		45	36
Legal Rights Index	3	5	6
Public registry coverage (% adults)	1.8	not available	24.8
Private bureau coverage (% adults)	0.0	0.0	0.0

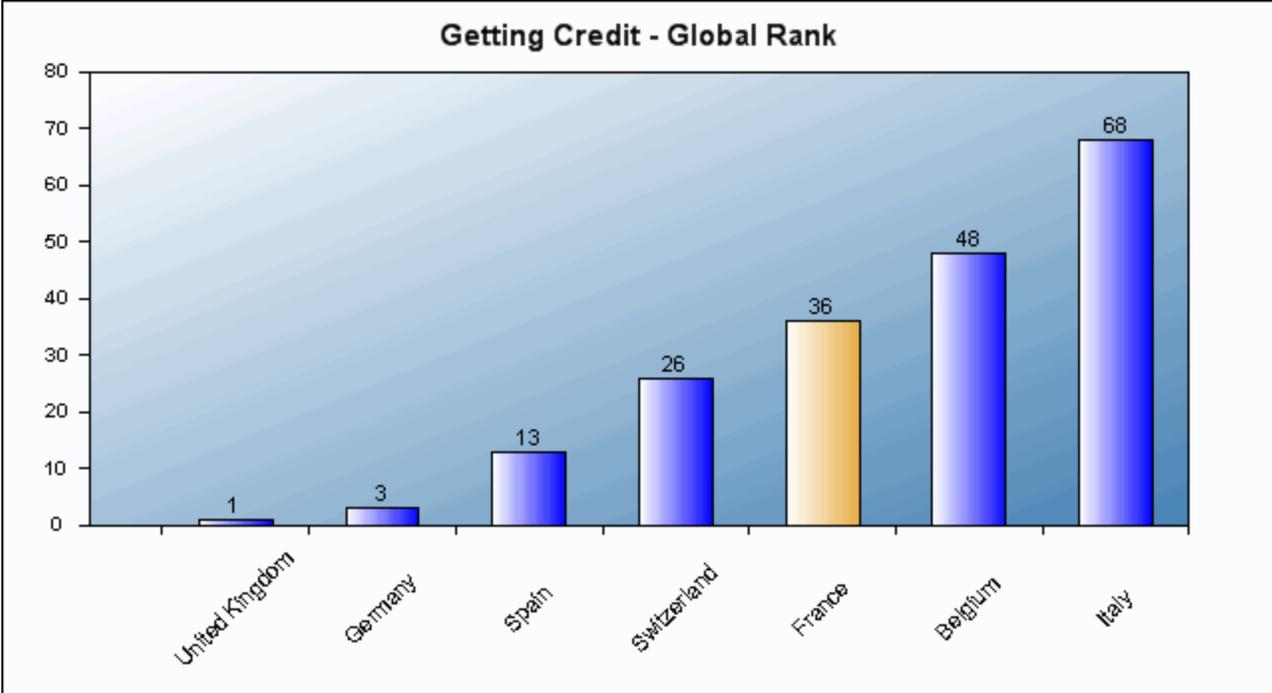
2. The following graph illustrates the Getting Credit indicators in France over the past 3 years:



3. Benchmarking Getting Credit Regulations:

France is ranked 36 overall for Getting Credit. United Kingdom is the top ranked economy followed by Hong Kong, China, Germany and Australia.

Ranking of France in Getting Credit - Compared to best practice and selected economies:



The following table shows Getting Credit data for France compared to best practice and comparator economies:

Best Practice Economies	Legal Rights Index	Public registry coverage (%)	Private bureau coverage (%)
Argentina*			100.0
Hong Kong, China*	10		
Portugal		67.1	

Selected Economy			
France	6	24.8	0.0

Comparator Economies			
Belgium	5	57.2	0.0
Germany	8	0.7	98.1
Italy	3	11.0	71.5
Spain	6	44.9	8.3
Switzerland	6	0.0	24.0
United Kingdom	10	0.0	84.6

* The following economies are also best practice economies for :

Legal Rights Index: United Kingdom

Private bureau coverage (% adults): Australia, Canada, Iceland, Ireland, New Zealand, Nicaragua, Norway, Sweden, United States

Protecting Investors in France

Officials at Elf Aquitaine, France's largest oil company, awarded business deals in return for large side payments. Along with the extra cash, they got seven years in jail and a €2 million fine for abuse of power. Russian oil firm Gazprom purchased materials for new pipelines through intermediaries owned by company officers. The high cost raised eyebrows, but not court battles.

Big cases make headlines. But looting by corporate insiders occurs every day on a smaller scale, and often goes unnoticed. To document the protections investors have, Doing Business measures how countries regulate a standard case of self-dealing—use of corporate assets for personal gain.

The case facts are simple. Mr. James, a director and the majority shareholder of a public company, proposes that the company purchase used trucks from another company he owns. The price is higher than the going price for used trucks. The transaction goes forward. All required approvals are obtained, and all required disclosures made, though the transaction is unfair to the purchasing company. Shareholders sue the interested parties and the members of the board of directors.

Several questions arise. Who approves the transaction? What information must be disclosed? What company documents can investors access? What do minority shareholders have to prove to get the transaction stopped or to receive compensation from Mr. James? Three indices of investor protection are constructed based on the answers to these and other questions. All indices range from 0 to 10, with higher values indicating more protections or greater disclosure.

The extent of disclosure index covers approval procedures, requirements for immediate disclosure to the public and shareholders of proposed transactions, requirements for disclosure in periodic filings and reports and the availability of external review of transactions before they take place.

The extent of director liability index covers the ability of investors to hold Mr. James and the board of directors liable for damages, the ability to rescind the transaction, the availability of fines and jail time associated with self-dealing, the availability of direct or derivative suits and the ability to require Mr. James to pay back his personal profits from the transaction.

The ease of shareholder suits index covers the availability of documents that can be used during trial, the ability of the investor to examine the defendant and other witnesses, shareholders' access to internal documents of the company, the appointment of an inspector to investigate the transaction and the standard of proof applicable to a civil suit against the directors.

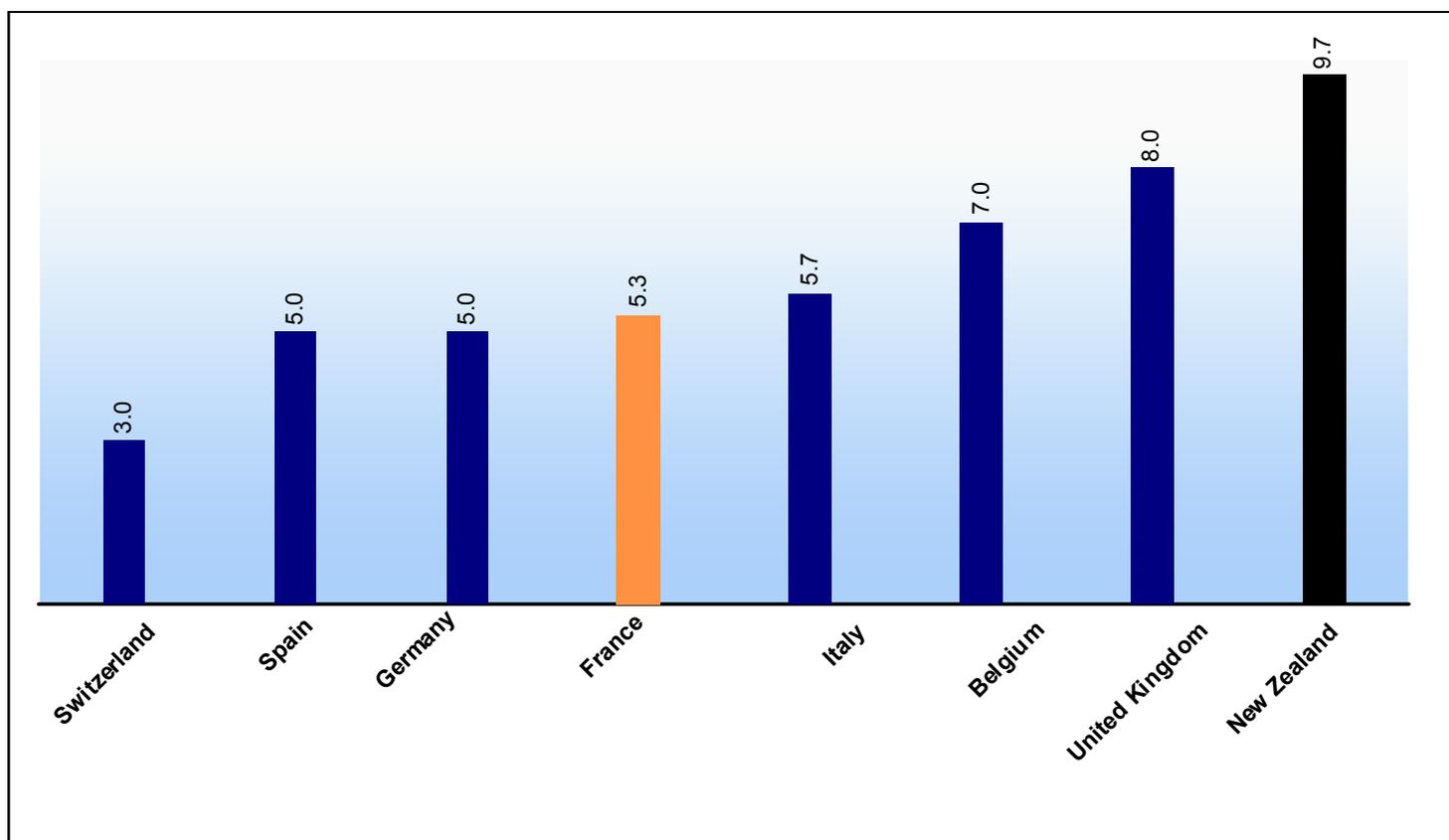
These three indices are averaged to create the strength of investor protection index. This index ranges from 0 to 10, with higher values indicating better investor protection.

If the rights of investors are not protected, majority ownership in a business is the only way to eliminate expropriation. But then investors must devote more oversight attention to fewer investments. The result: entrepreneurship is suppressed, and fewer profitable investment projects are undertaken. Where self-dealing is curbed, equity investment is higher, ownership concentration lower and trust in the business sector deeper. Investors gain portfolio diversification, and entrepreneurs gain access to cash.

1. Historical data: Protecting Investors in France

Protecting Investors data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		62	64
Investor Protection Index	5.3	5.3	5.3

2. The following graph illustrates the Protecting Investors index in France compared to best practice and selected Economies:

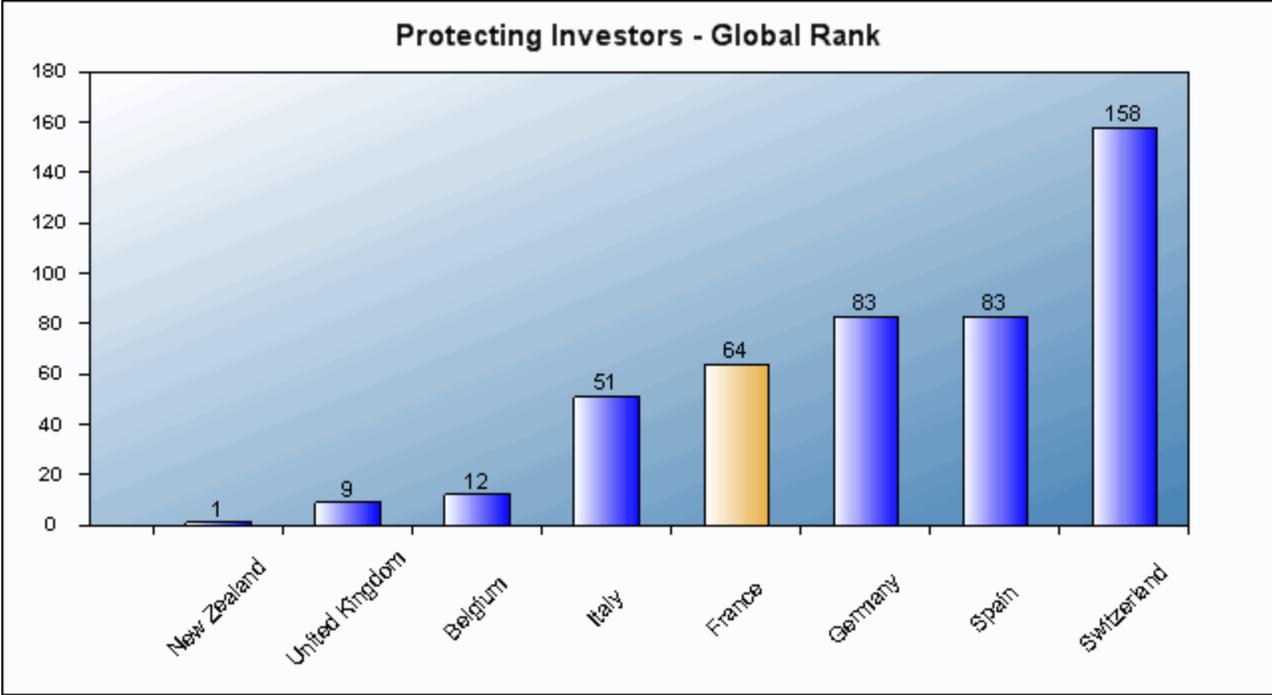


Note: The higher the score, the greater the investor protection.

3. Benchmarking Protecting Investors Regulations:

France is ranked 64 overall for Protecting Investors. New Zealand is the top ranked economy followed by Singapore, Hong Kong, China and Malaysia.

Ranking of France in Protecting Investors - Compared to best practice and selected economies:



The following table shows Protecting Investors data for France compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Investor Protection Index
New Zealand	9.7

<i>Selected Economy</i>	
France	5.3

<i>Comparator Economies</i>	
Belgium	7.0
Germany	5.0
Italy	5.7
Spain	5.0
Switzerland	3.0
United Kingdom	8.0

Paying Taxes: Tax Payable and Compliance in France

Taxes are essential. Without them there would be no money to fund schools, hospitals, courts, roads, water, waste collection and other public services that help businesses to be more productive. Still, there are good ways and bad ways to collect taxes.

The Doing Business tax survey records the effective tax that a company must pay and the administrative costs of doing so. Imagine a medium-size business, TaxpayerCo, that started operations last year. Doing Business asked accountants in 178 economies to review TaxpayerCo's financial statements and a standard list of transactions the company completed during the year. Respondents were asked how much tax the business must pay and what the process is for doing so.

The business starts from the same financial position in each country. All the taxes and contributions paid during the second year of operation are recorded. Taxes and contributions are measured at all levels of government and include corporate income tax, turnover tax, all labor contributions paid by the company (including mandatory contributions paid to private pension or insurance funds), property tax, property transfer tax, dividend tax, capital gains tax, financial transactions tax, vehicle tax and other small taxes (such as fuel tax, stamp duty and local taxes). A range of standard deductions and exemptions are also recorded.

Three indicators are constructed:

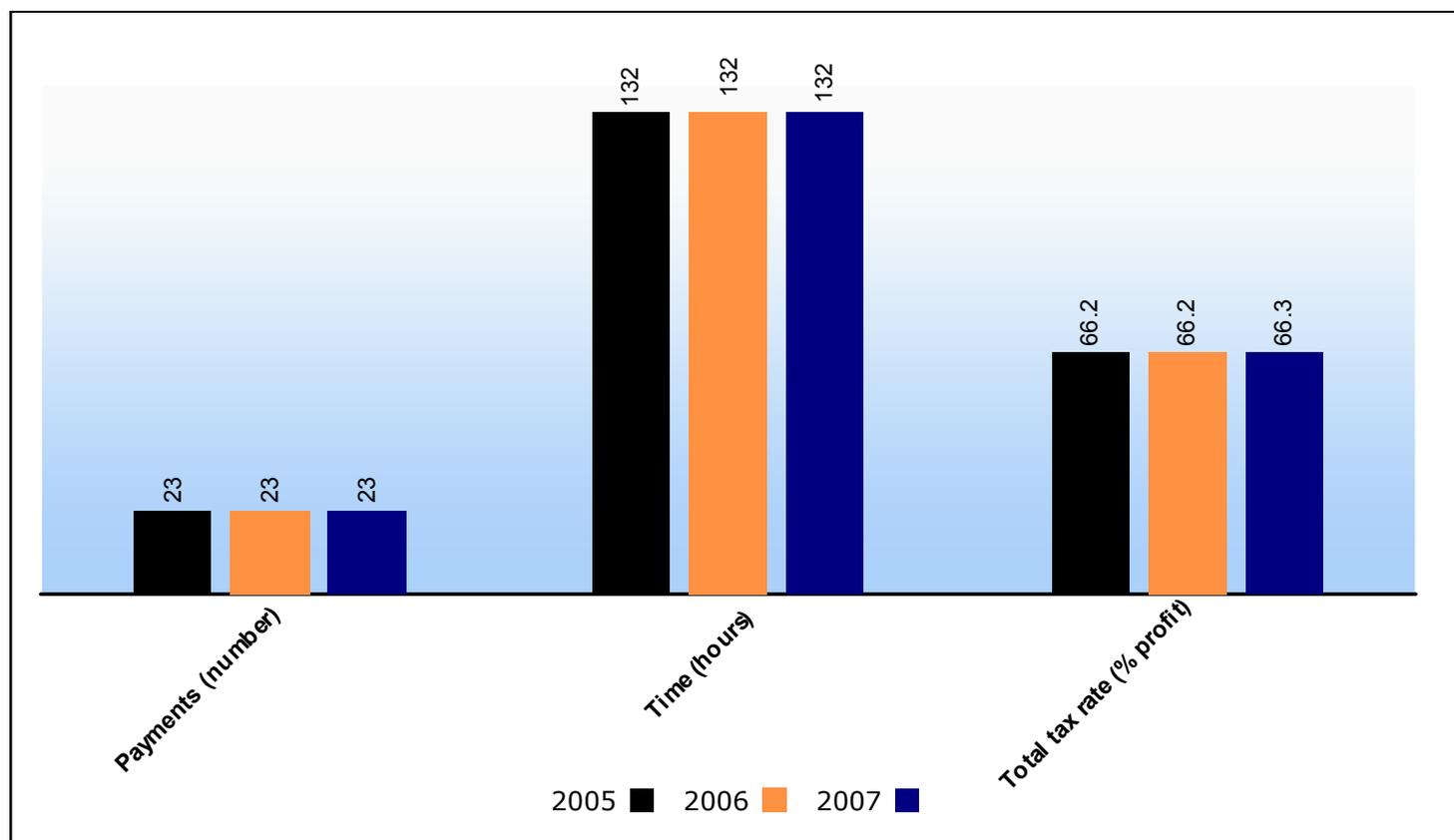
- Number of tax payments, which takes into account the method of payment or withholding, the frequency of payment or withholding and the number of agencies involved for the standard case.
- Time, which measures the hours per year necessary to prepare, file and pay the corporate income tax, value added or sales tax and labor taxes.
- Total tax rate, which measures the amount of taxes payable by the company during the second year of operation. This amount, expressed as a percentage of commercial profit, is the sum of all the different taxes payable after accounting for various deductions and exemptions.

Businesses care about what they get for their taxes and contributions, such as the quality of infrastructure and social services. Poor countries tend to use businesses as a collection point for taxes. Rich countries tend to have lower tax rates and less complex tax systems. And rich countries get more from their taxes. Simple, moderate taxes and fast, cheap administration mean less hassle for businesses—and also more revenue collected and better public services. More burdensome tax regimes create an incentive to evade taxes.

1. Historical data: Paying Taxes in France

Paying Taxes data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		84	82
Time (hours)	132	132	132
Total tax rate (% profit)	66.2	66.2	66.3
Payments (number)	23	23	23

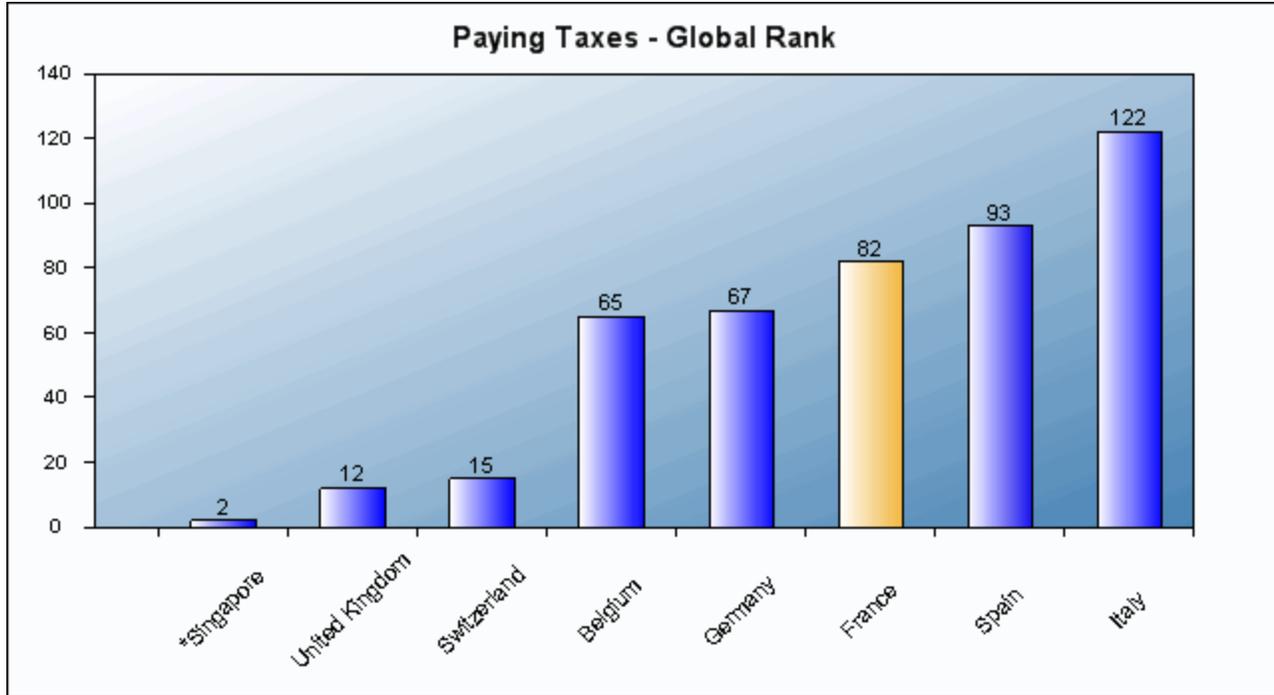
2. The following graph illustrates the Paying Taxes indicators in France over the past 3 years:



3. Benchmarking Paying Taxes Regulations:

France is ranked 82 overall for Paying Taxes. Maldives is the top ranked economy followed by Singapore, Hong Kong, China and United Arab Emirates.

Ranking of France in Paying Taxes - Compared to best practice and selected economies:



* The following economies are also best practice economies for Paying Taxes: Maldives

The following table shows Paying Taxes data for France compared to best practice and comparator economies:

Best Practice Economies	Payments (number)	Time (hours)	Total tax rate (% profit)
Sweden*	2		
United Arab Emirates*		12	
Vanuatu			8.4

Selected Economy			
France	23	132	66.3

Comparator Economies			
Belgium	11	156	64.3
Germany	16	196	50.8
Italy	15	360	76.2
Spain	8	298	62.0
Switzerland	24	63	29.1
United Kingdom	8	105	35.7

* The following economies are also best practice economies for :

Payments (number): **Maldives**

Time (hours): **Maldives**

Trading Across Borders: Importing and Exporting from France

The benefits of trade are well documented—as are the obstacles to trade. Tariffs, quotas and distance from large markets greatly increase the cost of goods or prevent trading altogether. But with faster ships and bigger planes, the world is shrinking. Global and regional agreements have brought down trade barriers. Yet Africa's share of global trade is smaller today than it was 25 years ago. So is the Middle East's, excluding oil exports. The reason is simple: many entrepreneurs face numerous hurdles to exporting or importing goods. They often give up. Others never try.

Doing Business compiles procedural requirements for trading a standard shipment of goods by ocean transport. Every official procedure—and the associated documents, time and cost—for importing and exporting the goods is recorded, starting with the contractual agreement between the two parties and ending with delivery of the goods. For importing the goods, the procedures measured range from the vessel's arrival at the port of entry to the shipment's delivery at the factory warehouse. For exporting the goods, the procedures measured range from the packing of the goods at the factory to their departure from the port of exit.

To make the data comparable across countries, several assumptions about the business and the traded goods are used. The business is of medium size, with 100 or more employees, and is located in the periurban area of the country's most populous city. It is a private, limited liability company, domestically owned, formally registered and operating under commercial laws and regulations of the country. The traded goods are ordinary, legally manufactured products, and they travel in a dry-cargo, 20-foot FCL (full container load) container.

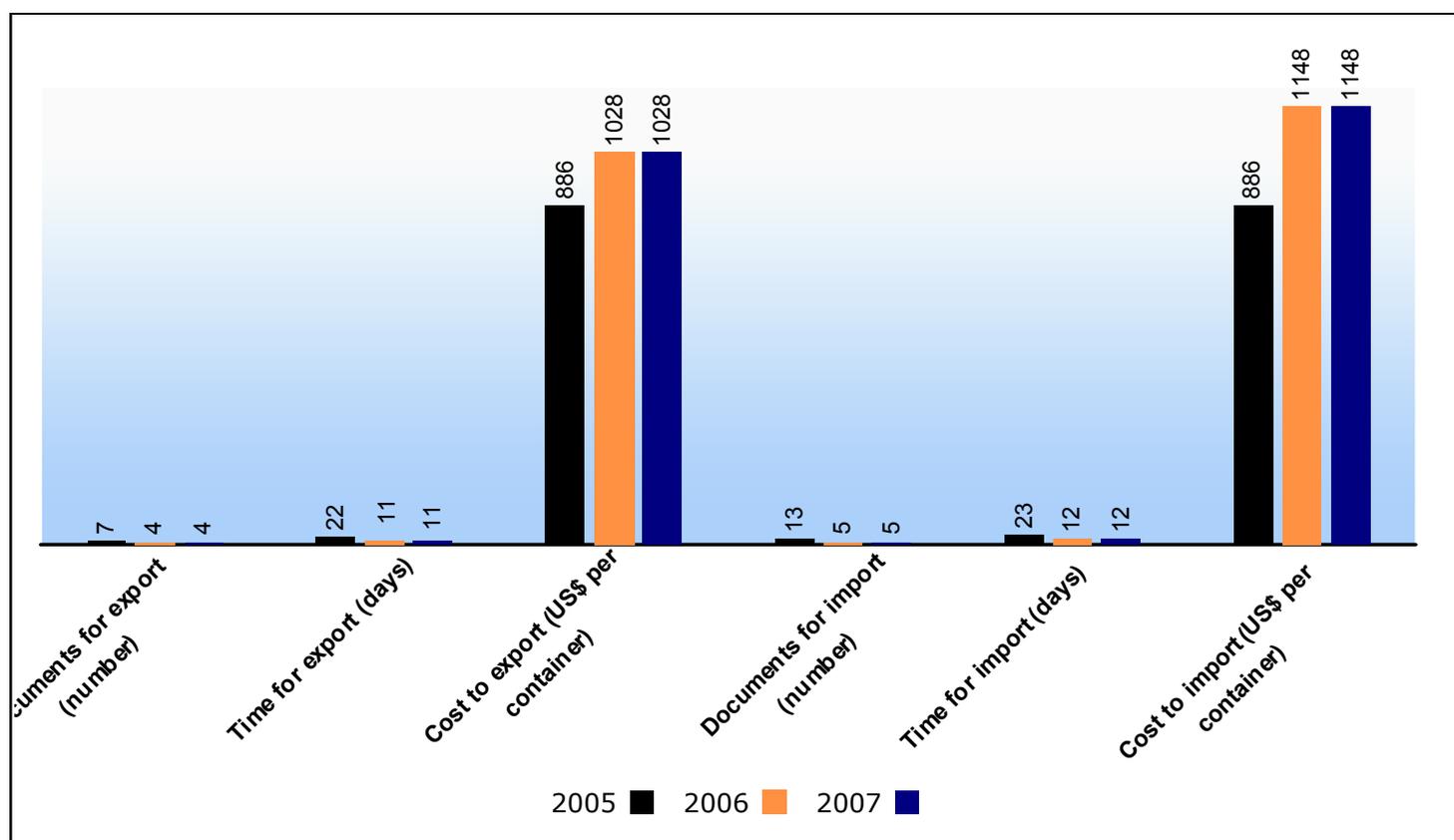
Documents recorded include port filing documents, customs declaration and clearance documents, and official documents exchanged between the concerned parties. Time is recorded in calendar days, from start to finish of each procedure. Cost measures the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to export or import the goods are included, such as costs for documents, administrative fees for customs clearance and technical control, terminal handling charges and inland transport. The cost measure does not include tariffs or trade taxes.

Countries that have efficient customs, good transport networks and fewer document requirements—making compliance with export and import procedures faster and cheaper—are more competitive globally. That leads to more exports—and exports are associated with faster growth and more jobs. Conversely, a need to file many documents is associated with more corruption in customs. Faced with long delays and frequent demands for bribes, many traders avoid customs altogether. Instead, they smuggle goods across the border. That defeats the very purpose in having border control of trade—to levy taxes and ensure high quality of goods.

1. Historical data: Trading Across Borders in France

Trading Across Borders data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		24	25
Documents for export (number)	7	4	4
Time for export (days)	22	11	11
Cost to export (US\$ per container)	886	1028	1028
Documents for import (number)	13	5	5
Time for import (days)	23	12	12
Cost to import (US\$ per container)	886	1148	1148

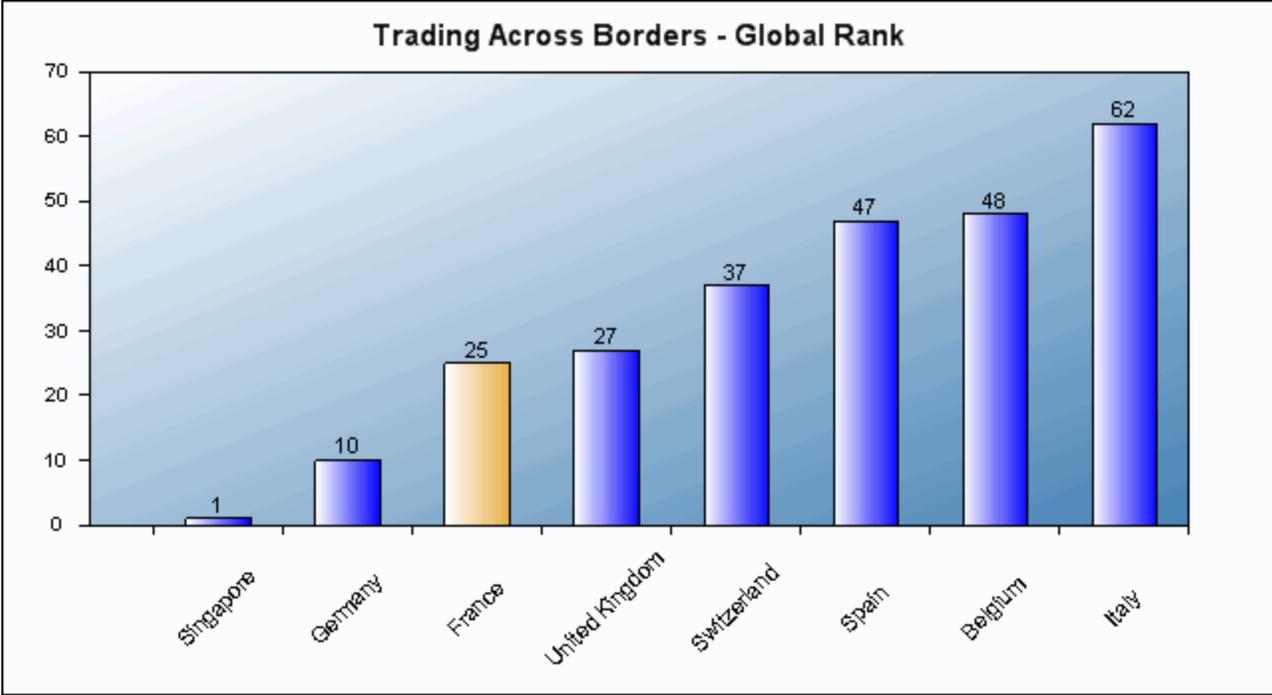
2. The following graph illustrates the Trading Across Borders indicators in France over the past 3 years:



3. Benchmarking Trading Across Borders Regulations:

France is ranked 25 overall for Trading Across Borders. Singapore is the top ranked economy followed by Denmark, Hong Kong, China and Norway.

Ranking of France in Trading Across Borders - Compared to best practice and selected economies:



The following table shows Trading Across Borders data for France compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Documents for export (number)	Time for export (days)	Cost to export (US\$ per)	Documents for import (number)	Time for import (days)	Cost to import (US\$ per)
Canada*	3					
China			390			
Denmark*		5		3		
Singapore					3	367

<i>Selected Economy</i>						
France	4	11	1028	5	12	1148

<i>Comparator Economies</i>						
Belgium	4	8	1600	5	9	1600
Germany	4	7	740	5	7	765
Italy	5	20	1291	5	18	1291
Spain	6	9	1000	8	10	1000
Switzerland	4	8	1238	5	9	1333
United Kingdom	4	13	940	4	13	1267

* The following economies are also best practice economies for :

Documents for export (number): **Estonia, Micronesia, Panama**

Time for export (days): **Estonia, Singapore**

Documents for import (number): **Sweden**

Enforcing Contracts: Court Efficiency in France

Where contract enforcement is efficient, businesses are more likely to engage with new borrowers or customers. Doing Business tracks the efficiency of the judicial system in resolving a commercial dispute, following the step-by-step evolution of a commercial sale dispute before local courts. The data are collected through study of the codes of civil procedure and other court regulations as well as surveys completed by local litigation lawyers (and, in a quarter of the countries, by judges as well).

The dispute, between two businesses (the Seller and the Buyer) located in the country's most populous city, concerns a contract for the sale of goods. The Seller agrees to deliver the goods, worth 200% of the country's income per capita, to the Buyer.

After receiving and inspecting the goods, the Buyer concludes that their quality is inadequate. The Buyer sends the goods back without paying for them. The Seller disagrees and argues that their quality is adequate. The Seller seeks full payment from the Buyer, arguing that the goods cannot be sold to a third party because they were custom-made for the Buyer. The Seller sues the Buyer before the court in the most populous city to recover the amount due under the sales agreement (200% of the country's income per capita).

Three indicators of the efficiency of commercial contract enforcement are developed:

- Number of procedures, which includes all those that demand interaction between the parties or between them and the judge or court officer.
- Time, which counts the number of days from the moment the plaintiff files the lawsuit in court until the moment of payment. This measure includes both the days on which actions take place and the waiting periods between actions.
- Cost, which measures the official cost of going through court procedures, expressed as a percentage of the claim (assumed to be equivalent to 200% of income per capita). The cost includes court costs, enforcement costs and attorney fees where the use of attorneys is mandatory or common.

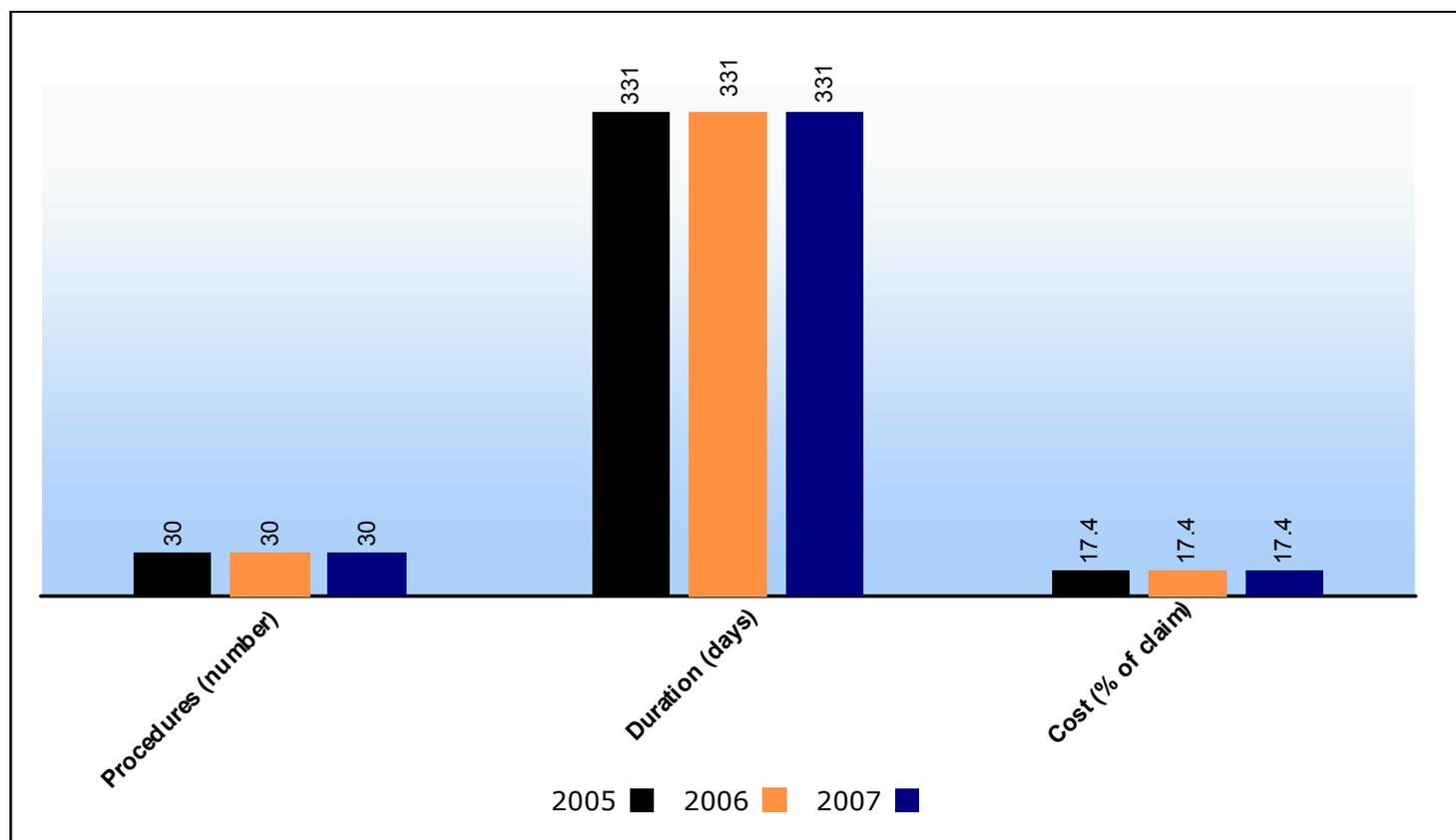
Businesses that have little or no access to efficient courts must rely on other mechanisms, both formal and informal—such as trade associations, social networks, credit bureaus or private information channels—to decide whom to do business with and under what conditions. Or they might adopt a conservative approach to business, dealing only with a small group of people linked through kinship, ethnic origin or previous dealings and structuring transactions to forestall disputes. In either case economic and social value may be lost.

The main reason to regulate procedures in commercial dispute resolution is that informal justice is vulnerable to subversion by the rich and powerful. But heavy regulation of dispute resolution backfires. Across countries, the more procedures it takes to enforce a contract, the longer the delays and the higher the cost. The result: less wealth is created.

1. Historical data: Enforcing Contracts in France

Enforcing Contracts data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		14	14
Procedures (number)	30	30	30
Duration (days)	331	331	331
Cost (% of claim)	17.4	17.4	17.4

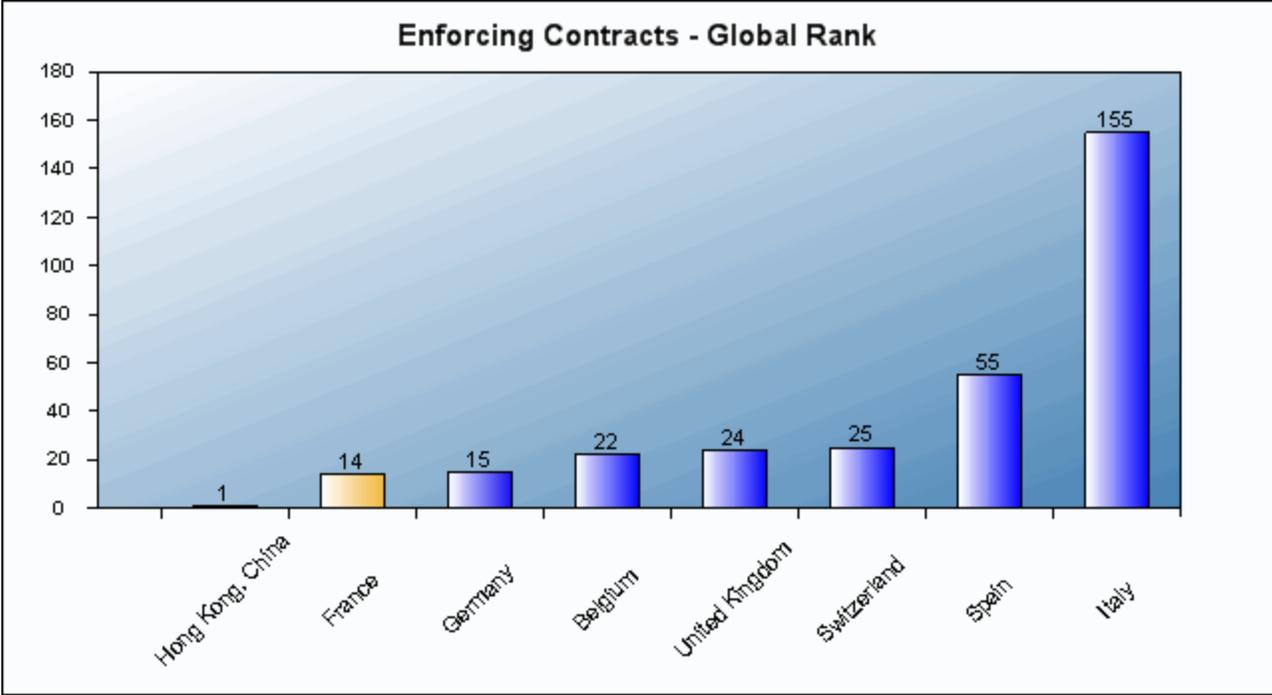
2. The following graph illustrates the Enforcing Contracts indicators in France over the past 3 years:



3. Benchmarking Enforcing Contracts Regulations:

France is ranked 14 overall for Enforcing Contracts. Hong Kong, China is the top ranked economy followed by Luxembourg, Latvia and Singapore.

Ranking of France in Enforcing Contracts - Compared to best practice and selected economies:



The following table shows Enforcing Contracts data for France compared to best practice and comparator economies:

<i>Best Practice Economies</i>	Procedures (number)	Duration (days)	Cost (% of claim)
Bhutan			0.1
Ireland	20		
Singapore		120	

<i>Selected Economy</i>			
France	30	331	17.4

<i>Comparator Economies</i>			
Belgium	27	505	16.6
Germany	33	394	11.8
Italy	41	1210	29.9
Spain	39	515	17.2
Switzerland	32	417	21.2
United Kingdom	30	404	23.4

Closing Business in France: Bankruptcy

The economic crises of the 1990s in emerging markets—from East Asia to Latin America, from Russia to Mexico—raised concerns about the design of bankruptcy systems and the ability of such systems to help reorganize viable companies and close down unviable ones. In countries where bankruptcy is inefficient, unviable businesses linger for years, keeping assets and human capital from being reallocated to more productive uses.

The Doing Business indicators identify weaknesses in the bankruptcy law as well as the main procedural and administrative bottlenecks in the bankruptcy process. In many developing countries bankruptcy is so inefficient that creditors hardly ever use it. In countries such as these, reform would best focus on improving contract enforcement outside bankruptcy.

The data on closing a business are developed using a standard set of case assumptions to track a company going through the step-by-step procedures of the bankruptcy process. It is assumed that the company is a domestically owned, limited liability corporation operating a hotel in the country's most populous city. The company has 201 employees, 1 main secured creditor and 50 unsecured creditors. Assumptions are also made about the debt structure and future cash flows. The case is designed so that the company has a higher value as a going concern—that is, the efficient outcome is either reorganization or sale as a going concern, not piecemeal liquidation. The data are derived from questionnaires answered by attorneys at private law firms.

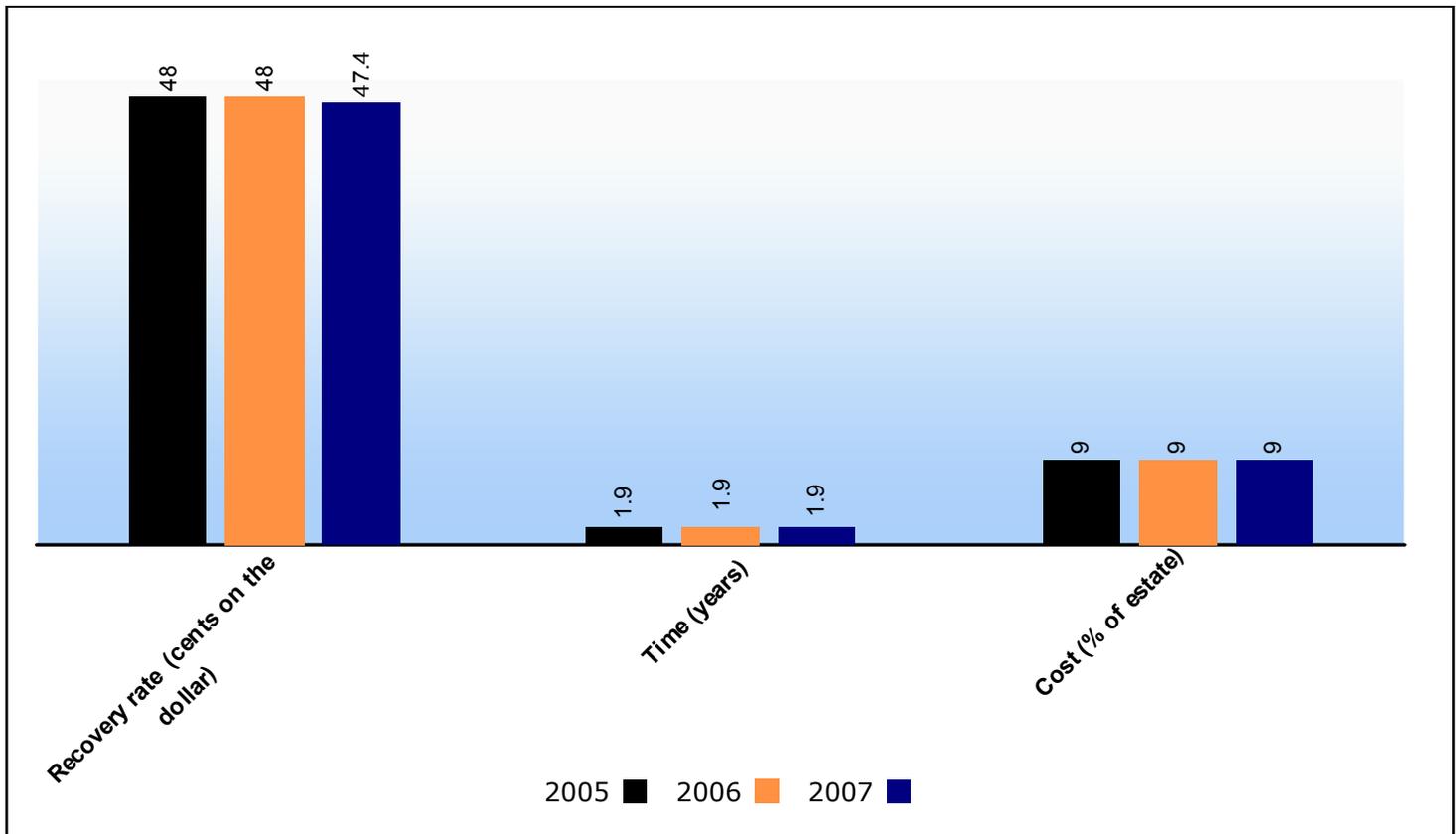
Three measures are constructed from the survey responses: the time to go through the insolvency process, the cost to go through the process and the recovery rate—how much of the insolvency estate is recovered by stakeholders, taking into account the time, cost, depreciation of assets and the outcome of the insolvency proceeding.

Bottlenecks in bankruptcy cut into the amount claimants can recover. In countries where bankruptcy is used, this is a strong deterrent to investment. Access to credit shrinks, and nonperforming loans and financial risk grow because creditors cannot recover overdue loans. Conversely, efficient bankruptcy laws can encourage entrepreneurs. The freedom to fail, and to do so through an efficient process, puts people and capital to their most effective use. The result is more productive businesses and more jobs.

1. Historical data: Closing Business in France

Closing a Business data	Doing Business 2006	Doing Business 2007	Doing Business 2008
Rank		34	32
Time (years)	1.9	1.9	1.9
Cost (% of estate)	9	9	9
Recovery rate (cents on the dollar)	48	48	47.4

2. The following graph illustrates the Closing Business indicators in France over the past 3 years:



3. Benchmarking Closing Business Regulations:

France is ranked 32 overall for Closing a Business. Japan is the top ranked economy followed by Singapore, Norway and Canada.

Ranking of France in Closing Business - Compared to best practice and selected economies:



The following table shows Closing Business data for France compared to best practice and comparator economies:

Best Practice Economies	Recovery rate (cents on the	Time (years)	Cost (% of estate)
Colombia			1
Ireland*		0.4	
Japan	92.6		

Selected Economy			
France	47.4	1.9	9

Comparator Economies			
Belgium	85.5	0.9	4
Germany	53.4	1.2	8
Italy	61.8	1.8	22
Spain	76.9	1.0	15
Switzerland	47.1	3.0	4
United Kingdom	84.6	1.0	6

* The following economies are also best practice economies for :

Time (years): **Cape Verde**

Starting a Business in France

This table summarizes the procedures and costs associated with setting up a business in France.

STANDARDIZED COMPANY

Legal Form: Société à Responsabilité Limitée (SARL) -

Limited Liability Company

Minimum Capital Requirement: EUR 1

City: Paris

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Check name for uniqueness with the Institut National de la Propriété Industrielle (INPI)	1 day	no charge (unless deeper research is made, for example, by field of activity)
2	Deposit the initial capital	1 day	no charge
3	Publish a notice of incorporation of the company	1 day	EUR 150
4	File a request for a company's registration with the Centre de Formalités des Entreprises (CFE)	4 days	€40 paid to the CFE and €76.19 paid to the trade register in the Commercial court
5 *	Buy company books (minute books, inventory books, ledgers). Have company books stamped and initialed by the clerk of the commercial court	1 day, simultaneous with Procedure 4	approximately €40 per book + €3.11 stamping fee

* Takes place simultaneously with another procedure.

Procedure 1 Check name for uniqueness with the Institut National de la Propriété Industrielle (INPI)

Time to complete: 1 day

Cost to complete: no charge (unless deeper research is made, for example, by field of activity)

Comment: This procedure is not mandatory by law but included since required in practice due to possible legal implications if omitted. If the uniqueness of the company name is not checked before registering the company, the company risks a lawsuit by another company if the name existed already. The name can be checked online. A summary check is free of charge, but a charge is payable for copies of trademark filings found. For an optional search of a similar mark 38 euros for one class and 760 for all classes.

Procedure 2 Deposit the initial capital

Time to complete: 1 day

Cost to complete: no charge

Comment: Deposit the initial capital (which is blocked during the registration period and release upon a presentation of a K-bis form) with a notary, bank, or the Deposit and Consignment Office (Caisse des Dépôt). Must be done within 8 days of collection of all funds.

Procedure 3 Publish a notice of incorporation of the company

Time to complete: 1 day

Cost to complete: EUR 150

Comment: This notice must provide with the name of the company, its director ("gérant"), its share capital and its registered office. The founder only needs to obtain a letter from the legal journal proving the planned publication. The publication amounts to 4,86 euros per line for 40 signs. Depending on the layout and length of the notice, the cost varies from €100-€200.

Procedure 4 File a request for a company's registration with the Centre de Formalités des Entreprises (CFE)

Time to complete: 4 days

Cost to complete: €40 paid to the CFE and €76.19 paid to the trade register in the Commercial court

Comment: The CFE handles all formalities related to the trade register in the Court (RCS, Tribunal de Commerce), statistics (INSEE), tax authorities (Centre des Impôts), social security (URSSAF), labor (Direction Départemental du Travail et de L'emploi), health insurance (Caisse régionale D'assurance Maladie), unemployment insurance, pension, Association for Employment in Industry and Commerce (ASSEDIC), and similar bodies. This includes the registration of the company bylaws with the tax administration. Company articles of association and by laws, lease, attestation of receipt of funds, documents concerning the manager, ad hoc form, evidence of publication, etc, are required to be filed in company with the single dossier. Once the request is received by the CFE, the CFE must process the documents and transfer them to the respective offices and authorities. If the request is incomplete, the CFE has 15 days to return the documents for completion. The CFE automatically enters the information in the registre nationale des entreprises (Répertoire SIRENE) and obtains from the RNE identification numbers: numero SIRENE (Système Informatique pour le Répertoire des Entreprises), numero SIRET (Système Informatique pour le Répertoire des Etablissements) et numero NAF (Nomenclature des Activitees Francaises). The SIRET is used, among other things, by the tax authorities.

Since the loi Dutreil, the CFE or the Commercial Registry can deliver a “récépissé de création d'entreprise” (receipt for company creation) as soon as they have received the documents, in order for the company to be able to start operations without having to wait for its RCS number.

The principle of electronic company registration was enacted by la loi 2003-721 du 1er août 2003 and implemented under the Décret n° 2005-77 of February 1, 2005. However, a hard copy file is still required. As of decree No. 2006-679 of 9 June 2006, the entrepreneur has the option to file either with the CFE or directly the Companies Registry (greffe), which subsequently files the documents with the CFE on the company's behalf. This option is slightly less costly since the CFE service fees are excluded. However, the entrepreneur will have to register the company's bylaws with the tax administration him/herself in this case.

Procedure 5 Buy company books (minute books, inventory books, ledgers). Have company books stamped and initialed by the clerk of the commercial court

Time to complete: 1 day, simultaneous with Procedure 4

Cost to complete: approximately €40 per book + €3.11 stamping fee

Comment: Special company books have to be bought from the court or a specialized store. It is requested to have either a book (where pages are numbered) or numbered sheets which must be certified by the Commercial court. If it is a book, the certification is made only once when the company is incorporated. If it is numbered sheets, the certification must be made for each decision of the shareholders' meeting or for each fiscal year for an accounting book. Therefore, for practical reasons, books are often used. It is in theory possible to have an electronic minute book provided that the procedure to draft the document is secured (in order to avoid the modification of the document once it is drafted). Such a solution is rarely used since what is meant by such secured procedure is not clear and the certification by the commercial court is more complicated in such case. It is possible for the company to acquire the book later after it starts operation.

Dealing with Licenses in France

The table below summarizes the procedures, time, and costs to build a warehouse in France.

BUILDING A WAREHOUSE

Date as of: January 2, 2007

Estimated Warehouse Value:

City: Paris

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1	Obtain building permit	60 days	no charge
2	Declare intention to build to the prefecture	1 day	no charge
3	Apply for water connection	1 day	no charge
4	SEDIF visits the site to prepare a cost estimate (devis) for water connection	1 day	no charge
5	Apply for electricity connection	1 day	no charge
6 *	EDF visits the site to prepare a cost estimate (devis) for the electricity connection	1 day	no charge
7	Approved permit is publicly displayed	60 days	no charge
8 *	File a declaration of the worksite opening	1 day	no charge
9 *	Declare completion of construction	1 day	no charge
10 *	Receive visit by building inspectors and obtain compliance certificate	1 day	no charge
11	Obtain electricity connection	68 days	EUR 3,138
12	Obtain water connection	38 days	EUR 4,000
13 *	Obtain telephone connection	60 days	EUR 130

* Takes place simultaneously with another procedure.

Procedure 1 Obtain building permit

Time to complete: 60 days

Cost to complete: no charge

Comment: The company should start by collecting the application forms for the building permit, which are obtainable from City Hall or on the Internet through the “Guichet des formulaires” of the ministère de l’ Equipement, des transports et du logement (<http://www.equipement.gouv.fr/>).

The application must be accompanied by:

- Location plan (orientation, access roads);
- Overall plan of the construction or renovation (dimensions, elevations, connections, access), drawn up on grounds of the Land Registry based map representing the plot;
- Front elevations;
- Views, cross sections, layout;
- Document giving a detailed description of the impact of the project on the existing landscape to prove it is environment-friendly,
- Close-up and distant survey photographs allowing for easy identification of the site in relation to the surrounding areas.

The application is filed at City Hall in quadruplicate and a receipt given, or it may be sent by registered mail with acknowledgement of receipt. If one document is missing, claims must be made within a fortnight following registration. Where the application is accompanied by all the requisite documents, the contractor will receive acknowledgement of receipt indicating the date and registration number and the time needed for title investigation. The building permit will be issued within two months following registration of the application (except where the plot is a classified site). The contractor shall deem the permit tacitly granted if no reply is received within the two-month period.

The building permit is valid for two years and the contractor must begin work within that time period, or the permit lapses. (He may, however, apply for an extension). When the contractor halts work for over one year, the permit is lost even if the two-year statutory period has not yet elapsed. The permit must be displayed at the construction site. It must include all the requisite information: mandatory dimensions, building permit number and date of issue, name of permit holder, and nature of the work and address of City Hall where the construction documents are open to public scrutiny. A copy of the building permit must be available in City Hall for two months to enable any aggrieved third parties (notably neighbors) to challenge it.

Procedure 2 Declare intention to build to the prefecture

Time to complete: 1 day

Cost to complete: no charge

Comment: According to Article 25 of the decree of 21 September 1977, BuildCo must declare to the prefecture its intention to build a warehouse for storing books.

Procedure 3 Apply for water connection

Time to complete: 1 day

Cost to complete: no charge

Comment: Connecting to utilities is typically a long duration process. Therefore it is advisable to request it prior to beginning construction work.

Procedure 4 SEDIF visits the site to prepare a cost estimate (devis) for water connection

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 5 Apply for electricity connection

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 6 EDF visits the site to prepare a cost estimate (devis) for the electricity connection

Time to complete: 1 day

Cost to complete: no charge

Comment:

Procedure 7 Approved permit is publicly displayed

Time to complete: 60 days

Cost to complete: no charge

Comment: The contractor must display a signboard on the site, showing the number of the building permit and the architect responsible for the project. This must be displayed for two months for public scrutiny prior to commencement of work to allow third parties to challenge the project.

Procedure 8 File a declaration of the worksite opening

Time to complete: 1 day

Cost to complete: no charge

Comment: This is a key step. The form (Cerfa 46.0394) declaring work on the construction site open is obtainable either at City Hall or on the Internet through a form delivery window, the "Guichet des formulaires", located at the Equipment, Transport and Housing Ministry (ministère de l' Equipement, des transports et du logement), (<http://www.equipement.gouv.fr/>). The completed forms must be sent to City Hall by registered mail with acknowledgement of receipt.

Procedure 9 Declare completion of construction

Time to complete: 1 day

Cost to complete: no charge

Comment: Within 30 days of completion of the work, the contractor must notify City Hall by registered mail with acknowledgement of receipt, through a letter signed by the contractor's company, or by the firms that worked on the project, and the architect testifying to completion of the work. That document must be included in the building permit application file. The forms are filled in triplicate.

Procedure 10 Receive visit by building inspectors and obtain compliance certificate

Time to complete: 1 day

Cost to complete: no charge

Comment: The compliance certificate attests that the finished project meets the specifications in the building permit. Once the declaration of completion is filed, an official from City Hall or the Equipement Departmental Directorate (Direction départementale de l'équipement-DDE) then visits the site to ascertain whether the structure conforms to the building permit specifications. The compliance certificate is issued within three months of the application if the specifications are met.

Procedure 11 Obtain electricity connection

Time to complete: 68 days

Cost to complete: EUR 3,138

Comment:

Procedure 12 Obtain water connection

Time to complete: 38 days

Cost to complete: EUR 4,000

Comment:

Procedure 13 Obtain telephone connection

Time to complete: 60 days

Cost to complete: EUR 130

Comment:

Employing Workers in France

Employing workers indices are based on responses to survey questions. The table below shows these responses in France.

Employing Workers Indicators (2007)	Answer	Score
Rigidity of Employment Index		55.6
Difficulty of Hiring Index		66.7
Are fixed-term contracts prohibited for permanent tasks?	Yes	1
What is the maximum duration of fixed-term contracts (including renewals)? (in months)	18	1.0
What is the ratio of mandated minimum wage to the average value added per worker?	0.14	0.00
Rigidity of Hours Index		60.0
Can the workweek extend to 50 hours (including overtime) for 2 months per year to respond to a seasonal increase in production?	No	1
What is the maximum number of working days per week?	6	0
Are there restrictions on night work?	No	0
Are there restrictions on "weekly holiday" work?	Yes	1
What is the paid annual vacation (in working days) for an employee with 20 years of service?	30	1
Difficulty of Firing Index		40.0
Is the termination of workers due to redundancy legally authorized?	Yes	0
Must the employer notify a third party before terminating one redundant worker?	No	0
Does the employer need the approval of a third party to terminate one redundant worker?	No	0
Must the employer notify a third party before terminating a group of 25 redundant workers?	Yes	1
Does the employer need the approval of a third party to terminate a group of 25 redundant workers?	No	0
Can an employer make redundant a worker only if the worker could not have been reassigned or retrained?	Yes	1
Are there priority rules applying to redundancies?	Yes	1
Are there priority rules applying to re-employment?	Yes	1
Firing costs (weeks of wages)		31.8
What is the notice period for redundancy dismissal after 20 years of continuous employment? (weeks of salary)		8.7

What is the severance pay for redundancy dismissal after 20 years of employment? (weeks of salary)	23.1
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What is the legally mandated penalty for redundancy dismissal? (weeks of salary)	0.0
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Nonwage labor cost (% of salary)	46.6
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Note: The first three indices measure how difficult it is to hire a new worker, how rigid the regulations are on working hours, and how difficult it is to dismiss a redundant worker. Each index assigns values between 0 and 100, with higher values representing more rigid regulations. The overall Rigidity of Employment Index is an average of the three indices.

Registering Property in France

This topic examines the steps, time, and cost involved in registering property in France.

STANDARDIZED PROPERTY

Property Value: 1,827,500.00

City: Paris

Registration Requirements:

No:	Procedure	Time to complete	Cost to complete
1 *	Obtain from the relevant Land Registry a non-encumbrance and a 30-year search on the property	3 days (simultaneous with procedures 2, 3, 4, 5, and 6)	€12 per demand for 5 lots of land + €2 for each supplementary lot of land + €2 for postage
2 *	Obtain copies of all transfer deeds over a 30-year period	10-15 days (simultaneous with procedures 1, 3, 4, 5, and 6)	€ 15 (+ € 2 for postage) per document if requested to the Land Registry and 0.5 € per pages copied if requested to the notary
3 *	Obtain a cadastral certificate and a map from the Cadastral Registry	7 days (simultaneous with procedures 1, 2, 4, 5, and 6)	no cost
4 *	Obtain planning certificates	30 days (simultaneous with procedures 1, 2, 3, 5, and 6)	no cost (internet) [or 120 € when the demand is made by a surveyor]
5 *	The notary obtains environmental reports mentioning the presence or absence of termites and asbestos	30-60 days; Termites, lead and asbestos within 7 days. (notary) (simultaneous with procedures 1, 2, 3, 4, and 6)	About EUR 800
6 *	Obtain the waiver of preemption rights from the Municipality	60 days (simultaneous with procedures 1, 2, 3, 4, and 5)	no cost
7	Notaries prepare the draft of the deed of sale	1-2 days	Fees are due at the signing of the deed in Procedure 8
8	The deed of sale is executed by a notary	1 day	0.825% of purchase price (notary's fees) + 5.09% of purchase price (Registration Fee)

9	Apply for registration of the deed of sale at the relevant Land Registry	1 day (the application is received and the transfer is opposable to third parties) + 2 months (60 days for the certified copy of the sale deed to be received by the parties)	EUR 25 + 0.1% of property value (for the salary of the registrar)
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* Takes place simultaneously with another procedure.

Procedure 1 Obtain from the relevant Land Registry a non-encumbrance and a 30-year search on the property

Time to complete: 3 days (simultaneous with procedures 2, 3, 4, 5, and 6)

Cost to complete: €12 per demand for 5 lots of land + €2 for each supplementary lot of land + €2 for postage

Comment: The notary obtains from the relevant Land Registry a non-encumbrance certificate and a 30-year search on the property at the Real Estate Office (one document) (hereafter the “Land Registry Search”) using the Tele@ctes system (many notaries in Paris use the system to conduct this step).
The Land Registry Search must be obtained before completion of the transaction. It is valid only for a set period and then it has to be updated. The Land Registry Search contains the following information: all transfers of ownership, mortgages, charges, and easements, on the property registered since 1956.

Procedure 2 Obtain copies of all transfer deeds over a 30-year period

Time to complete: 10-15 days (simultaneous with procedures 1, 3, 4, 5, and 6)

Cost to complete: € 15 (+ € 2 for postage) per document if requested to the Land Registry and 0.5 € per pages copied if requested to the notary

Comment: The notary obtains copies of all transfer deeds over a 30-year period.
After Procedure 0 is over and the Land Registry Search shows all transactions in the last 30 years, the notary must obtain a copy of each of the previous deeds of sale for the last 30 years from the Land Registry.
Alternatively, the notary can request the same information from the notaries who executed the deed of sale in each previous transaction. It will take between 1 and 5 days and it will cost € 0.5 per page copied.

Procedure 3 Obtain a cadastral certificate and a map from the Cadastral Registry

Time to complete: 7 days (simultaneous with procedures 1, 2, 4, 5, and 6)

Cost to complete: no cost

Comment: The notary obtains a cadastral certificate showing the reference of the property at the Cadastral Registry together with a map showing the plot of land provided by the Cadastral Registry.
The notary needs to send a letter to the Cadastral Registry to obtain the certificate and the map, that will be sent in 7 days. This certificate might also be obtained by the notary immediately on the internet.

Procedure 4 Obtain planning certificates

Time to complete: 30 days (simultaneous with procedures 1, 2, 3, 5, and 6)

Cost to complete: no cost (internet) [or 120 € when the demand is made by a surveyor]

Comment: The notary obtains planning certificates from the Municipality. The request can be fulfilled on the internet in some cities like Paris. The notary often asks a surveyor to get all the planning certificates from the Municipality (30 days).

Procedure 5 The notary obtains environmental reports mentioning the presence or absence of termites and asbestos

Time to complete: 30-60 days; Termites, lead and asbestos within 7 days. (notary) (simultaneous with procedures 1, 2, 3, 4, and 6)

Cost to complete: About EUR 800

Comment: The notary obtains environmental reports mentioning the presence or absence of termites and asbestos.
 Without these reports the seller would remain liable towards the purchaser if termites or asbestos were found in the future.
 Different surveyors, from the same company, will prepare the reports for about EUR 300. A geometric expert will measure the area and a technical surveyor will take care of the environmental reports. As a result of the implementation of the Power Performance Diagnostic (“Diagnostic de performance énergétique”), the cost for the performance of this diagnostic shall be added to that of the pre-existing diagnostics. For a property of the size in this case, the Power Performance Diagnostic usually costs approximately 500 euros, excluding VAT.
 The report on asbestos is required for all properties with a building permit delivered before July 1997. The report on termites depends on whether the zone has been declared contaminated by the regional authorities. All these reports must be attached to the deed of sale.

Procedure 6 Obtain the waiver of preemption rights from the Municipality

Time to complete: 60 days (simultaneous with procedures 1, 2, 3, 4, and 5)

Cost to complete: no cost

Comment: The notary writes to the city major to obtain the waiver of the city’s preemption rights on the property. He informs him of the transaction and the conditions agreed among the parties.
 It is common that many properties are subject to these requirements, since the Municipality may have the right to buy the property at the same price that it was agreed on the sale agreement. If the city does not answer in 2 months, then the preemption rights have been waived. It may be the case that the city informs the notary before the 2 months. There are some exemptions: if the building has been completed in the last 10 years or if the lot sold (used for residential purpose) is in a building where the co-ownership rules have been published at the land registry more than 10 years ago.

Procedure 7 Notaries prepare the draft of the deed of sale

Time to complete: 1-2 days

Cost to complete: Fees are due at the signing of the deed in Procedure 8

Comment: By law, notaries are charged with administering nearly all aspects of the transaction: preparation, signing and execution of the final deed.
 The purchaser’s notary with the assistance of the vendor’s notary prepares the draft of the deed of sale. The deed of sale contains two parts:
 The first part is a standardized one and is the one sent to the Land Registry. It contains all relevant information for registration purposes. The manner in which this part is drafted is compulsory, failing which the Land Registry refuses registration of the deed of sale.
 The information that the first part of the deed of sale contains are :
 • Details (full name, address, and depending on whether or not the party is an individual or an entity all particulars relating to each party) of the vendor and of the purchaser
 • Description of the property which must refer to the cadastral reference
 • Origin of title (acquisition by the seller)
 • Sale price
 • Taxes payable upon the sale: stamp duty normally due by the purchaser and capital gains tax due by the vendor
 The second part of the deed can be freely drafted and contains basically a summary of the information/documents collected during the due diligence phase described previously:
 • Information, representation, warranties on legal, technical, regulatory, planning,

- existing contracts relating to the property, environmental aspects of the property;
- Conditions of the sale;
- Information on the title to the property, i.e. a description of the transfer of title over the 30-year period;
- Information on easements.

Although some of the information described in the 2nd part of the transfer deed is not compulsory for the Real Estate Registry it is compulsory under other legislation failing which the purchaser could seek termination of the sale after it has been completed, for misinformation.

The notary of the vendor collects and provides the notary of the purchaser with the following documents:

- Land Registry Search (obtained in Procedure 1)
- Copies of all transfer deeds over a 30-year period (obtained in Procedure 2)
- Cadastral certificate showing the reference of the property at the Cadastral Registry together with a map showing the plot of land provided by the Cadastral Registry (obtained in Procedure 3)
- Planning certificates (obtained in Procedure 4)
- Environmental reports (obtained in Procedure 5)
- Waiver of Municipality's preemption rights (obtained in Procedure 6)
- The buyer and seller both have to provide the notary with personal information such as their name, occupation, date and place of birth, address and marital status.

Procedure 8 The deed of sale is executed by a notary

Time to complete: 1 day

Cost to complete: 0.825% of purchase price (notary's fees) + 5.09% of purchase price (Registration Fee)

Comment: Once the notary has completed the necessary searches and inspections, acquired the necessary information from the local authorities and the bank (if there's to be a mortgage), and prepares the final deed of sale, the parties meet once again with him for the execution of the deed of sale.

The deed of sale must be executed before a notary, failing which it cannot be registered at the relevant Land Registry. The notary is required to read the deed through completely, aloud, to both the seller and buyer and make any relevant amendments, and assure that they both understand the terms. Registration fees and notaries' fees are payable up-front.

The buyer has full ownership of the property immediately after the deed of sale has been signed before the notary. He can dispose of the property as he wishes by selling, leasing, mortgaging it, etc. though in practice, only after procedure 9 will a third party be willing to buy it and a bank grant a loan based on it.

Procedure 9 Apply for registration of the deed of sale at the relevant Land Registry

Time to complete: 1 day (the application is received and the transfer is opposable to third parties) + 2 months (60 days for the certified copy of the sale deed to be received by the parties)

Cost to complete: EUR 25 + 0.1% of property value (for the salary of the registrar)

Comment: The purchaser's notary must apply for registration of the deed of sale at the relevant Land Registry within 2 months maximum of the date of execution of the deed of sale. It can be done immediately after the signature of the deed in Procedure 8. Some notaries in Paris currently use the Tele@ctes system to do this.

This step is not required but it makes the transfer opposable to third parties. It is a way of informing third parties of the transaction. If registered, the buyer is protected against a potential posterior sell by the seller to a third party. The transfer of property is opposable to third parties from the date of the receipt of the deed by the land registry office.

Simultaneously the notary pays to the Land Registry the capital gain tax, the publicity tax, and the salary of the registrar on behalf of the purchaser. The original deed of sale (called the "minutes") remains with the notary indefinitely, but the buyer will receive an authentic copy (with the seal of the notary and signed in original by him) and of the registered title that proves his ownership of the property. It takes around 2 months for the notary to submit the file for the registration, depending on whether the notary uses the Tele@ctes system or not. The buyer can, however, ask for a conformed copy of the signed deed of sale on the completion day.

The civil servant in charge of the Land Registry book only checks the formal validity of the deed of sale and the link between the new and the previous title deeds but neither the validity of the transaction nor the accuracy of the identification of the parties (it is the role of the notary).

It takes around 2 month for the notary to provide the parties with a certificate of discharge of all mortgages created by the vendor and discharged on completion by the vendor's creditors.

A Publicity tax (Taxe de Publicité Foncière) equal to 25 EUR is paid for the publication of the transfer, together with an additional 0.1% of the property value for the salary of the registrar.

On completion the vendor's creditors if any, must execute a deed of discharge or release of the existing mortgages benefiting to them.

Getting Credit in France

The following table summarize legal rights of borrowers and lenders, and the availability and legal framework of credit registries in France.

Getting Credit Indicators (2007)			Indicator
Private bureau coverage (% adults)	Private credit bureau	Public credit registry	4
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative data distributed?	No	No	0
Does the registry distribute credit information from retailers, trade creditors or utility companies as well as financial institutions?	No	No	0
Are more than 2 years of historical credit information distributed?	No	Yes	1
Is data on all loans below 1% of income per capita distributed?	No	Yes	1
Is it guaranteed by law that borrowers can inspect their data in the largest credit registry?	No	Yes	1
Coverage	0.0	24.8	
Number of individuals	0	7,462,240	
Number of firms	0	4,933,940	
Legal Rights Index			6
Does the law allow all natural and legal persons to be party to collateral agreements?			Yes
Does the law allow for general descriptions of assets, so that all types of assets can be used as collateral?			Yes
Does the law allow for general descriptions of debt, so that all types of obligations can be secured?			Yes
Does a unified registry exist for all security rights in movable property?			Yes
Do secured creditors have absolute priority to their collateral outside bankruptcy procedures?			No
Do secured creditors have absolute priority to their collateral in bankruptcy procedures?			No
During reorganization, are secured creditors' claims exempt from an automatic stay on enforcement?			No
During reorganization, is management's control of the company's assets suspended?			Yes
Does the law authorize parties to agree on out of court enforcement?			Yes
May parties have recourse to out of court enforcement without restrictions?			No

Protecting Investors in France

The table below provides a full breakdown of how the disclosure, director liability, and shareholder suits indexes are calculated in France.

Protecting Investors Data (2007)	Indicator
Disclosure Index	3
What corporate body provides legally sufficient approval for the transaction? (0-3; see notes)	3
Immediate disclosure to the public and/or shareholders (0-2; see notes)	2
Disclosures in published periodic filings (0-2; see notes)	2
Disclosures by Mr. James to board of directors (0-2; see notes)	2
Requirement that an external body review the transaction before it takes place (0=no, 1=yes)	1
Director Liability Index	0
Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company. (0-2; see notes)	0
Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company. (0-2; see notes)	0
Whether a court can void the transaction upon a successful claim by a shareholder plaintiff (0-2; see notes)	0
Whether Mr. James pays damages for the harm caused to the company upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether Mr. James repays profits made from the transaction upon a successful claim by the shareholder plaintiff (0=no, 1=yes)	0
Whether fines and imprisonment can be applied against Mr. James (0=no, 1=yes)	0
Shareholder plaintiff's ability to sue directly or derivatively for damage the transaction causes to the company (0-1; see notes)	1
Shareholder Suits Index	3
Documents available to the plaintiff from the defendant and witnesses during trial (0-4; see notes)	3
Ability of plaintiffs to directly question the defendant and witnesses during trial (0-2; see notes)	0
Plaintiff can request categories of documents from the defendant without identifying specific ones (0=no, 1=yes)	0
Shareholders owning 10% or less of Buyer's shares can request an inspector investigate the transaction (0=no, 1=yes)	1
Level of proof required for civil suits is lower than that for criminal cases (0=no, 1=yes)	1
Shareholders owning 10% or less of Buyer's shares can inspect transaction documents before filing suit (0=no, 1=yes)	0

Notes:**Extent of Disclosure Index**

What corporate body provides legally sufficient approval for the transaction?

0=CEO or managing director alone; 1=shareholders or board of directors vote and Mr. James can vote; 2=board of directors votes and Mr. James cannot vote; 3 = shareholders vote and Mr. James cannot vote

Immediate disclosure to the public and/or shareholders

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures in published periodic filings

0=none; 1=disclosure on the transaction only; 2=disclosure on the transaction and Mr. James' conflict of interest

Disclosures by Mr. James to board of directors

0=none; 1=existence of a conflict without any specifics; 2= full disclosure of all material facts

Director Liability Index

Shareholder plaintiff's ability to hold Mr. James liable for damage the Buyer-Seller transaction causes to the company

0= Mr. James is not liable or liable only if he acted fraudulently or in bad faith; 1= Mr. James is liable if he influenced the approval or was negligent; 2= Mr. James is liable if the transaction was unfair, oppressive or prejudicial to minority shareholders

Shareholder plaintiff's ability to hold the approving body (the CEO or board of directors) liable for damage to the company

0=members of the approving body are either not liable or liable only if they acted fraudulently or in bad faith; 1=liable for negligence in the approval of the transaction; 2=liable if the transaction is unfair, oppressive, or prejudicial to minority shareholders

Whether a court can void the transaction upon a successful claim by a shareholder plaintiff

0=rescission is unavailable or available only in case of Seller's fraud or bad faith; 1=available when the transaction is oppressive or prejudicial to minority shareholders; 2=available when the transaction is unfair or entails a conflict of interest

Shareholder plaintiffs' ability to sue directly or derivatively for damage the transaction causes to the company

0=not available; 1=direct or derivative suit available for shareholders holding 10% of share capital or less

Shareholder Suits Index

Documents available to the plaintiff from the defendant and witnesses during trial

Score 1 each for (1) information that the defendant has indicated he intends to rely on for his defense; (2) information that directly proves specific facts in the plaintiff's claim; (3) any information that is relevant to the subject matter of the claim; and (4) any information that may lead to the discovery of relevant information.

Ability of plaintiffs to directly question the defendant and witnesses during trial

0=no; 1=yes, with prior approval by the court of the questions posed; 2=yes, without prior approval

Paying Taxes in France

The table below addresses the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year in France, as well as measures of administrative burden in paying taxes.

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax rate (% profit)	Notes on TTR
Stamp duty	1				type of contract		small amount
Value added tax (VAT)	1	online filing	26	19.6%	value added		not included
Vehicle tax	4			varies		0.09	
Fuel tax	1					1.31	
Business tax	1			1.5%	value added	4.42	
Payroll tax	1			5.3%	gross salaries	5.92	
Corporate income tax	1	online filing	26	34.4%	taxable profits	8.33	
Social security contributions	13		80	40.59% to 42.18%	gross salaries	46.19	
Totals	23		132			66.3	

Notes:

- a) data not collected
- b) VAT is not included in the total tax rate because it is a tax levied on consumers
- c) very small amount
- d) included in other taxes
- e) Withheld tax
- f) electronic filing available
- g) paid jointly with another tax

Name 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.

When there is more than one statutory tax rate, the one applicable to TaxpayerCo is reported.

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.

Trading Across Borders in France

These tables list the procedures necessary to import and exports a standardized cargo of goods in France. The documents required to export and import the goods are also shown.

Nature of Export Procedures (2007)	Duration (days)	US\$ Cost
Documents preparation	5	55
Customs clearance and technical control	1	30
Ports and terminal handling	3	316
Inland transportation and handling	2	627
Totals	11	1028

Nature of Import Procedures (2007)	Duration (days)	US\$ Cost
Documents preparation	5	55
Customs clearance and technical control	2	150
Ports and terminal handling	3	316
Inland transportation and handling	2	627
Totals	12	1148

Export

Bill of lading

Commercial Invoice

Customs export declaration

Packing list

Import

Bill of lading

Certificate of origin

Commercial invoice

Customs import declaration

Packing list

Enforcing Contracts in France

This topic looks at the efficiency of contract enforcement in France.

Nature of Procedure (2007)	Indicator
Procedures (number)	30.00
Duration (days)	331.00
Filing and service	1.0
Trial and judgment	270.0
Enforcement of judgment	60.0
Cost (% of claim)*	17.40
Attorney cost (% of claim)	10.7
Court cost (% of claim)	2.7
Enforcement Cost (% of claim)	4.0

Court information: Paris Commercial Court ("Tribunal de Commerce")

www.tc-paris.com

* Claim assumed to be equivalent to 200% of income per capita.