



DOING BUSINESS 2019

Training for Reform

Greece's performance in DB19
and opportunities for reform



WORLD BANK GROUP
Development Economics | Global Indicators

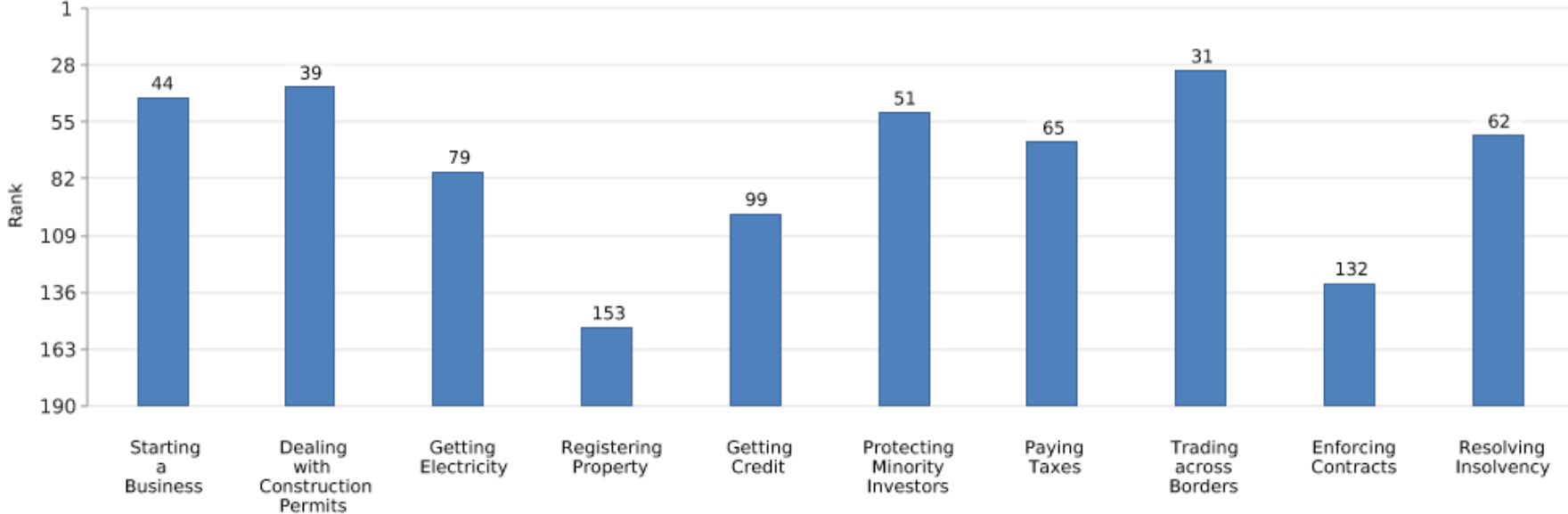
Maria Magdalena Chiquier

Private Sector Development Specialist

March 20, 2019

The ease of doing business in Greece

Rankings on Doing Business topics - Greece



Greece – Ease of Doing Business Score per indicator

Ease of Doing Business Score on Doing Business topics - Greece



Greece's performance among its peers

Ease of Doing Business in

Greece

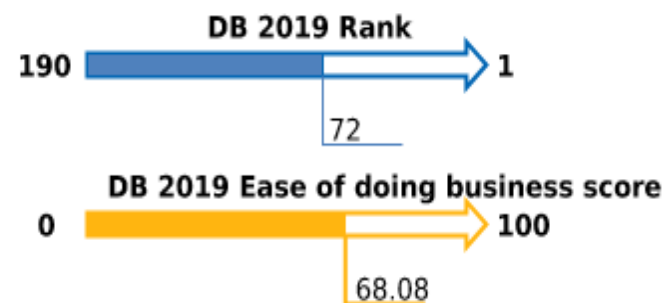


Region OECD high income

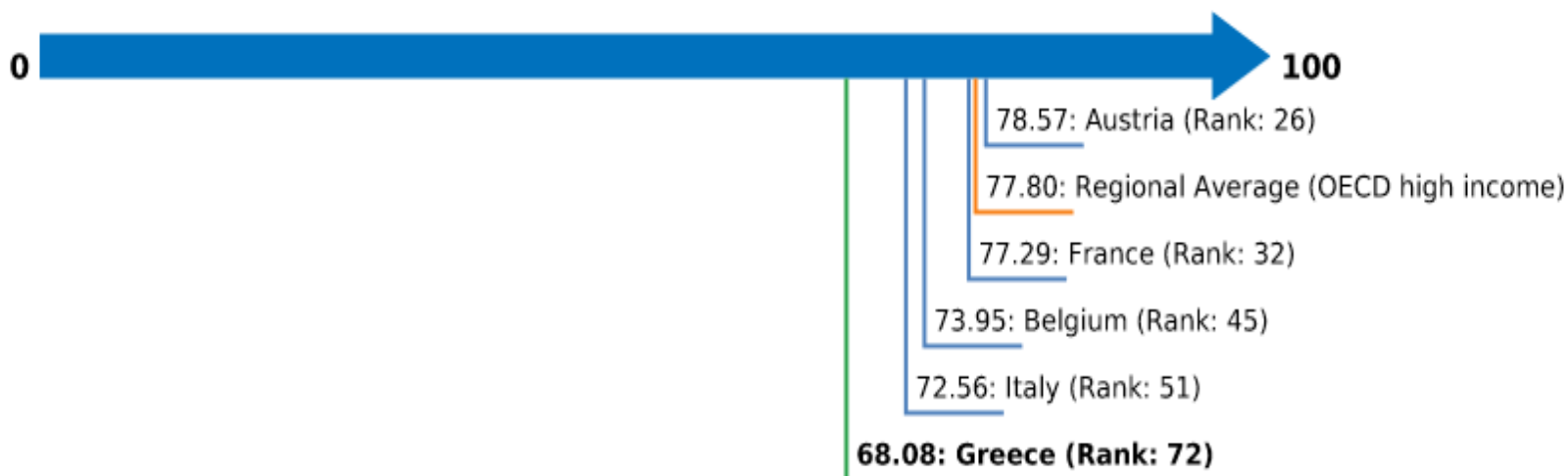
Income Category High income

Population 10,760,421

City Covered Athens



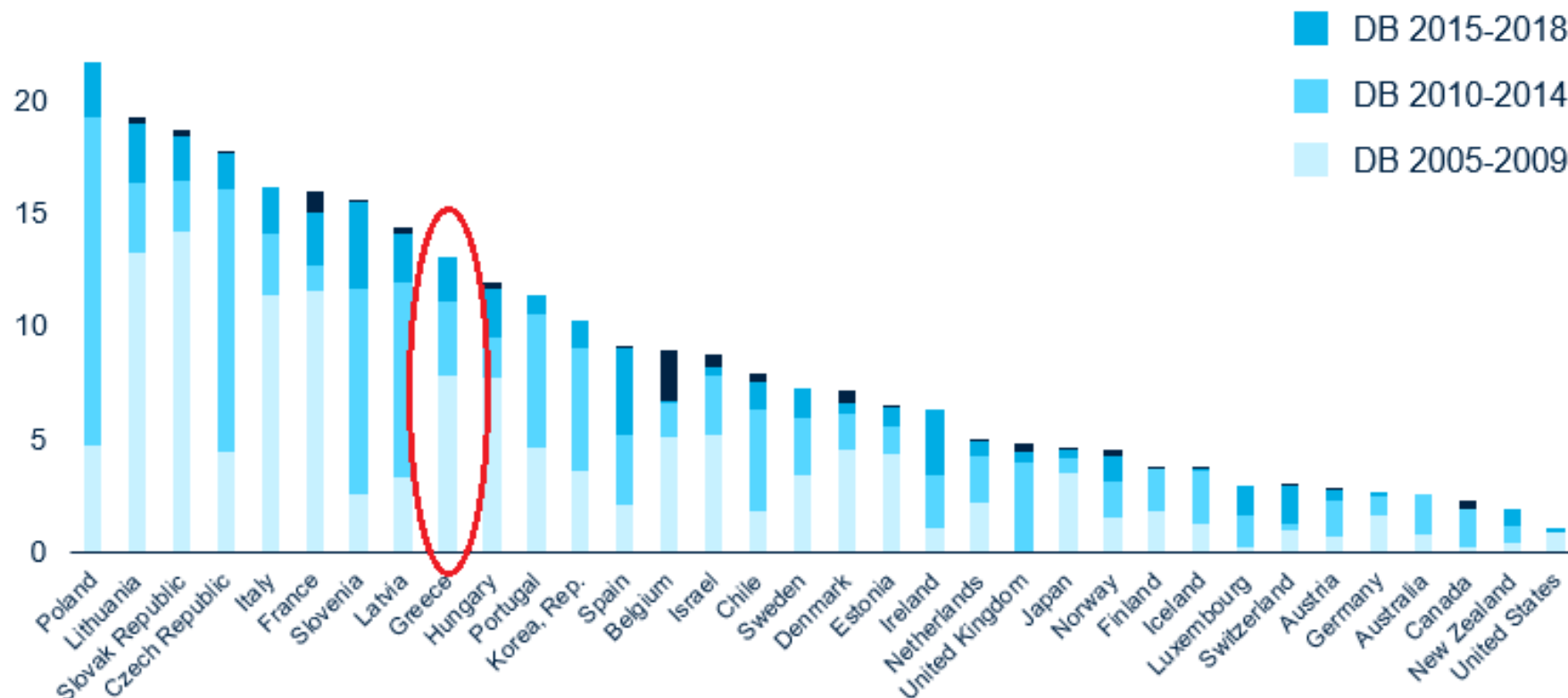
DB 2019 Ease of Doing Business Score



OECD high-income economies have been improving substantially in business regulation over time

Average improvement in the ease of doing business score

25



Source: *Doing Business* database.

Note: The measure is normalized to range from 0 to 100, with 100 representing the best regulatory performance. Because of changes over the years in methodology and in the economies and indicators included, the improvements are measured year on year using pairs of consecutive years with comparable data.

Recent Reforms in Greece

DB2019

- **Dealing with Construction Permits:** Greece streamlined its construction permitting process as building owners must now use their in-house engineer for the intermediate inspection, as opposed to the municipality.
- **Registering Property:** Greece made registering property more burdensome by requiring a property tax certificate for registering a property transfer.

DB2018

- **Starting a Business:** Greece made starting a business easier by creating a unified social security institution.

DB2017

- **Paying Taxes:** Greece made paying taxes more costly by increasing the corporate income tax rate.
- **Enforcing Contracts:** Greece made enforcing contracts easier by amending its rules of civil procedure to introduce tighter rules on adjournments, impose deadlines for key court events and limit the recourses that can be lodged during enforcement proceedings.

Opportunities for reforms in Greece (1)

- **Business Registration:** on-line digital registration introduced in 2018, further streamline business registration to include tax and social security registration under the GEMI platform and improve back office functions at GEMI
- **Construction Permits:** move to online single window processing of building permit applications and Implement a robust GIS system.
- **Getting Electricity:** streamlining time and procedures and considering connection cost reductions; create an online application portal and encourage its use; publish SAIDI and SAIFI indexes online

Opportunities for reforms in Greece (2)

- **Property Registration:** unlock inefficiencies in the real estate sector through increased efficiency in property registration, improved land administration infrastructure, transparency and quality of land dispute resolution.
- **Contract Enforcement:** improve the quality and predictability of judicial process through increased efficiency of commercial dispute resolution, including court specialization in commercial disputes, further court automation, and implementation of standards.
- **Getting Credit:** strengthening the secured transactions framework and introducing a collateral registry

Opportunities for reforms in Greece (3)

- **Protecting Minority Investors:** improve the Company Act to increase disclosure of related-party transactions, strengthen directors' liability index, increase corporate transparency and access to evidence in shareholders' suits
- **Contract Enforcement:** improve the quality and predictability of judicial process through increased efficiency of commercial dispute resolution, including court specialization in commercial disputes, further court automation, and implementation of standards
- **Resolving Insolvency:** updating the Insolvency Framework to align with global good practices

Success factors in reform implementation

- High-level political commitment to reform:
 - Government of Greece has set up a multi-agency coordination mechanism under the Deputy Minister to the Prime Minister, as per good international practice
 - Monitoring of goals and clear accountability during implementation
- A medium to long term strategic vision and action plan
- Private sector involvement in the design, elaboration and implementation of reforms and effective communication
- On-going widespread awareness campaign

THANK YOU!

www.doingbusiness.org



WORLD BANK GROUP

Development Economics | Global Indicators

Doing Business

Training of government officials and better communication of regulatory changes are associated with a higher doing business score



Source: *Doing Business* database.

Note: Economies that communicate regulatory changes in the areas of starting a business, dealing with construction permits, registering property, getting credit, protecting minority investors and paying taxes have higher average ease of doing business scores and implemented more business reforms in 2017/18. Economies that provide training to government officials in the areas of starting a business, registering property, getting electricity, paying taxes and trading across borders have higher average ease of doing business scores in 2017/18. Economies with a legal degree requirement for practicing lawyers, judges, insolvency representatives and law clerks have higher average ease of doing business scores in 2017/18. The relationships are significant at the 1% level after controlling for income per capita.

Reforms in Greece in the past

DB2016

- **Paying Taxes:** Greece made paying taxes less costly for companies by reducing the rates for social security contributions paid by employers, making insurance premiums fully tax deductible and lowering property tax rates. At the same time, it defined entertainment expenses as nondeductible, reduced the depreciation rates for some types of fixed assets and increased the tax on interest income.

DB2015

- **Starting a Business:** Greece made starting a business easier by lowering registration costs.
- **Registering Property:** Greece made it easier to transfer property by reducing the property transfer tax and removing the requirement for the municipal tax clearance certificate.
- **Enforcing Contracts:** Greece made enforcing contracts easier by introducing an electronic filing system for court users.

DB2014

- **Starting a Business:** Greece made starting a business easier by introducing a simpler form of limited liability company and abolishing the minimum capital requirement for such companies.
- **Protecting Minority Investors:** Greece strengthened investor protections by introducing a requirement for director approval of related-party transactions.
- **Paying Taxes:** Greece made paying taxes more costly for companies by increasing the corporate income tax rate—though it also reduced the employers' contribution rate to the social security fund.
- **Trading across Borders:** Greece made trading across borders easier by implementing a system allowing electronic submission of customs declarations for exports.

DB2013

- **Dealing with Construction Permits:** Greece reduced the time required to obtain a construction permit by introducing strict time limits for processing permit applications at the municipality.
- **Protecting Minority Investors:** Greece strengthened investor protections by requiring greater immediate and annual disclosure of material related-party transactions.
- **Resolving Insolvency:** Greece enhanced its insolvency process by abolishing the conciliation procedure and introducing a new rehabilitation proceeding.

DB2012

- **Starting a Business:** Greece made starting a business easier by implementing an electronic platform that interconnects several government agencies.
- **Paying Taxes:** Greece reduced its corporate income tax rate.
- **Labor Market Regulation:** Greece decreased the severance pay applicable in case of redundancy dismissals.

Who in OECD high-income reformed in areas measured by *Doing Business* in 2017/18?



Number of reforms in the region in each indicator in 2017/18

The Doing Business 2019 report shows that Greece's overall performance on the ease of doing business lags behind all high-income OECD economies

Rank	Economy	Score		Rank	Economy	Score	
1	New Zealand	86.59		30	Spain	77.68	↑
3	Denmark	84.64	↑	32	France	77.29	↑
5	Korea, Rep.	84.14	↓	33	Poland	76.95	↓
7	Norway	82.95	↑	34	Portugal	76.55	↓
8	United States	82.75	↓	35	Czech Republic	76.10	↑
9	United Kingdom	82.65	↑	36	Netherlands	76.04	↑
12	Sweden	81.27		38	Switzerland	75.69	↑
14	Lithuania	80.83	↑	39	Japan	75.65	↑
16	Estonia	80.50	↑	40	Slovenia	75.61	↑
17	Finland	80.35	↑	42	Slovak Republic	75.17	↑
18	Australia	80.13	↓	45	Belgium	73.95	↑
19	Latvia	79.59	↑	49	Israel	73.23	↑
21	Iceland	79.35	↑	51	Italy	72.56	↓
22	Canada	79.26	↑	53	Hungary	72.28	↑
23	Ireland	78.91	↓	56	Chile	71.81	↑
24	Germany	78.90		66	Luxembourg	69.01	
26	Austria	78.57	↑	72	Greece	68.08	↓