

A World Bank Group Flagship Report



Doing Business 2018

Reforming to Create Jobs

Economy Profile

Argentina



WORLD BANK GROUP

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

Economy Profile of Argentina

Doing Business 2018 Indicators
(in order of appearance in the document)

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

About Doing Business

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

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

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

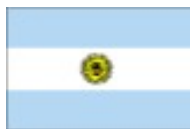
By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, Doing Business encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists,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

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

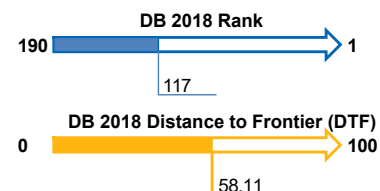
The first Doing Business report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more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

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

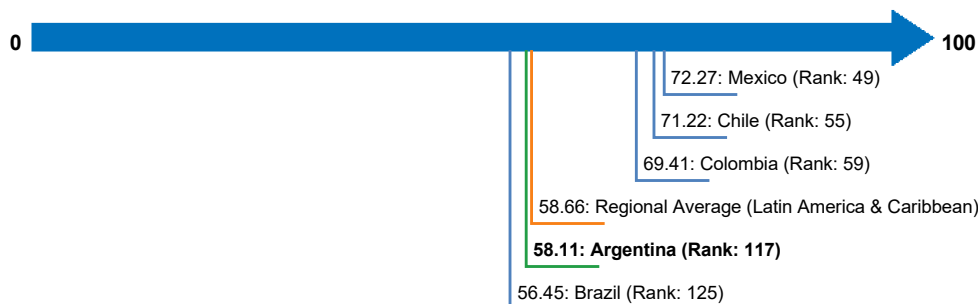
More about [Doing Business](#) (PDF, 5MB)

Ease of Doing Business in
Argentina

Region	Latin America & Caribbean
Income Category	Upper middle income
Population	43,847,430
GNI Per Capita (US\$)	11,960
City Covered	Buenos Aires (Ciudad autonoma de)

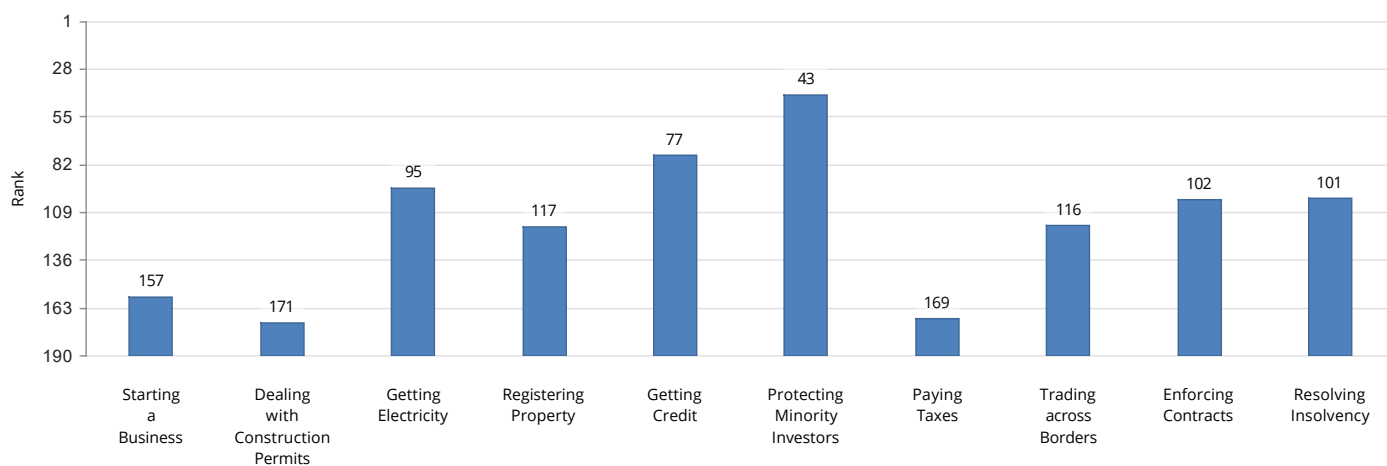


DB 2018 Distance to Frontier (DTF)

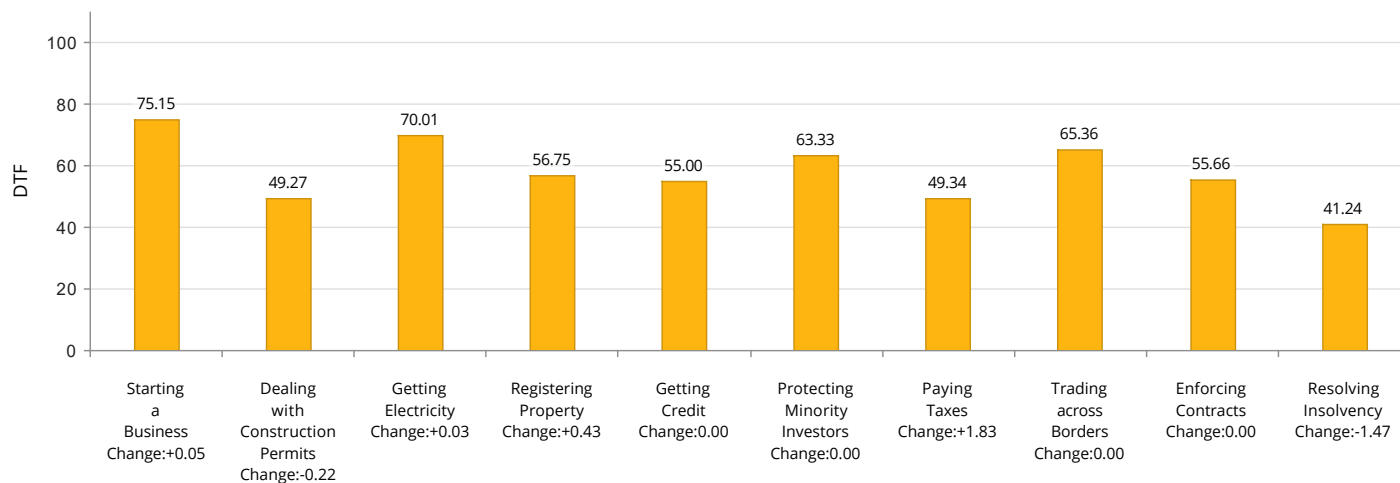


Note: The distance to frontier (DTF) measure shows the distance of each economy to the "frontier," which represents the best performance observed on each of the indicators across all economies in the Doing Business sample since 2005. An economy's distance to frontier is reflected on a scale from 0 to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

Rankings on Doing Business topics - Argentina



Distance to Frontier (DTF) on Doing Business topics - Argentina



Starting a Business

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

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

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

What the indicators measure	Case study assumptions
Procedures to legally start and operate a company (number)	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<ul style="list-style-type: none"> • Pre-registration (for example, name verification or reservation, notarization) • Registration in economy's largest business city • Post-registration (for example, social security registration, company seal) • Obtaining approval from spouse to start business or leave home to register company • Obtaining any gender-specific permission that can impact company registration, company operations and process of getting national identity card 	<p>The business:</p> <ul style="list-style-type: none"> - Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office. - Operates in the economy's largest business city and the entire office space is approximately 929 square meters (10,000 square feet). For 11 economies the data are also collected for the second largest business city. - Is 100% domestically owned and has five owners, none of whom is a legal entity; and has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita. - Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes. - Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to 1 times income per capita. - Does not qualify for investment incentives or any special benefits. - Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals. - Has a company deed 10 pages long.
Time required to complete each procedure (calendar days)	<p>The owners:</p>
<ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day (2 procedures cannot start on the same day) • Procedures fully completed online are recorded as ½ day • Procedure is considered completed once final document is received • No prior contact with officials 	<ul style="list-style-type: none"> - Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old. - Are sane, competent, in good health and have no criminal record. - Are married and the marriage is monogamous and registered with the authorities. - Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.
Cost required to complete each procedure (% of income per capita)	
<ul style="list-style-type: none"> • Official costs only, no bribes • No professional fees unless services required by law or commonly used in practice 	
Paid-in minimum capital (% of income per capita)	
<ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	

Standardized Company

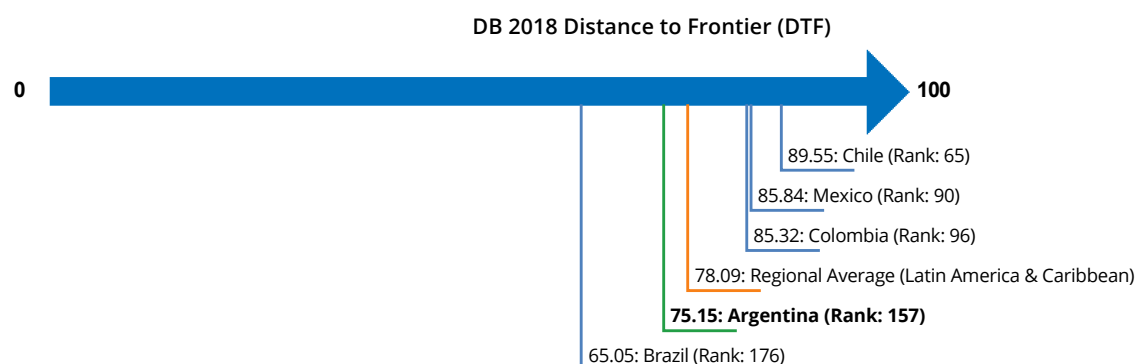
Legal form Sociedad de Responsabilidad Limitada (SRL)

Paid-in minimum capital requirement ARS 0

City Covered Buenos Aires (Ciudad autonoma de)

Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Procedure – Men (number)	13	8.4	4.9	1.00 (New Zealand)
Time – Men (days)	24	31.7	8.5	0.50 (New Zealand)
Cost – Men (% of income per capita)	10.4	37.5	3.1	0.00 (United Kingdom)
Procedure – Women (number)	13	8.5	4.9	1.00 (New Zealand)
Time – Women (days)	24	31.8	8.5	0.50 (New Zealand)
Cost – Women (% of income per capita)	10.4	37.5	3.1	0.00 (United Kingdom)
Paid-in min. capital (% of income per capita)	0.0	2.1	8.7	0.00 (113 Economies)

Figure – Starting a Business in Argentina and comparator economies – Ranking and DTF



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

Figure – Starting a Business in Argentina – Procedure, Time and Cost



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

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Details – Starting a Business in Argentina – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Verify the availability and reserve the company name at the Office of Corporations (Inspección General de Justicia - IGJ)</p> <p>Agency : General Inspection of Justice (Inspección General de Justicia - IGJ)</p> <p>The corporate name must first be reserved in order to incorporate a new company. A request must be submitted using the name reservation form (Reserva de Denominación). Such request expires in 30 days. The Office of Corporations (IGJ) also provides online services for name verification, which can be done previously to the name reservation, at: https://www2.jus.gov.ar/igj-homonimia/Principal.aspx</p>	1 day	ARS 270
2	<p>Certify the partners' signatures and obtain a statement of transfer of funds from a notary public</p> <p>Agency : Notary Office</p> <p>The company is not obliged to notarize its bylaws, which can be formally constituted under a private document. However, the signatures of the founding partners have to be certified by a notary public.</p>	1 day	About ARS 2,200 (cost of 5 notarized signatures)
3	<p>Publish a notice of incorporation in the official paper (Boletín Oficial)</p> <p>Agency : Official Gazette</p> <p>There are three kinds of publication services: -Ordinary procedure (72 hours): for each line of text up to 70 spaces: ARS 90. -Expeditious Procedure (24 hours): for each line of text up to 70 spaces: ARS 150.</p> <p>Legalization is not required if the notice is signed by an attorney. A "digital registration" of the attorney's signature has been set up by Resolution 52/2010 of the Legal Secretary of the Presidency (Secretaría Legal y Técnica, SLyT).</p> <p>As the Official Gazette charges per line, final cost will depend on the length of the notice and whether it will be published pursuant to the Ordinary, Semi-expeditious or Expeditious Procedure. If the notice is signed by a manager or/and authorized representative who is not an attorney, a notary public, or a chartered accountant, his/her signature and powers to execute such act will be certified by a notary public.</p>	2 days on average	About ARS 3,300 (expedited publication fee) + ARS 100 (legalization of signature)
4	<p>Payment of the incorporation fee</p> <p>Agency : Bank and Public Registry of Commerce</p> <p>The invoice shall be downloaded from http://www2.jus.gov.ar/igj-tasas/, paid at the National Bank (Banco de la Nación Argentina) and submitted to the Public Registry of Commerce.</p>	1 day	ARS 100

5 Register the company with the Public Registry of Commerce

Agency : Public Registry of Commerce of the City of Buenos Aires

Companies located in the City of Buenos Aires must register their bylaws and other documents related to their incorporation. The Company must file the proposed Articles of Association and Bylaws, the publication in the Official Gazette, evidence of managers' and syndics' (the latter, if applicable) acceptance of position, evidence of the deposit of the cash contributions at the bank (Banco de la Nación Argentina), evidence of compliance with the managers' guarantee regime (filing of managers' performance bonds) and evidence of the reservation of the corporate name, for approval with the Office of Corporations. The filing also requires the filing of (a) a prequalification opinion ("Dictamen de Precalificación") issued by an attorney, notary public or accountant, each signature of whom must be certified by the relevant professional association. (b) evidence of payment of incorporation fee. (c) incorporation form. (d) "Politically Exposed Person" (anti-corruption) affidavit for each manager and statutory auditor (if applicable). (e) Affidavit on "ultimate beneficial owners" (anti-money laundering) meaning "any natural person that owns, directly or indirectly, an equity stake greater than or equal to 20% of the SRL's total outstanding equity."

Filing time:

- Regular filing: approximately 45 days

- Urgent filing: approximately 5 business days.

In each case if no objection is made by the Office of Corporations.

5 days on average
(expedited
procedure)

ARS 4,320 (expedited
procedure fee)

6 Purchase the company's books

Agency : Commercial bookstores

The books are purchased at commercial bookstores. Once purchased, they should be recorded at the Office of Corporations, as detailed in the following procedure.

1 day

fees included in
procedure 8

7	Legalize the company's books with the Office of Corporations (Inspección General de Justicia - IGJ) Agency : Office of Corporations (Inspección General de Justicia - IGJ) Once the Office of Corporations (Inspección General de Justicia, IGJ) registers a limited liability company (SRL), the company must have at least a Book of Minutes of Partners' and Managers' Meetings and four accounting books certified by the Office of Corporations (Buyers VAT Book, Sellers VAT Book, Inventory and Balance Book, and Journal). This procedure can only be started once the company has been registered. A notary public must request a form from the Notary Public's College and submit the rubric request to the IGJ. The form includes up to five books. If the company needs to obtain the rubric for more than five books, another form of the same value has to be filed. Urgent filing for legalization of corporate books involves the following costs: (1) cost of 5 books (ARS 3,000 approximately). The price can vary depending on the bookstore and the number of sheets. (2) cost of the IGJ form (ARS 1,440 for urgent filing). (3) Notary fees (about ARS 1600 for urgent filing + VAT). (4) book registration fees (ARS 30).	5 days (urgent filing)	ARS 6,070
8	Obtain a Fiscal Code (Clave Fiscal) for the company's legal representatives Agency : National Tax Office (Administración Federal de Ingresos Públicos - AFIP) The legal representative can obtain his/her Fiscal Code directly in the corresponding AFIP Agency by taking the national identity card and a photocopy of it. If the legal representative is a non-Argentinean resident, who can not assist personally to the AFIP Agency, will have to link his/her CUIT with a person that has got a fiscal code by means of Form 3283/F and 3283/J, along with a copy of his/her complete Passport and a residency certificate.	1 day	no charge

- | | | | |
|----|--|---|-----------|
| 9 | Obtain a tax identification number (CUIT) from the National Tax Office (Administración Federal de Ingresos Públicos, AFIP) and register for social security | 4 days | no charge |
| | <p>Agency : National Tax Office (Administración Federal de Ingresos Públicos - AFIP)</p> <p>Tax and social security registration can be done jointly at the National Tax Office (Administración Federal de Ingresos Públicos, AFIP). For a company to obtain its Tax Identification Number (Código de Identificación Tributaria, CUIT), all of the individuals that have been appointed as managers of such company need to have previously obtained their respective CUITs (as managers of local companies) and the sole legal representative or the "administrator" (if more than one manager has been appointed legal representative) needs to have obtained his/her Fiscal Code (Clave Fiscal) (see procedure 9).</p> <p>Since 2007, pursuant to AFIP's General Resolution 2337/2007, the sole legal representative or the "administrator" with Fiscal Code must file AFIP form F. 420/J through the online tax system. If the form is correctly completed, an "approval certificate" will be issued by such online tax system. Upon that, the sole legal representative or the "administrator" will have to file with the corresponding agency of the AFIP: (a) the AFIP form F. 420/J (listing the number of employees and the date of hire), as filed with the online tax system, signed by this individual before a notary public; (b) evidence of filing of such form with the online tax system; (c) the "approval certificate"; (d) a certified copy of the SRL's bylaws, duly registered with the Office of Corporations; (e) two documents evidencing the SRL's fiscal domicile (i.e. any service invoice, police's domicile certification, lease or commodatum agreement, etc.). Upon approval of the filed documentation, the AFIP will issue the SRL's CUIT. Afterwards, the sole legal representative or the "administrator" should link his/her personal Fiscal Code with the SRL's CUIT (by evidencing that he/she is the sole legal representative or the "administrator" at the SRL; in the latter case by filing with the AFIP the form detailed as Annex IV to AFIP's General Resolution 2239/2007, signed before a notary public).</p> | | |
| 10 | Register for the local turnover tax at the Municipal Tax Office (Administración General de Ingresos Públicos - AGIP) | Less than one day
(online procedure) | no charge |
| | <p>Agency : Administración General de Ingresos Públicos (AGIP) at the City of Buenos Aires</p> <p>In order to register the company before the turnover tax, first the legal representative needs to obtain the company's tax password issued by the DGR. To do so they need to file the following documentation before the DGR: (i) Notarized copy of the company's bylaws and the last designation of authorities duly registered before the Office of Corporations, (ii) national identity card of the legal representative (the original and a copy, or a notarized copy), (iii) evidence of the company's CUIT, (iv) evidence of the legal representative's CUIT, (v) document evidencing the legal representative's address, (vi) if more than one person is appointed as legal representative, all of the appointed people need to signed the form "Anexo IV" designating one of them to handle the tax password. Once they obtain the tax password, they can register the company before the turnover tax online through the DGR web page (www.agip.gov.ar/web/impuestos). If the company's activities are levied with the turnover tax in more than one jurisdiction, the proceeding changes.</p> | | |

11	Register with the Unified System for Labor Registration (Sistema Unico de Seguridad Social - SUSS) Agency : Unified System for Labor Registration (Sistema Unico de Seguridad Social - SUSS) Registration can be done online (www.afip.gob.ar) or by submitting the sworn affidavit form No. 885 to the AFIP. The social security withholding and contributions should be paid to the National Regime of Social Security.	Less than one day (online procedure)	no charge
12	Hire insurance for employees from a Labor Risk Company (Aseguradora de Riesgos de Trabajo - ART) Agency : Labor Risk Company (Aseguradora de Riesgos de Trabajo - ART) The cost of hiring an insurance for the company's employees is free but a premium must be paid on a monthly basis.	1 day	no charge
13	Legalize the employee books with the Ministry of Labor (Dirección General de Empleo) Agency : Ministry of Labor (Dirección General de Empleo) The rubrication of the book is made by the Ministry of Labor. The appointment with such agency to rubricate can be scheduled online (the rest of the proceeding cannot be done online). Each page of the wages book has to be rubricated (it is not a general rubric of the book such as in the corporate books). Therefore the price to be paid will vary according to the number of pages the employer rubricates. Rubric of each page used is mandatory.	1 day	ARS 5 per page (an average of 20-25 pages)

♀ Applies to women only.

⇒ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in June 2017. [See the methodology for more information](#)

What the indicators measure

Procedures to legally build a warehouse (number)

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

Time required to complete each procedure (calendar days)

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

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

- Official costs only, no bribes

Building quality control index (0-15)

- Sum of the scores of six component indices:
- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

Case study assumptions

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

The construction company (BuildCo):

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

The warehouse:

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

The water and sewerage connections:

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

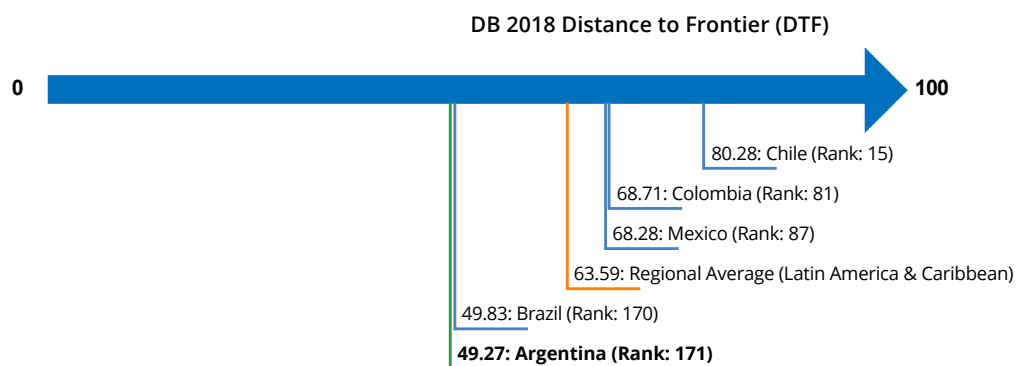
Standardized Warehouse

Estimated value of warehouse ARS 8,973,373.30

City Covered Buenos Aires (Ciudad autonoma de)

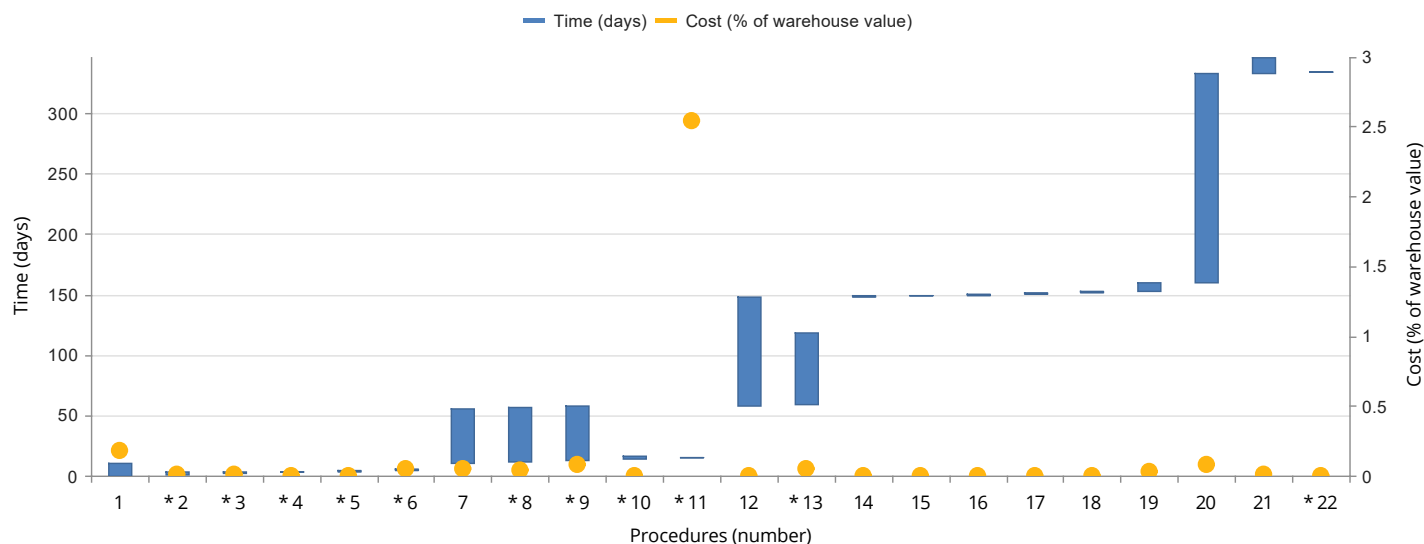
Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Procedures (number)	22	15.7	12.5	7.00 (Denmark)
Time (days)	347	191.8	154.6	27.5 (Korea, Rep.)
Cost (% of warehouse value)	3.1	3.2	1.6	0.10 (5 Economies)
Building quality control index (0-15)	11.0	8.8	11.4	15.00 (3 Economies)

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



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

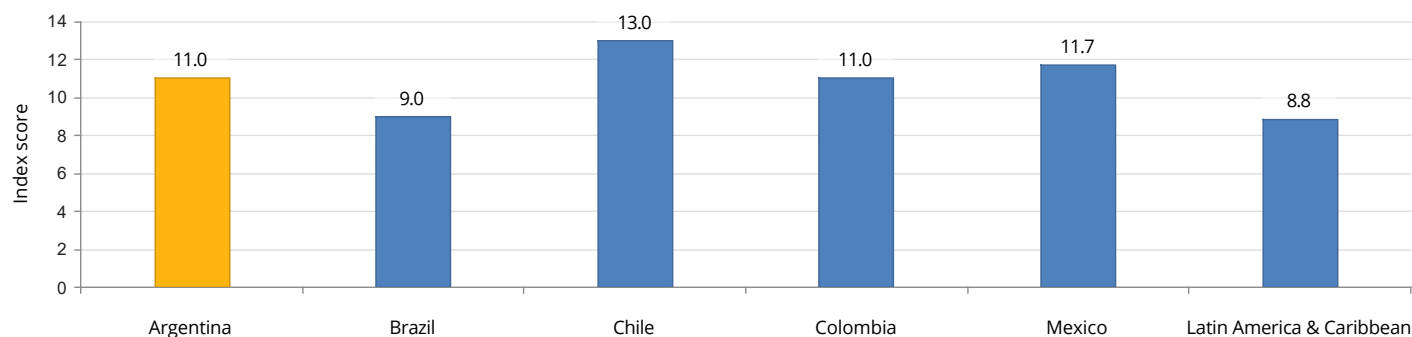
Figure – Dealing with Construction Permits in Argentina – Procedure, Time and Cost



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

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

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



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

No.	Procedures	Time to Complete	Associated Costs
1	Obtain a topographic map Agency : Private licensed company A topographic map is obtained prior to designing the building plans. This map measures the variation in levels on the specific terrain. It is a general technical requirement when building a structure of this class.	11 days	USD 1,100
⇒ 2	Request and obtain certificate of line and dimensions (certificado de medidas perimetrales y anchos de calles) Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC) According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017), the fee for the "certificado de medidas perimetrales y anchos de calles" is ARS 450.	2 days	ARS 450
⇒ 3	Request and obtain land title (certificado de nomenclatura parcelaria) Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC) According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017), the fee for the land title is ARS 450	2 days	ARS 450
⇒ 4	Hold a cadastral consultation (consulta de registro catastral) Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC) The cadastral consultation is a prerequisite for clarifying subsequent procedures. The land ownership certificate, the plot surface area, and the terrain and cadastral measurements are confirmed. Proof of consultation is issued. According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017), the fee for the cadastral consultation is ARS 230.	1 day	ARS 230
⇒ 5	Obtain construction work use form (certificado de uso conforme) Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC) Similar to a zoning certificate, the form is issued according to the Urban Planning Code. According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017), the fee for the "certificado de uso conforme" is ARS 195.	1 day	ARS 195
⇒ 6	Request and obtain certificate of project drawings (certificado de encomienda) from College of Professional Architects Agency : College of Professional Architects The fee the College of Professional Architects charges for for construction areas between 1,000 and 2,500 sq. m is ARS 4,900. Fee schedule can be accessed at http://www.cpau.org/nota/7352/tramites	1 day	ARS 4,900

7	Request and obtain sanitary installation plans (plano de instalación sanitaria)	45 days	ARS 4,430
	<p>Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC)</p> <p>According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017), an quantity below 1000 liters/day of water for non-residential buildings corresponds to 1 module. Each module costs ARS 4,430. Thus, the cost is now: $1 \times 4,430 = \text{ARS } 4,430$.</p>		
⇒ 8	Request and obtain electrical and electromechanical installation plans	45 days	ARS 3,930
	<p>Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC)</p> <p>According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017), the cost associated to obtaining the electrical and electromechanical installation plans is of ARS 3,930. In particular, electrical installation (ARS 1,965 until 10KW) and electromechanical installation (ARS 1,965 until 30KW).</p>		
⇒ 9	Request and obtain fire extinguishing installations	45 days	ARS 7,530
	<p>Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC)</p> <p>According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017), the cost associated to obtaining fire extinguishing installations is of ARS 7,530. For a commercial warehouse, BuildCo would need 6 modules, each at the cost of ARS 1,255.</p>		
⇒ 10	Present the designs and layouts	3 days	no charge
	<p>Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC)</p>		
⇒ 11	Request and obtain delineation and construction rights (derechos de delineación y construcción)	1 day	ARS 228,255
	<p>Agency : General Directorate of Registration of Works and Cadastre (Dirección General de Registro de Obras y Catastro- DGROC)</p> <p>BuildCo must request the payment of delineation and construction rights and inspections to the Accounting department of DGROC. The Accounting department of DGROC will issue the invoice which BuildCo must pay at the Bank of the City of Buenos Aires. Once it is paid and obtains the proof of payment, BuildCo must submit this proof of payment, the different certificates and the plans to "Mesa de Entradas" of DGROC. Once all the documents are reviewed and are appropriate the "Mesa de Registro" of DGROC registers the plans and it allows for BuildCo to obtain a new construction project permit (permiso de obra nueva).</p> <p>According to the 2017 Tariff Law of the City of Buenos Aires (Ordenanza Tarifaria 2017) Art. 11, the cost of this procedure is 1% of the construction value. This amount should be paid at the Bank of the City of Buenos Aires.</p> <p>Moreover, according to Art.18 of this same law, the cost associated with inspections is ARS 11.70 per square meter. This cost will be paid at the same time as the delineation and construction rights.</p>		

12 Obtain a new construction project permit (permiso de obra nueva)

90 days

no charge

Agency : General Directorate of Registration of Works and Cadastre
(Dirección General de Registro de Obras y Catastro- DGROC)

To obtain a new construction project permit, BuildCo must submit the following plans and documentation:

- Affidavit for the construction project
- Particulars on the signatory
- Building company details
- Certificate of use pursuant to the provisions contained in the Urban Planning Code
- Property titles and purchase agreement (boleto de compra de venta), which is proof of ownership of land for warehouse construction
- Project plans
- Cadastral plan, delimiting the plot for warehouse construction
- Fire station installation map
- Sanitary installation plan
- Electromechanical plans (elevators, pumps)
- Structure plan
- Land survey
- Excavation record, if applicable
- Land titles (certificados parcelarios) of construction work layout

If construction work has not yet started during a 3-year period (from the plan registration date to the granting of the respective permit), the permit and the respective record will expire. The construction fees and approved delineation will be forfeited. After the Accounting Department issues the relevant resolution (disposición), the expired record is sent to the general files for permanent and final storage.

The developer must notify the Instituto de Estadística y Registro de la Industria de la Construcción (IERIC) once during its "existence," but it is compelled to notify each construction startup through the completion of an enclosed form. Before starting construction, the company posts the announcement of machinery works.

⇒	Request and obtain environmental impact assessment certificate	60 days	ARS 4,100
13	<p>Agency : Environmental Protection Agency (Agencia de Protección Ambiental)</p> <p>Other documents needed include the following:</p> <ul style="list-style-type: none"> • Environmental Assessment Impact form (Formulario Categorización Impacto Ambiental) • DDJJ through Form Annex II Dcto 1352/02 • Formula Polinómica s/ Annex VIII de Resol. 873-SSMAMB/ 04 • Aide memoire (memoria descriptiva) with the signature of the main representative (firma del titular) s/ Annex Vd Decree 1352/02 that includes: <ol style="list-style-type: none"> 1. Description of the activity, including materials and inputs, supply and storage processes, operation and location of the machinery used, logistics to deliver products and services, among other things. 2. Further details or clarifications on emissions, solid waste, noise vibrations from machinery, and so forth (including results from the formula polinómica). 3. Detailed information on cargo-handling logistics. 4. Detailed information of construction projects designed to mitigate negative impacts. 5. Detailed information on land usage. 6. Fire prevention plan. 7. Waste management plan. • Environmental impact map • Registration number in the Registry for Consultants and Professionals (Reg. No. 344 Evaluac. Ambtal. 4/10/00) • Encomienda to the Professional Council • Notarized copy of the property title <p>According to Article 147 of 2017 Tariff Law of the City of Buenos Aires, the fee for buildings between 1,000 and 5,000 m2 is ARS 4.100,00</p>		
14	<p>Receive construction startup inspection</p> <p>Agency : Governmental Inspection Agency (Agencia Gubernamental de Control)</p> <p>A record of inspection agents may be found at the city of Buenos Aires website (www.buenosaires.gov.ar).</p> <p>1.2.1.3. Inspection Schedule (Building Code)</p> <p>All inspections must be completed within 24 hours of such request, no matter where the building is located, and according to construction industry schedules and working days, except for municipal schedules and holidays.</p> <p>After the application is submitted at the public works office counter, the inspection schedule will be fixed for the following day, depending on the radius within which the construction work is located. Suspension of construction is not required. There is a startup or excavation inspection before construction and four additional phased inspections during construction (Ley 4268 August 30th 2012). Each inspection is processed through supervisors (Agentes Verificadores de Obra, AVO). The inspection fee is paid before registration, together with that for construction rights.</p>	1 day	no charge

15	Notify the Governmental Inspection Agency on completion of the construction work foundation and receive inspection Agency : Governmental Inspection Agency (Agencia Gubernamental de Control)	1 day	no charge
16	Notify the Governmental Inspection Agency on completion of the construction work structure and receive inspection Agency : Governmental Inspection Agency (Agencia Gubernamental de Control)	1 day	no charge
17	Notify the Governmental Inspection Agency on completion of the construction work masonry and receive inspection Agency : Governmental Inspection Agency (Agencia Gubernamental de Control)	1 day	no charge
18	Notify the Governmental Inspection Agency on completion of construction work and receive inspection Agency : Governmental Inspection Agency (Agencia Gubernamental de Control) To receive a work completion notice, BuildCo must submit the following documents to the city of Buenos Aires: <ul style="list-style-type: none"> • A document from Directorate of Real Estate and Registry, proving the sworn declaration of completed work. That form is obtained in that directorate and displays the proprietor's signature, in addition to a simple heliographic copy of the building plan • Original plan of the work in fabric or film transparent polyester, which can be unified (architecture and structures) or displayed in two separated originals • Architecture plans (six heliographic copies) and structure plans (six heliographic copies) • Plans on fire protection (two copies) • Descriptive record with detail of materials and elements used in the completed work (original and copy) • Form of statistics • Request of sworn declaration of completion (triplicate) • Plan showing medical facility BuildCo must submit an affidavit on completion of the construction work. After that, the administrative authority has 60 working days to verify the affidavit's accuracy and truthfulness. According to the Building Code, this action releases contractors involved in the construction from liability, leaving the owner as the sole liable party. Even so, neither the final approval nor the affidavit nor the final construction plans are required for municipal approval of the warehouse.	1 day	no charge
19	Notarize the forms required for final authorization Agency : Notary Public (Escribano Público) A notary public draws up the authorization deed (escritura de habilitación). Although the average fee is ARS 500.00, the fee depends on the size of the work. In the case of the Doing Business case study warehouse, the fee would be approximately ARS 1,422.	7 days	ARS 2,800

20 Request and obtain final authorization (Habilitacion Municipal) 173 days ARS 7,616

Agency : General Building Authorization and Permit Department (Dirección General de Habilitaciones y Permisos – DGHP)

According to applicable regulations, authorization may be granted provisionally (pending final authorization) for the construction of either (a) a new facility or any of its parts or (b) any extension or modification to an existing one. However, the use must coincide with that stated on the documents for the project approved for execution, provided that the relevant part has been completed pursuant to applicable regulations.

Final authorization must be requested within 30 days of work completion.

As required by the type of authorization procedure, the construction professional (architect, engineer, construction foreman, land surveyor) must prepare the documents. The following forms must be purchased from the corresponding professional board (consejo profesional):

- Request for authorization
- Usage certificate (certificado de uso conforme)
- Site layout, if applicable
- Plans or final certificate of fire, ventilation, and mechanical installation, if applicable
- Certificate or supporting document attesting to the submittal of the environmental aptitude application (solicitud de aptitud ambiental) (Law 123, Law 452, and regulatory decrees)

For this purpose, if requested, the construction professional must verify whether the site's building conditions conforms to the pertinent zoning. If necessary, the professional must also consult with the Urban Planning Institute (Consultora Planificacion Urbana, CPU) before starting the procedure.

21 Request and connect to water services 14 days ARS 1,200

Agency : Aguas y Saneamientos Argentinos S.A.

To obtain a connection to potable water service, the final construction work layout (with the relevant certificate issued by the municipal authorities) must be submitted at the commercial office in the zone where the construction site is located. Upon submission, a provisional invoice will be issued according to the size of the construction site. The connection to water services takes approximately 14 calendar days.

⇒ Register the building 1 day no charge

22 Agency : Dirección de Rentas

The building must be registered at the Revenue Department (Dirección de Rentas) by submitting the final approved plans.

⇒ Takes place simultaneously with previous procedure.

Details – Dealing with Construction Permits in Argentina – Measure of Quality

	Answer	Score
Building quality control index (0-15)		11.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		1.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company; Owner or investor.	1.0

Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)

No party is required by law to obtain insurance .

0.0

Professional certifications index (0-4)

2.0

What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)

University degree in architecture or engineering;
Being a registered architect or engineer.

1.0

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

University degree in engineering, construction or construction management;
Being a registered architect or engineer.

1.0

⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

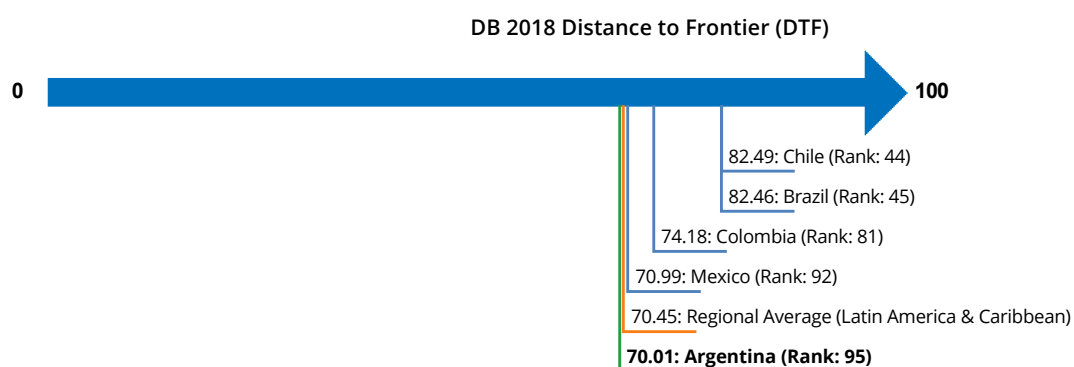
What the indicators measure	Case study assumptions
<p>Procedures to obtain an electricity connection (number)</p> <ul style="list-style-type: none"> Submitting all relevant documents and obtaining all necessary clearances and permits Completing all required notifications and receiving all necessary inspections Obtaining external installation works and possibly purchasing material for these works Concluding any necessary supply contract and obtaining final supply <p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> Is at least 1 calendar day Each procedure starts on a separate day Does not include time spent gathering information Reflects the time spent in practice, with little follow-up and no prior contact with officials <p>Cost required to complete each procedure (% of income per capita)</p> <ul style="list-style-type: none"> Official costs only, no bribes Value added tax excluded <p>The reliability of supply and transparency of tariffs index (0-8)</p> <ul style="list-style-type: none"> Duration and frequency of power outages (0-3) Tools to monitor power outages (0-1) Tools to restore power supply (0-1) Regulatory monitoring of utilities' performance (0-1) Financial deterrents limiting outages (0-1) Transparency and accessibility of tariffs (0-1) <p>Price of electricity (cents per kilowatt-hour)*</p> <ul style="list-style-type: none"> Price based on monthly bill for commercial warehouse in case study <p>*Note: Doing Business measures the price of electricity, but it is not included in the distance to frontier score nor the ranking on the ease of getting electricity.</p>	<p>To make the data comparable across economies, several assumptions are used.</p> <p>The warehouse:</p> <ul style="list-style-type: none"> Is owned by a local entrepreneur and is used for storage of goods. Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway. Is a new construction and is being connected to electricity for the first time. Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet). <p>The electricity connection:</p> <ul style="list-style-type: none"> Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW). Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road. Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base. <p>The monthly consumption:</p> <ul style="list-style-type: none"> It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh. If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier. Tariffs effective in March of the current year are used for calculation of the price of electricity for the warehouse. Although March has 31 days, for calculation purposes only 30 days are used.

Standardized Connection

Price of electricity (US cents per kWh)	10.6
Name of utility	EDESUR
City Covered	Buenos Aires (Ciudad autonoma de)

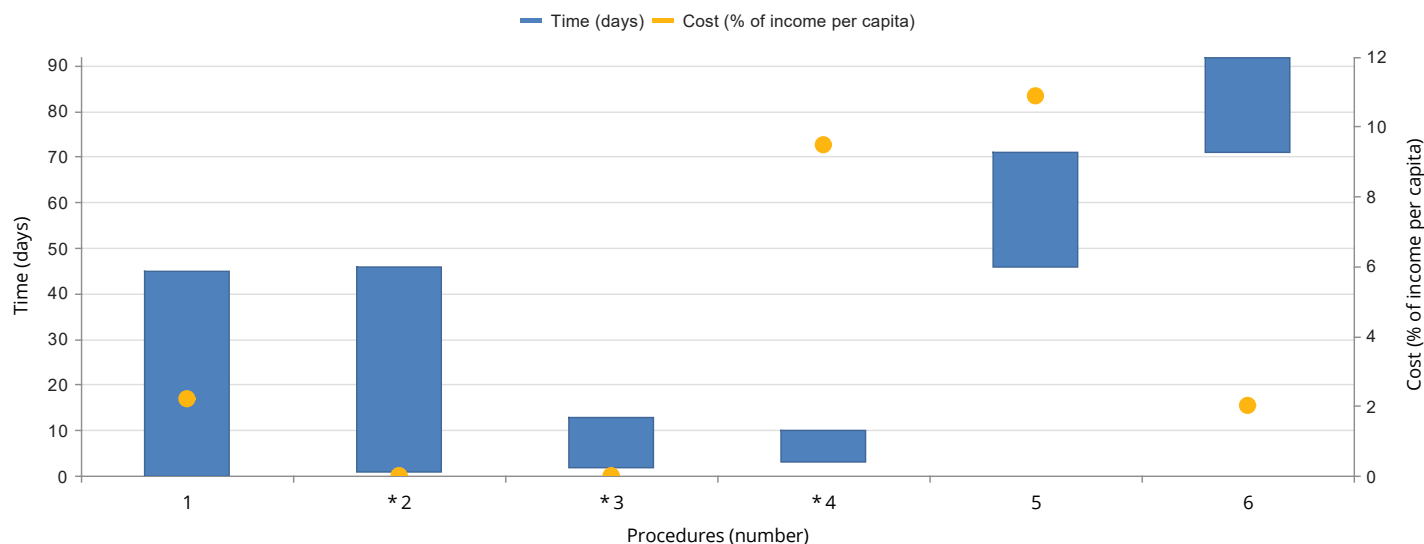
Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Procedures (number)	6	5.5	4.7	2 (United Arab Emirates)
Time (days)	92	66.0	79.1	10 (United Arab Emirates)
Cost (% of income per capita)	24.5	927.4	63.0	0.00 (Japan)
Reliability of supply and transparency of tariff index (0-8)	5	4.2	7.4	8.00 (28 Economies)

Figure – Getting Electricity in Argentina and comparator economies – Ranking and DTF



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

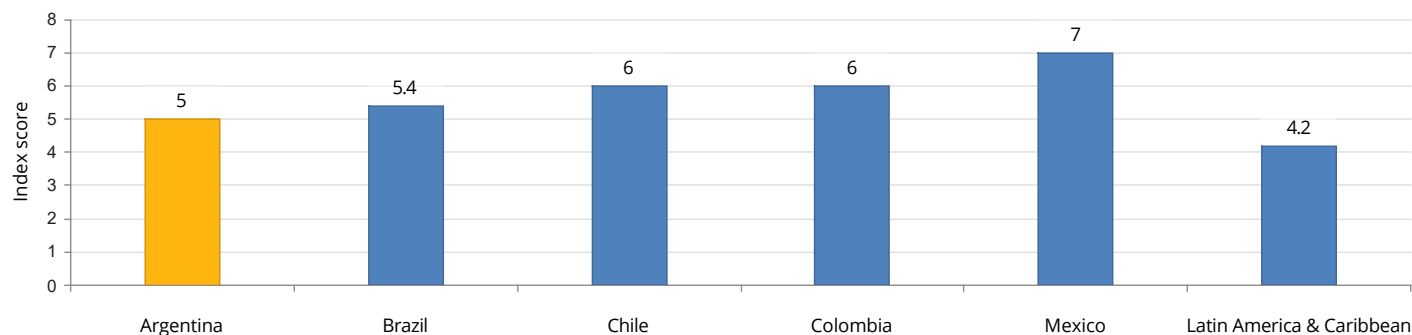
Figure – Getting Electricity in Argentina – Procedure, Time and Cost



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

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Getting Electricity in Argentina and comparator economies – Measure of Quality



Details – Getting Electricity in Argentina – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain approval of electrical plans from municipality</p> <p>Agency : Municipio</p> <p>The customer must obtain the approval of internal wiring electrical plans from the municipality ("Habilitacion Municipal del plano electromecánico y del plano de la instalación eléctrica"). The municipal clearance is required for all new industrial constructions. The customer must provide the following documents in order to obtain this approval: The application form; two sets of electrical plans detailing: a) the location of the machines and their respective electricity needs and b) the design of the internal wiring installation; a receipt attesting that the building permit approval has already been requested. This approval is necessary as the customer will have to present the approved municipal clearance at the end of the connection process.</p>	45 calendar days	ARS 3,950
⇒ 2	<p>Submit service application to EDESUR and await estimate of connection costs</p> <p>Agency : Edesur</p> <p>The application for the service connection can be submitted online, in person, by mail or fax. The following documents are required with the application:</p> <ul style="list-style-type: none"> • Letterhead indicating the name and coordinates of the authorized applying customer • Details on the required electricity load and the simultaneity factor (this element specifies how much electrical equipment will be consuming electricity at the same time). • Sketch of the geographic location of the construction • Document clarifying the ownership of the building • Application for the Municipal approval of electrical plans (if the building is still under construction the approved building plans are also required). • Identification document for the owner of the building • A valid document indicating the directors of the company • Document certifying that the customer is authorized to submit this application and a copy of his national identity document (Documento Nacional de Identidad -DNI) • Proof of registration with the Federal Tax Authority (Administración Federal de Ingresos Públicos - AFIP) • DCI -an internal wiring certificate (DCI - Declaración de conformidad Res. ENRE 207/95) issued by an electrician registered with the Association for the Promotion of Electrical Safety ("Asociación para la Promoción de la Seguridad Eléctrica -A.P.S.E."). It is not compulsory. • If the customer is not the owner of the building, a security deposit is required representing the equivalent of two months of future consumption. <p>As soon as the client submits the application, the utility will request the excavation permit to the Municipality of Buenos Aires.</p>	45 calendar days	ARS 0

⇒ 3	Receive external inspection by EDESUR	11 calendar days	ARS 0
	<p>Agency : Edesur</p> <p>Edesur carries out an external inspection to prepare the technical report and prepares an estimate for the connection costs. It is preferable that a representative of the customer is present at the time of the inspection. The inspector will establish the connection point and, if necessary, the best location for the chamber for the distribution transformer. A technical project detailing the required external connection works will be elaborated to determine which part of the external works will be carried out by the customer or his sub-contractor.</p>		
⇒ 4	Hire registered electrician to certify internal wiring	7 calendar days	ARS 17,000
	<p>Agency : Un electricista registrado con la Asociación para la Promoción de la Seguridad Eléctrica (A.P.S.E.)</p> <p>The customer must obtain an internal wiring certificate ("DCI - Declaración de conformidad"). The DCI is issued by an electrician registered with the Association for the Promotion of Electrical Safety ("Asociación para la Promoción de la Seguridad Eléctrica -A.P.S.E."). The internal wiring of the building is the responsibility of the user/owner of the building.</p>		
5	Carry out civil works required by EDESUR	25 calendar days	ARS 19,500
	<p>Agency : Electrical Contractor</p> <p>After the customer receives the cost estimate and the details of the external connection works needed from EDESUR, he hires a subcontractor to carry out the connection works, as required by EDESUR.</p>		
6	Receive connection works and meter installation by EDESUR	21 calendar days	ARS 3,605.29
	<p>Agency : Edesur</p> <p>EDESUR approves the connection works carried out by the customer's electrical contractor, obtains the relevant approvals from the municipality to do the excavation works in public spaces and finalizes the connection works. The installation of the meter happens on the same day that the connection works are carried out and the electricity starts flowing right away.</p> <p>The signed supply contract is a prerequisite for EDESUR to start its part of the connection works. By means of the supply contract the client commits to paying the electricity that will be consumed and to not lower the initial load estimate on which the connection works are based. At this moment, the client also has to present the electrical plans approved by the relevant Municipality ("Habilitación Municipal del plano electromecánico and del plano de la instalación eléctrica"). After the supply contract has been signed, EDESUR inspects the part of the connection works that was carried out by the customer's electrical contractor, and finalizes the connection works.</p> <p>Since August 2012, according to the Resolución ENRE 0215/2012, the EDESUR charges a contribución especial reembolsable (CER) for new connections. The CER is reimbursed to the client through electricity bills. The reimbursement happens in a maximum of 48 equal payments reimbursed with interests.</p>		

⇒ Takes place simultaneously with previous procedure.

Details – Getting Electricity in Argentina – Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	5
Total duration and frequency of outages per customer a year (0-3)	0
System average interruption duration index (SAIDI)	4.5
System average interruption frequency index (SAIFI)	16.2
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	3.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
Communication of tariffs and tariff changes (0-1)	1
Are effective tariffs available online?	Yes
Link to the website, if available online	http://www.edesur.com.ar/cuadro_tarifario_marzo.pdf
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

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

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

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

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Procedures to legally transfer title on immovable property (number)

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

Time required to complete each procedure (calendar days)

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

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

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

Quality of land administration index (0-30)

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

Case study assumptions

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

The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

The property (fully owned by the seller):

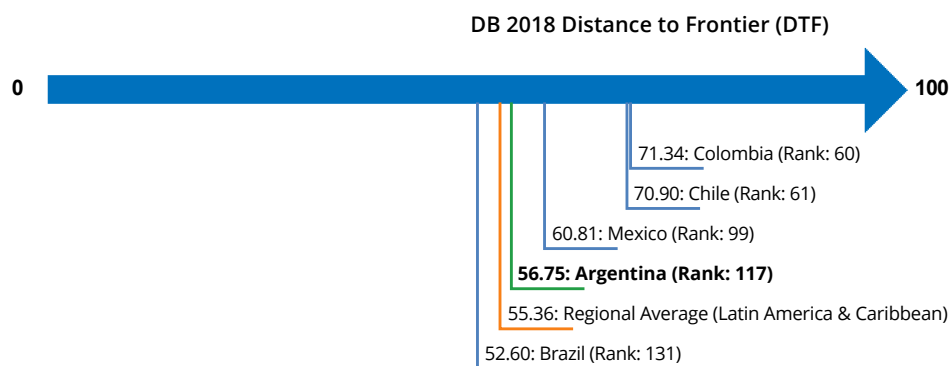
- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

Standard Property Transfer

Property value	ARS 8,973,373.30
City Covered	Buenos Aires (Ciudad autonoma de)

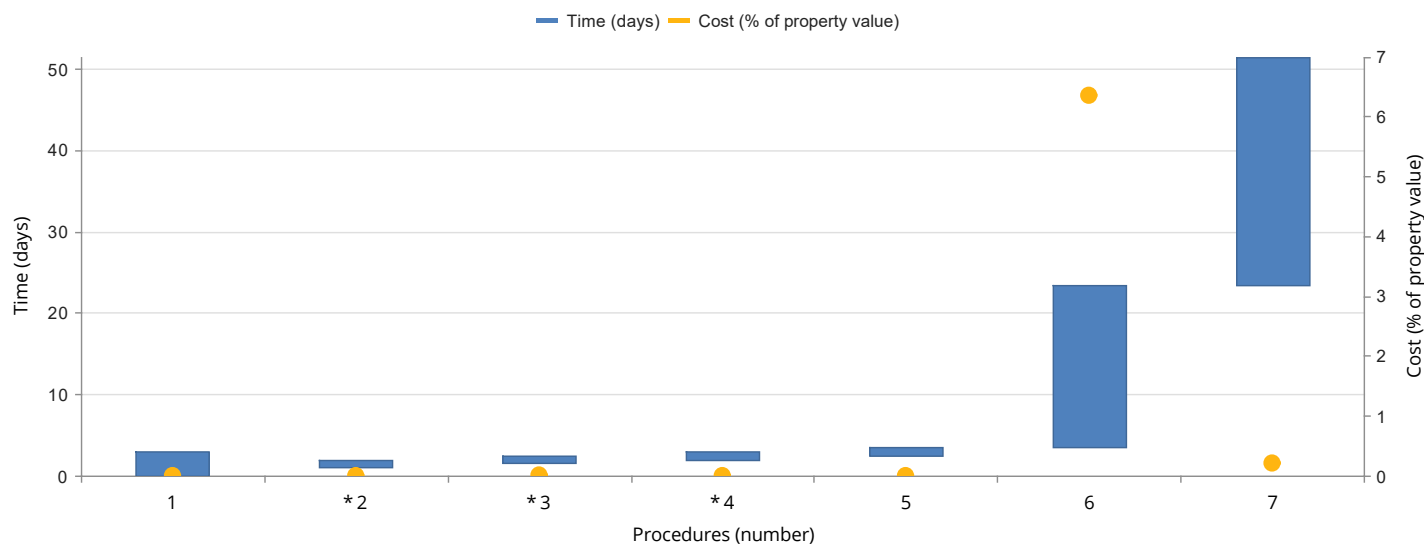
Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Procedures (number)	7	7.2	4.6	1.00 (4 Economies)
Time (days)	51.5	63.3	22.3	1.00 (3 Economies)
Cost (% of property value)	6.6	5.8	4.2	0.00 (5 Economies)
Quality of the land administration index (0-30)	13.5	12.0	22.7	29.00 (Singapore)

Figure – Registering Property in Argentina and comparator economies – Ranking and DTF



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

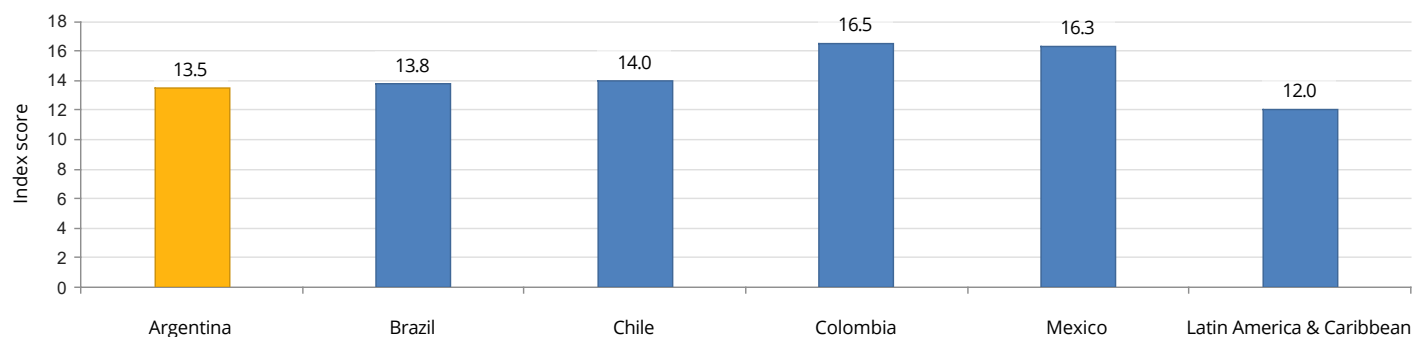
Figure – Registering Property in Argentina – Procedure, Time and Cost



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

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the Doing Business website (<http://www.doingbusiness.org/methodology>). For details on the procedures reflected here, see the summary below.

Figure – Registering Property in Argentina and comparator economies – Measure of Quality



Details – Registering Property in Argentina – Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain a certificate stating that no local taxes related to the property are due (ABL)</p> <p>Agency : Notaries' association ("Colegio de Escribanos de la Ciudad de Buenos Aires")</p> <p>This certificate ("Certificado de libre deuda de impuestos municipales-ABL") is obtained at the Notaries' association ("Colegio de Escribanos"). Local taxes related to the property being sold are known as ABL ("alumbrado, barrido y limpieza", street light and cleaning). The certificate is valid for 30 days (or the current month), according to the 2009 "Código Fiscal" of the city of Buenos Aires, which shortened the original 1 year validity.</p>	3 days (simultaneous with Procedures 2, 3 and 4)	ARS 240
⇒ 2	<p>Obtain a cadastral certificate ("certificado catastral")</p> <p>Agency : City of Buenos Aires government ("Oficina catastral")</p> <p>The notary requests the cadastral certificate (with measures, boundaries and fiscal valuation) at the Cadastral office ("Oficina catastral"). The certificate is valid for one year. In the Capital Federal, there is no need for a surveyor to measure the property.</p>	1 day (simultaneous with Procedures 1, 3 and 4)	ARS 320
⇒ 3	<p>Seller must obtain a certificate of ownership ("dominio") and a certificate of good standing ("inhibiciones") from the Real Property Registry</p> <p>Agency : Real Property Registry (Registro de la propiedad inmueble de la Capital Federal)</p> <p>The certificate of ownership ("Certificado de dominio") proves that the property is free and clear of liens and or encumbrances. According to Executive Order No. 2080/80, article 8, it is mandatory to obtain the non-encumbrance certificate. The certificate of personal annotation ("Certificado de inhibiciones") proves that there is no judicial order restraining the seller from encumbering or disposing of his assets.</p> <p>The domain certificate and a personal annotation are valid for 15 days, and they are both requested with a unified form.</p> <p>When a notary from the Capital Federal requests a domain certificate, the property is "reserved" for 60 days. If a new Domain certificate is requested during this period, it will state that a transaction is in process.</p> <p>Pursuant to Technical Resolution N°5/2008 of the Registry of Property dated September 5, 2008, the certificate of personal annotation can be obtained online at the Registry website www.dnrpi.jus.gov.ar, with a cost of AR\$ 56. Only interested parties pursuant to sections 6,7 and 22, Law No. 17,801 can obtain the certificate online, and they also need to be registered users of the website (notaries, accountants, lawyers,...).</p>	7 days (regular Procedure for domain certificate and personal annotation certificate), less than a day (urgent Procedure) (online and simultaneous with Procedures 1, 2 and 4)	Domain Certificate: ARS 490 (urgent) or ARS 280 (regular) Certificate of Good Standing: ARS 430 (urgent) or ARS 220 (regular); Certificate of Good Standing: ARS 56

⇒ 4 Obtain a Real Estate Reference Value (Valor Inmobiliario de Referencia)

Agency : Real Property Registry (Registro de la propiedad inmueble de la Capital Federal)

Property transfers in the City of Buenos Aires and some parts of the Province of Buenos Aires require a "Valor Inmobiliario de Referencia (VIR)" (Real Estate Reference Value). The VIR was introduced by Resolución N° 67-AGIP-10 of February 10, 2010 and later amended by Resolución N° 435-AGIP-11 of August 3, 2011. A VIR is assigned to every property by the revenue agency and it sets a minimum base to calculate the stamp tax. The VIR aims to prevent the undervaluation of properties done to pay less stamp duty on property transfers.

The notary has the responsibility to check the VIR, since the stamp duty will be calculated on the greater value between VIR, the fiscal valuation ('valuación fiscal') and the sale price agreed by parties. The procedure is free and it can be obtained online by the notary through the revenue agency website www.agip.gob.ar. However, not all the properties in the City of Buenos Aires have been assigned a VIR yet. In these cases the notary must obtain a certificate stating that there is no VIR for the property.

Less than a day
(online procedure
and simultaneous
with procedures 1,
2 and 3)

no cost

5 Obtain "Code of Offer of Transfer of a Property" (COTI) at tax agency AFIP

Agency : Tax Agency (AFIP)

Sellers have to declare property transfers of over ARS 600.000 to the tax authorities in the City (AFIP). The declaration shall include the names of the buyer and seller, the property being transferred and the value of the transaction. Once the transaction is declared, the seller will obtain a "Code of Offer of Transfer of a Property" (COTI) from AFIP. The COTI has a validity of 24 months (extendable 12 months if a construction is to be made).

The "Code of Offer of Transfer of a Property" (COTI) may be obtained:

- online: through www.afip.gov.ar, accessing to the system with a tax code; or
- on the phone (0800-999-2347), in which case it will be necessary to print a certificate afterwards from www.afip.gov.ar (access to the system is with a tax code); or
- via sms, texting 2347: the user will receive a reply with the number of procedure and will be contacted later by the Information Call Center to continue with the procedure.

Less than a day
(online procedure)

no cost

6	<p>The public deed is executed by the parties with the intervention of a notary public</p> <p>Agency : Notary</p> <p>The public deed is the only document which is mandatory by law to transfer a property's ownership. Transactions subject to Capital Gains Tax are not subject to Transfer Tax (this is the case when companies are parties to the transaction). Capital Gains Tax is paid by the seller. However, this tax is not applicable if the money collected by seller for the transfer of property is used to buy another property within a year of the sale or for the construction of a new property. In this last case, for the tax waiver to apply, the construction has to start a year after or a year before the transaction and it has to be completed 4 years after the date of the transaction.</p> <p>The notary will retain the 1.5% for the transfer tax, but if the transaction is subject to Capital Gains Tax (CGT), he will use this amount to pay the CGT. If the transaction has been arranged through a broker, his fees will be about 3% of the purchase price.</p>	20 days	<p>Notary public fees: 1-1.5% of the purchase price (usually paid by buyer)</p> <p>Stamp Tax: 3.6 % of the greater value between the VIR, the fiscal valuation and the purchase price (usually paid jointly)</p> <p>Transfer Tax: 1.5% of the purchase price (Income Tax applicable to companies, paid by seller)</p>
7	<p>The notary public files the property transfer for registration with the Real Property Register</p> <p>Agency : Real Property Registry (Registro de la propiedad inmueble de la Capital Federal)</p> <p>The notary public files the property transfer for registration with the Real Property Register.</p>	28 days	<p>ARS 420 (regular) or ARS 840 (urgent) + 0.2% property price additional stamp tax</p>

⇒ Takes place simultaneously with previous procedure.

Details – Registering Property in Argentina – Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		13.5
Reliability of infrastructure index (0-8)		5.0
What is the institution in charge of immovable property registration?	Registro de la Propiedad Inmueble de la Capital Federal	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	Yes	1.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Dirección General de Catastro	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
Transparency of information index (0-6)		2.5
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.dnrpi.jus.gov.ar/guiaregistro/?ref=23	
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5

Link for online access:	http://www.dnrpi.jus.gov.ar/tabla_valores/tabla_valores.php	
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.dnrpi.jus.gov.ar/guiaregistro/?ref=11	
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:	atencionalcliente@dnrpi.jus.gov.ar	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2016:	48056.0	
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://www.ssplan.buenosaires.gov.ar/index.php/formularios-de-tramitacion-de-catastro/tramgral/dgrocc/107-docf/792-certificacion-del-estado-parcelario	
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0–8)		2.0

Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Land dispute resolution index (0–8)		4.0
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary.	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Notary.	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	National Civil Court of First Instance (juzgado nacional en lo civil)	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2016:		
Equal access to property rights index (-2–0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0.0
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0–12)

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

Depth of credit information index (0–8)

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

Credit bureau coverage (% of adults)

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

Credit registry coverage (% of adults)

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

Case study assumptions

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

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

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

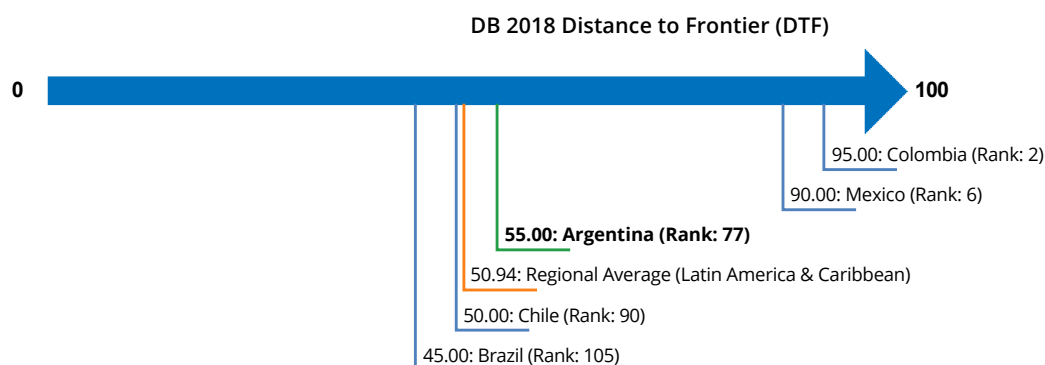
- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank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

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

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

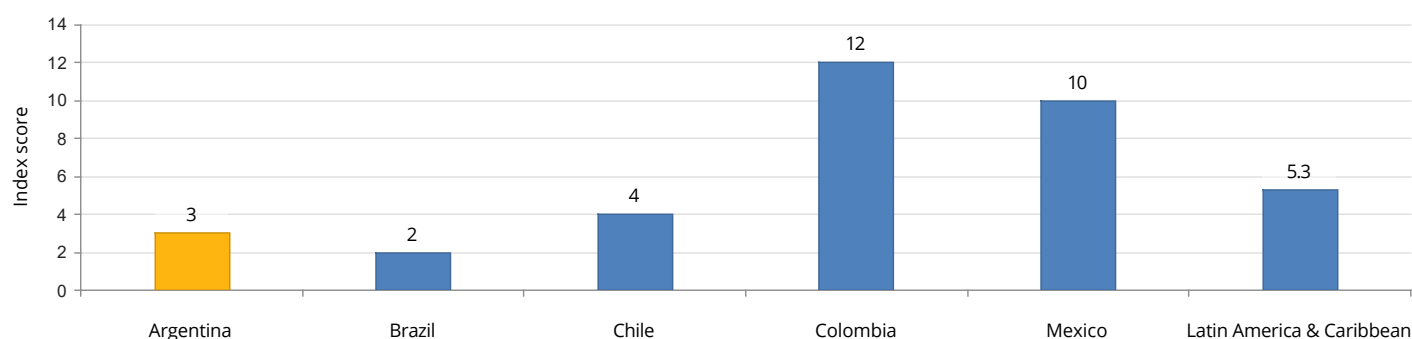
Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Strength of legal rights index (0-12)	3	5.3	6.0	12.00 (4 Economies)
Depth of credit information index (0-8)	8	4.8	6.6	8.00 (34 Economies)
Credit registry coverage (% of adults)	44.8	14.0	18.3	100.00 (3 Economies)
Credit bureau coverage (% of adults)	80.0	43.1	63.7	100.00 (23 Economies)

Figure – Getting Credit in Argentina and comparator economies – Ranking and DTF



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

Figure – Legal Rights in Argentina and comparator economies



Details – Legal Rights in Argentina

Strength of legal rights index (0-12)

3

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? No

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? No

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

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

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? No

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

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

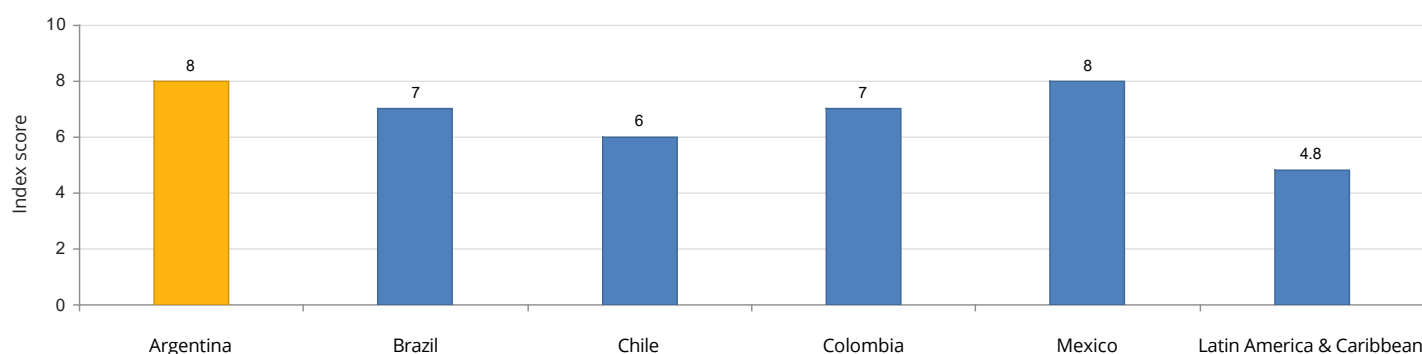
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

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

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

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? No

Figure – Credit Information in Argentina and comparator economies



Details – Credit Information in Argentina

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1

Score ("yes" to either public bureau or private registry)

8

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	22,000,000	12,385,037
Number of firms	400,000	160,569
Total	22,400,000	12,545,606
Percentage of adult population	80.0	44.8

Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

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

Case study assumptions

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

The business (Buyer):

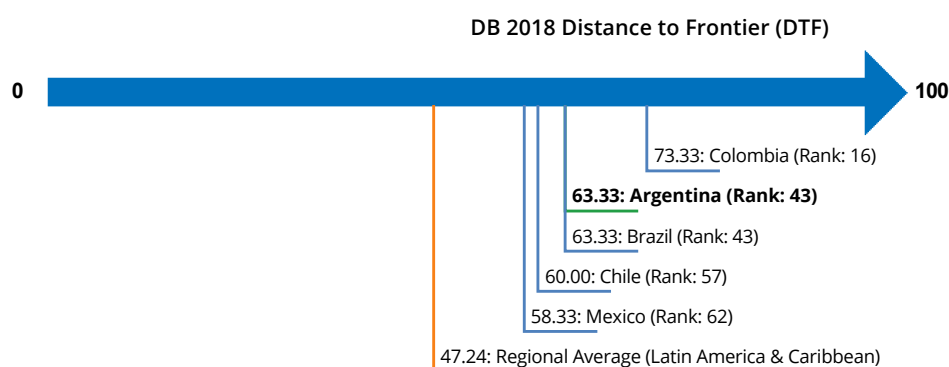
- Is a publicly traded corporation listed on the economy's most important stock exchange. If the number of publicly traded companies listed on that exchange is less than 10, or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.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

The transaction involves the following details:

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

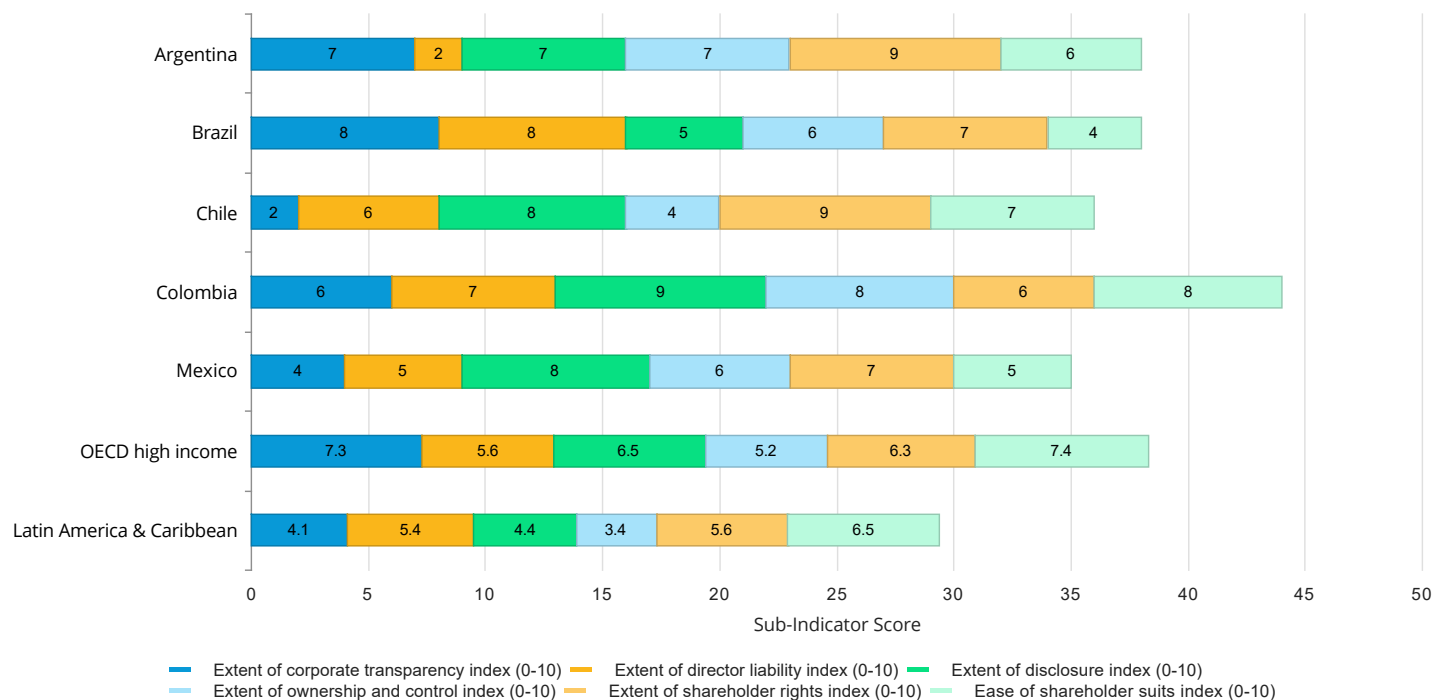
Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Extent of conflict of interest regulation index (0-10)	5	5.3	6.4	9.3 (New Zealand)
Extent of shareholder governance index (0-10)	7.7	4.1	6.4	9.00 (Kazakhstan)

Figure – Protecting Minority Investors in Argentina and comparator economies – Ranking and DTF



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

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



Details – Protecting Minority Investors in Argentina – Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-10)		5
Extent of disclosure index (0-10)		7
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	Disclosure on the transaction only	1.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		2
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Not liable	0.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
Ease of shareholder suits index (0-10)		6
Before suing can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0

Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	No	0.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	No	0.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
Extent of shareholder governance index (0-10)		7.7
Extent of shareholder rights index (0-10)		9
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	Yes	1.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
Extent of ownership and control index (0-10)		7
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0

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

Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as measures the administrative burden in paying taxes and contributions. The most recent round of data collection for the project was completed on June 30, 2017 covering for the Paying Taxes indicator calendar year 2016 (January 1, 2016 – December 31, 2016).

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

The new section covers both the legal framework and the administrative burden on businesses to comply with postfiling processes.

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

What the indicators measure

Tax payments for a manufacturing company in 2016 (number per year adjusted for electronic and joint filing and payment)

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

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

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

Total tax and contribution rate (% of profit before all taxes)

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

Postfiling Index

- Time to comply with a VAT refund
- Time to receive a VAT refund
- Time to comply with a corporate income tax audit
- Time to complete a corporate income tax audit

Case study assumptions

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

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

- TaxpayerCo is a medium-size business that started operations on January 1, 2015. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2016). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:

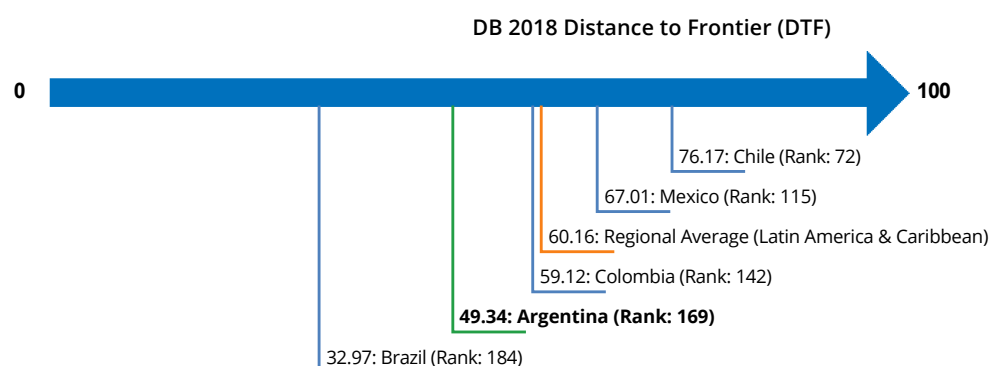
- In June 2016, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2016.

The corporate income tax audit process:

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

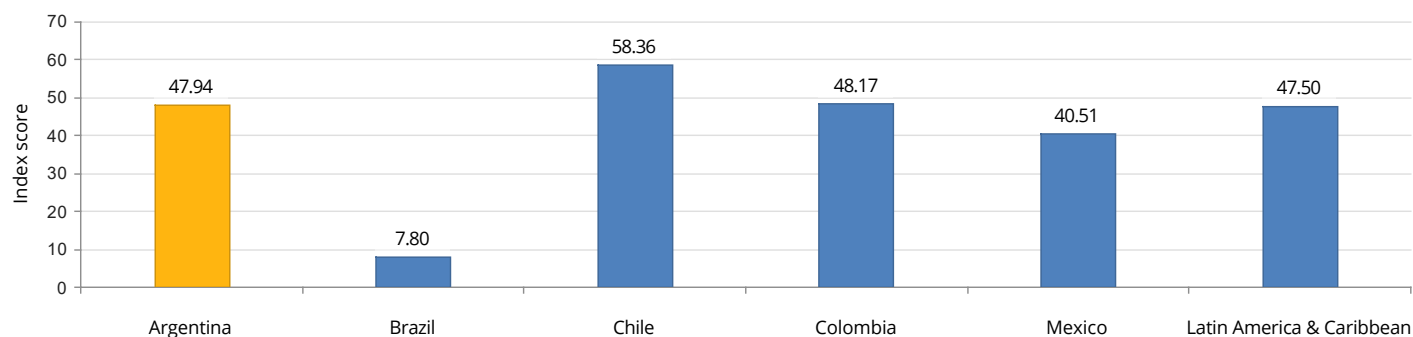
Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Payments (number per year)	9	28.0	10.9	3 (Hong Kong SAR, China)
Time (hours per year)	311.5	332.1	160.7	55 (Luxembourg)
Total tax and contribution rate (% of profit)	106.0	46.6	40.1	18.47 (32 Economies)
Postfiling index (0-100)	47.94	47.50	83.45	99.38 (Estonia)

Figure – Paying Taxes in Argentina and comparator economies – Ranking and DTF



Note: The ranking of economies on the ease of paying taxes is determined by sorting their distance to frontier scores on the ease of paying taxes. These scores are the simple average of the distance to frontier scores for each of the four component indicators – number of tax payments, time, total tax rate and postfiling index – with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax rate. The nonlinear distance to frontier for the total tax rate is equal to the distance to frontier for the total tax rate to the power of 0.8. The threshold is defined as the total tax rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax rate below this threshold receive the same score as the economy at the threshold.

Figure – Paying Taxes in Argentina and comparator economies – Measure of Quality



Details – Paying Taxes in Argentina

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTR
Turnover tax by City of Buenos Aires	1.0	online		3%	turnover	53.21	
Employer paid - Social security contributions	1.0	online	84.0	23%	gross salaries	25.94	
Tax on financial (check) transactions	1.0			0.6%	any amount debited or credited to bank accounts	17.25	
Corporate income tax	1.0	online	79.5	35%	taxable profit	3.90	
Labor risk insurance	0.0	jointly		3% (+ AR\$ 0.6 per employee per month)	gross salaries	3.40	
Stamp tax on sale of a real estate	1.0			50% of 3.6%	sale price	1.09	
Property tax	1.0	online		varies (0,582% plus AR\$ 14,364)	fiscal value of building and land	0.97	
Vehicle tax	1.0			2.3%	fiscal value of vehicle	0.27	
Tax on interest income	0.0	withheld		3%	interest income	0.08	included in other taxes
Value added tax (VAT)	1.0	online	148.0	21%	value added	0.00	not included

Subway tax	0.0	jointly	10%	vehicle tax paid	0.00	included in other taxes
Employer paid - Payroll tax	0.0	jointly	17%	gross salaries	0.00	withheld
Fuel tax	1.0		AR 0.81/liter	liter consumption	0.00	small amount
Totals	9		311.5		106.0	

Details – Paying Taxes in Argentina – Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	3.9
Labor tax and contributions (% of profit)	29.3
Other taxes (% of profit)	72.8

Details – Paying Taxes in Argentina – Measure of Quality

	Answer	Score
Postfiling index (0-100)		47.94

VAT refunds

Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	Restricted to international traders	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0
Time to obtain a VAT refund (weeks)	No VAT refund per case study scenario	0

Corporate income tax audits

Does corporate income tax exist?	Yes
----------------------------------	-----

Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax audit (hours)	6.0	91.74
Time to complete a corporate income tax audit (weeks)	No tax audit per case study scenario	100

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

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

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

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

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. Doing Business measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in June 2017. [See the methodology for more information.](#)

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

What the indicators measure

Documentary compliance

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

Border compliance

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

Domestic transport

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

Case study assumptions

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

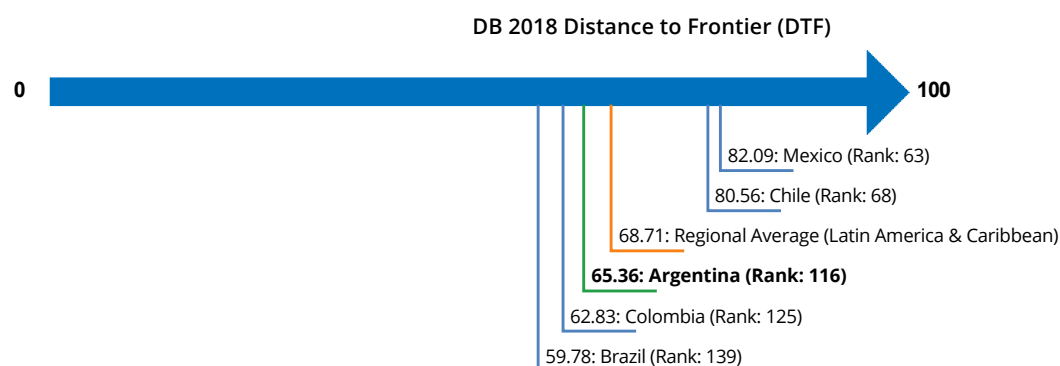
Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

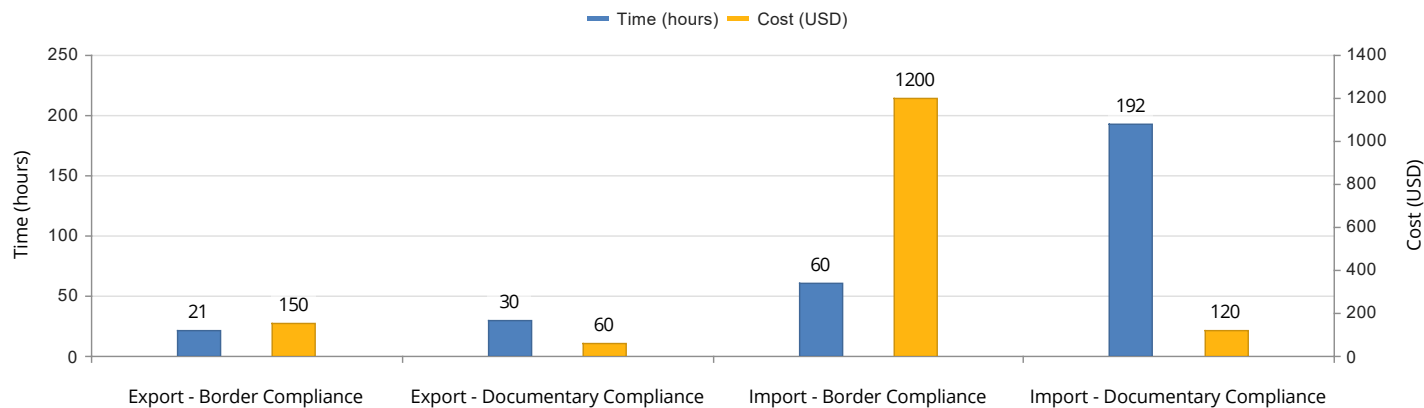
Assumptions of the case study: - For all 190 economies covered by Doing Business, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. - It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000. - The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport, or land border crossing. - All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. - A port or border is a place (seaport, airport or land border crossing) where merchandise can enter or leave an economy. - Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Time to export: Border compliance (hours)	21	62.5	12.7	0 (17 Economies)
Cost to export: Border compliance (USD)	150	526.5	149.9	0.00 (19 Economies)
Time to export: Documentary compliance (hours)	30	53.3	2.4	1.0 (25 Economies)
Cost to export: Documentary compliance (USD)	60	110.4	35.4	0.00 (19 Economies)
Time to import: Border compliance (hours)	60	64.4	8.7	0.00 (21 Economies)
Cost to import: Border compliance (USD)	1200	684.0	111.6	0.00 (27 Economies)
Time to import: Documentary compliance (hours)	192	79.9	3.5	1.0 (30 Economies)
Cost to import: Documentary compliance (USD)	120	119.5	25.6	0.00 (30 Economies)

Figure – Trading across Borders in Argentina and comparator economies – Ranking and DTF



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

Figure – Trading across Borders in Argentina – Time and Cost**Details – Trading across Borders in Argentina**

Characteristics	Export	Import
Product	HS 87 : Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	Brazil	Brazil
Border	Paso de los Libres border crossing	Buenos Aires port
Distance (km)	1007	10
Domestic transport time (hours)	22	2
Domestic transport cost (USD)	1700	600

Details – Trading across Borders in Argentina – Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	21.0	150.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	3.0	0.0
Import: Clearance and inspections required by customs authorities	24.0	400.0
Import: Clearance and inspections required by agencies other than customs	3.0	0.0
Import: Port or border handling	60.0	800.0

Details – Trading across Borders in Argentina – Trade Documents

Export	Import
Certificate of Origin	Customs Import Declaration
Commercial Invoice	Commercial Invoice
Customs Export Declaration	Packing list
Packing list	Certificate of origin
Road transport document	Import License (SIMI)
Tax certificate	Secretariat of Interior Commerce form (Nota de pedido)
	Bill of lading
	Technical Standards certificate
	Terminal handling receipt
	SOLAS certificate

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in June 2017. [See the methodology for more information.](#)

What the indicators measure

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

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

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

- Attorney fees
- Court fees
- Enforcement fees

Quality of judicial processes index (0-18)

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

Case study assumptions

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data comparable across economies, Doing Business uses several assumptions about the case:

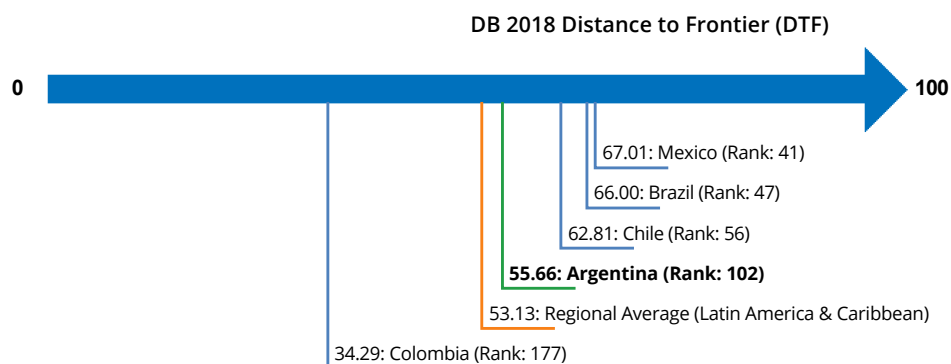
- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The buyer orders custom-made goods, then fails to pay.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.
- The seller requests a pretrial attachment to secure the claim.
- The dispute on the quality of the goods requires an expert opinion.
- The judge decides in favor of the seller; there is no appeal.
- The seller enforces the judgment through a public sale of the buyer's movable assets.

Standardized Case

Claim value	ARS 267,940.00
Court name	Buenos Aires First Instance Court, Commercial Section
City Covered	Buenos Aires (Ciudad autonoma de)

Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Time (days)	995	767.1	577.8	164.00 (Singapore)
Cost (% of claim value)	22.5	31.4	21.5	9.00 (Iceland)
Quality of judicial processes index (0-18)	11.5	8.4	11.0	15.50 (Australia)

Figure – Enforcing Contracts in Argentina and comparator economies – Ranking and DTF



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

Figure – Enforcing Contracts in Argentina – Time and Cost

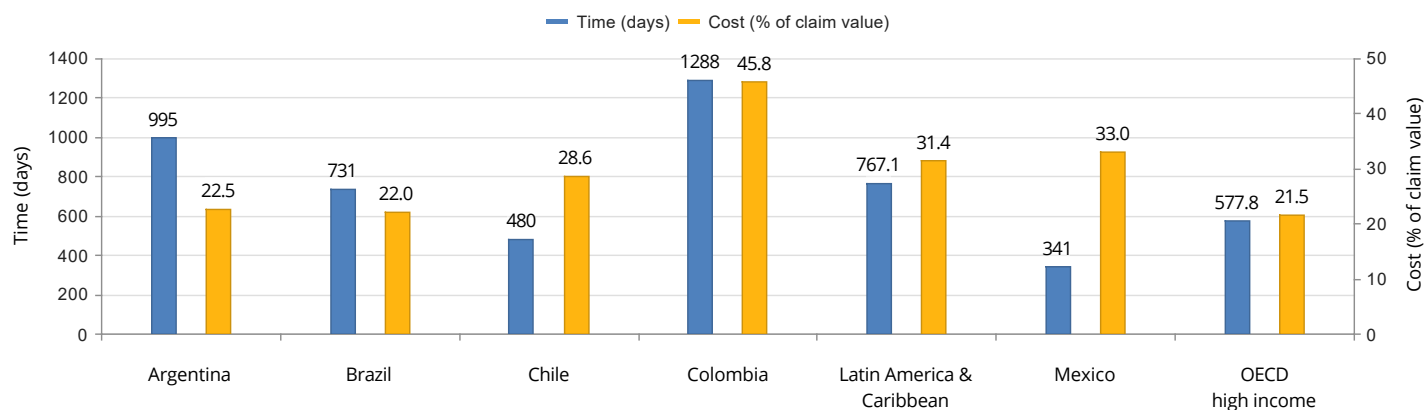
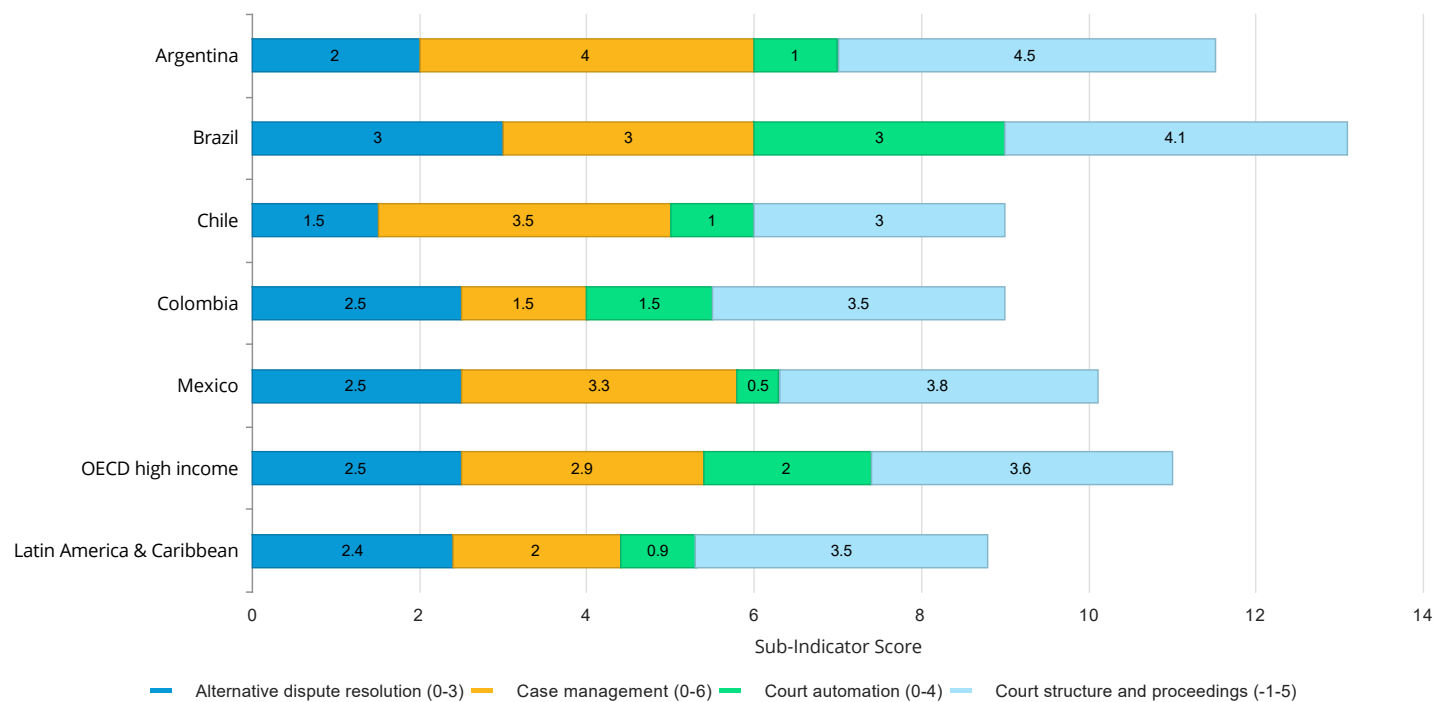


Figure – Enforcing Contracts in Argentina and comparator economies – Measure of Quality



Details – Enforcing Contracts in Argentina

		Indicator
Time (days)		995
Filing and service		90
Trial and judgment		540
Enforcement of judgment		365
Cost (% of claim value)		22.5
Attorney fees		15
Court fees		6.5
Enforcement fees		1
Quality of judicial processes index (0-18)		11.5
Court structure and proceedings (-1-5)		4.5
Case management (0-6)		4.0
Court automation (0-4)		1.0
Alternative dispute resolution (0-3)		2.0

Details – Enforcing Contracts in Argentina – Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		11.5
Court structure and proceedings (-1-5)		4.5
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.0
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	No	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, automatic	1.0
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		4.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	Yes	1.0
Court automation (0-4)		1.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0

2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		1.0
4.a Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		2.0
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		0.5
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	No	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	

Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, Doing Business uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit.

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

What the indicators measure

Time required to recover debt (years)

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

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

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

Outcome

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

Recovery rate for creditors

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

Strength of insolvency framework index (0- 16)

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

Case study assumptions

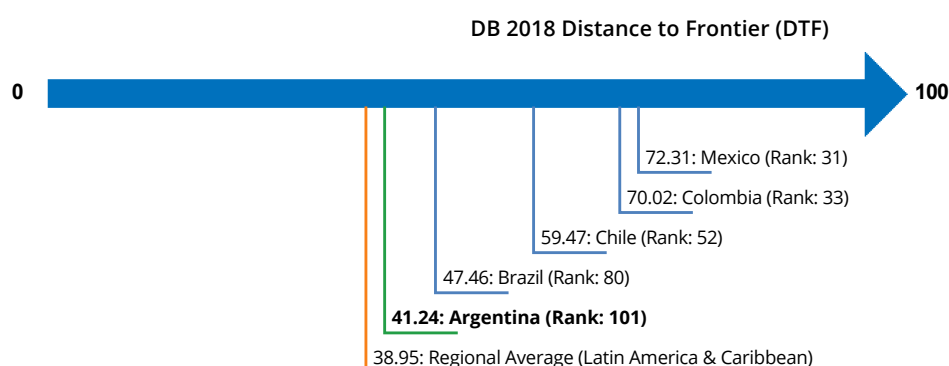
To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

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

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

Indicator	Argentina	Latin America & Caribbean	OECD high income	Overall Best Performer
Recovery rate (cents on the dollar)	21.5	30.8	71.2	93.1 (Norway)
Time (years)	2.4	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	16.5	16.8	9.1	1.00 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0
Strength of insolvency framework index (0-16)	9.5	7.2	12.1	15.00 (6 Economies)

Figure – Resolving Insolvency in Argentina and comparator economies – Ranking and DTF



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

Figure – Resolving Insolvency in Argentina – Time and Cost

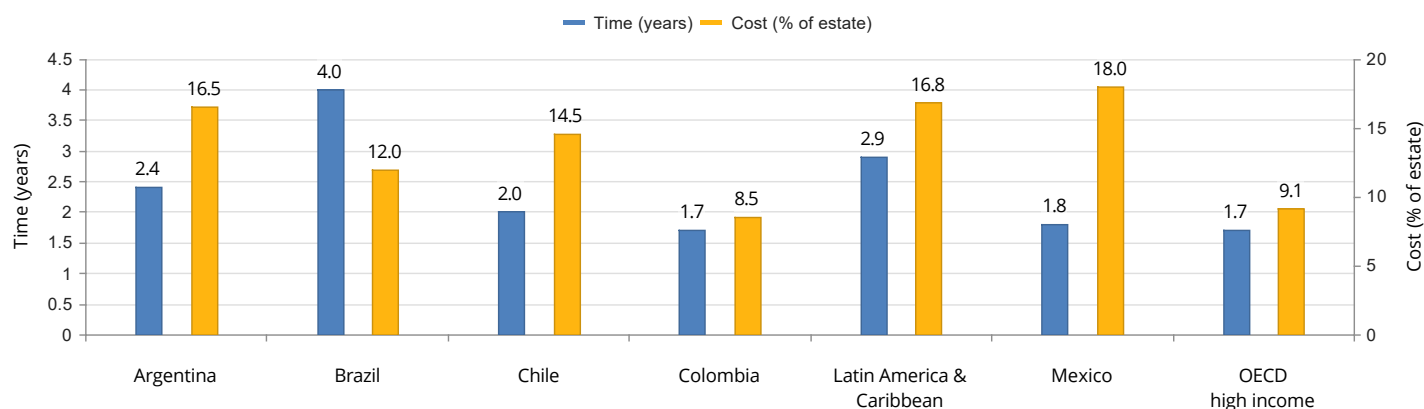


Figure – Resolving Insolvency in Argentina and comparator economies – Measure of Quality

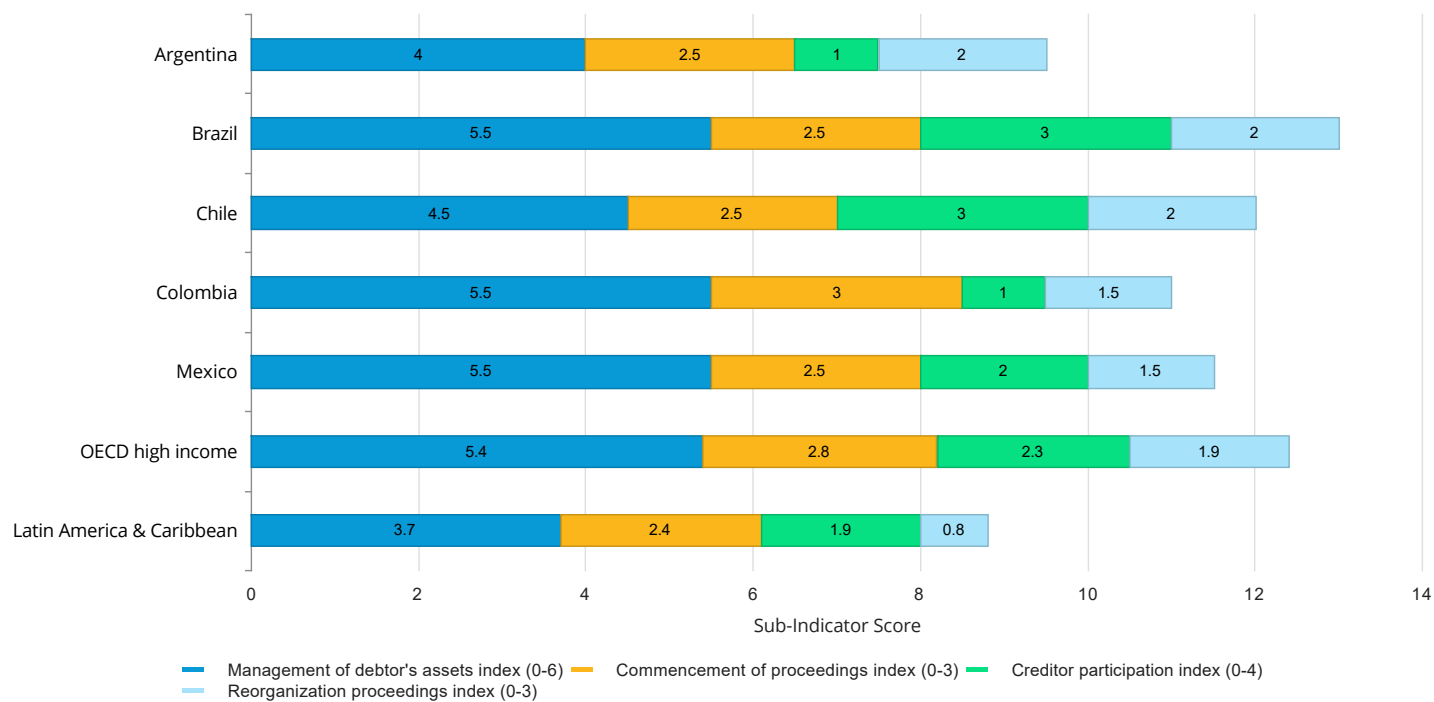
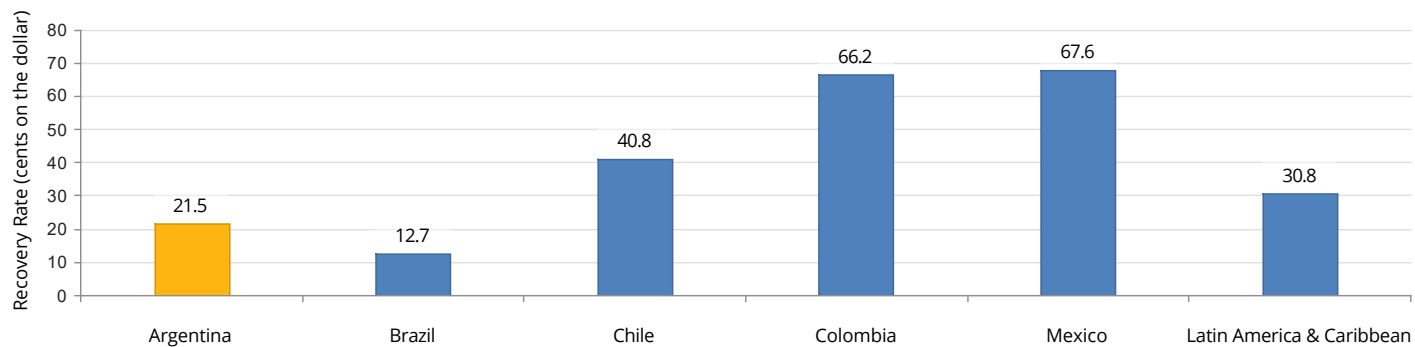


Figure – Resolving Insolvency in Argentina and comparator economies – Recovery Rate



Details – Resolving Insolvency in Argentina

Indicator	Answer	Explanation
Proceeding	foreclosure	After Mirage's default, it is very likely that BizBank would enforce its security interest over Mirage's assets and initiate foreclosure proceeding. Foreclosure in this case will be an expedited proceeding in which other creditors' participation is not required.
Outcome	piecemeal sale	Based on the assumptions of the case at stake, it is likely that BizBank will require the sale of the property used as collateral in satisfaction of secured loan. Mirage consequently will enforce the collateral through formal foreclosure. At this point, the hotel would cease operating and all its assets will be sold piecemeal.
Time (in years)	2.4	The foreclosure procedure in Buenos Aires will take approximately 29 months from the moment of Mirage's default until the debt is repaid to the secured creditor. The procedure will be temporarily suspended after its commencement (articles 21 and 26 of the LCQ) due to a procedural objection by the debtor, this stage would take about 1.25 years to be resolved. Once the foreclosure recommences, the procedure would last an additional year and a half until the debt is fully paid. The procedure will involve setting up an auction, third parties' notification and finally the sale of the property.
Cost (% of estate)	16.5	The costs associated with the case would amount to approximately 16.5% of the value of the debtor's estate. The cost breakdown is the following: Court fees: 3% as regulated by Law 23,898. Notification costs: are minimal and are part of the court fees; service occurs with the publication in the official gazette and in local newspapers. Attorney's fees: 13.5% as regulated by articles 6 and 31 of Law 21,839 which set forth a range between 11% - 20%. Professional Appraisers and Auctioneers fees are regulated by articles 260 and 262 of Law 24,522. However, this fee is not applicable because it is paid by the purchaser of the real estate not by the parties.
Recovery rate (cents on the dollar)	21.5	

Details – Resolving Insolvency in Argentina – Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		9.5
Commencement of proceedings index (0-3)		2.5
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		4.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
Reorganization proceedings index (0-3)		2.0
Which creditors vote on the proposed reorganization plan?	(b) Only creditors whose rights are affected by the proposed plan	1.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0

Creditor participation index (0-4)	1.0
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Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
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Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
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Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
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Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0
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Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice".

Labor Market Regulation

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

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

What the indicators measure

Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

Working hours

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

Redundancy rules

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

Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

Job quality

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

Case study assumptions

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

The worker:

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

The business:

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

Details – Labor Market Regulation in Argentina

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	60.0
Maximum length of fixed-term contracts, including renewals (months)	60.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	936.7
Ratio of minimum wage to value added per worker	0.6
Maximum length of probationary period (months)	3.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	5.5
Premium for night work (% of hourly pay)	13.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	12.0
Paid annual leave for a worker with 5 years of tenure (working days)	18.0
Paid annual leave for a worker with 10 years of tenure (working days)	24.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	18.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No

Retraining or reassignment obligation before redundancy?	No
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Priority rules for redundancies?	No
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Priority rules for reemployment?	No
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Redundancy cost

Notice period for redundancy dismissal for a worker with 1 year of tenure	4.3
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Notice period for redundancy dismissal for a worker with 5 years of tenure	8.7
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Notice period for redundancy dismissal for a worker with 10 years of tenure	8.7
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Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	7.2
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Severance pay for redundancy dismissal for a worker with 1 year of tenure	4.3
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Severance pay for redundancy dismissal for a worker with 5 years of tenure	21.7
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Severance pay for redundancy dismissal for a worker with 10 years of tenure	43.3
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Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	23.1
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Job quality

Equal remuneration for work of equal value?	Yes
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Gender nondiscrimination in hiring?	Yes
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Paid or unpaid maternity leave mandated by law?	Yes
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Minimum length of maternity leave (calendar days)?	90.0
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Receive 100% of wages on maternity leave?	Yes
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Five fully paid days of sick leave a year?	Yes
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Unemployment protection after one year of employment?	Yes
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Minimum contribution period for unemployment protection (months)?	6.0
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Business Reforms in Argentina

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

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

DB2018

✕ **Dealing with Construction Permits:** Argentina made obtaining a building permit more expensive by adopting a new tax law for the city of Buenos Aires.

DB2017

✕ **Dealing with Construction Permits:** Argentina made dealing with construction permits more difficult by increasing municipal fees.

✓ **Paying Taxes:** Argentina made paying taxes less costly by increasing the threshold for the 5% turnover tax. Argentina also made paying taxes easier by introducing improvements to the online portal for filing taxes.

✓ **Trading across Borders:** Argentina made trading across borders easier by introducing a new licensing system for importing, which reduced the time required for documentary compliance.

DB2015

✕ **Dealing with Construction Permits:** Argentina made dealing with construction permits more costly by increasing several fees.

DB2014

✕ **Starting a Business:** Argentina made starting a business more difficult by increasing the incorporation costs.

✓ **Trading across Borders:** Argentina reduced the number of documents necessary for importing by eliminating nonautomatic license requirements.

DB2013

✕ **Trading across Borders:** Argentina increased the time, cost and number of documents needed to import by expanding the list of products requiring nonautomatic licenses and introducing new preapproval procedures for all imports.

DB2012

✕ **Registering Property:** Argentina made transferring property more difficult by adding a requirement that the notary obtain the tax agency's reference value for property before notarizing the sale deed.

DB2010

✓ **Starting a Business:** Argentina made starting a business easier by eliminating the requirement for registration with the private pension fund and expediting the publication process.

✕ **Registering Property:** Argentina made transferring property more difficult by adding a new requirement to declare all transactions over 300,000 Argentine pesos.

DB2009

✓ **Paying Taxes:** Argentina made paying taxes easier for companies by encouraging payment of property and vehicle taxes once a year (rather than every other month).

Labor Market Regulation: Argentina reduced the severance pay applicable in cases of redundancy dismissals

DB2008

× **Resolving Insolvency:** Argentina made resolving insolvency more difficult through an amendment to its bankruptcy legislation aimed at providing greater protection to labor claims and freeing commercial courts from labor actions.

Doing Business 2018 is the 15th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.



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