



# OECD Services Experts Meeting on Business Services

Ranking the trade restrictiveness  
of regulatory measures

Paris, 24 June 2008

# Rankings: results from the groups

	Group 1	Group 2	Group 3	Group 4	Group 5
Restrictions on foreign ownership and other market entry condition	1	1	1	1	3
Discriminatory measures and lack of transparency	2	2	2	4	2
Public ownership, size and scope of public enterprises	5	6	5	7	7
Price control and regulations on market behaviour	6	3	4	5	6
Regulatory transparency in licensing and permit systems	3	5	3	3	4
Barriers to competition	4	4	6	2	1
Red tape on start ups and administrative burdens	7	7	7	6	5

# Scoring results (1/6)

Restrictions on foreign ownership and other market entry conditions	AVERAGE	MIN	MAX	Number of not relevant
There are statutory or other legal limits to the number or proportion of shares that can be acquired by foreign investors	4.2	4	5	0
Only joint ventures are allowed	4.6	4	5	0
There are restrictions on mergers and acquisitions	3.8	2	5	0
The number of foreign firms permitted to practice is restricted by economic needs test	4.2	4	5	0
The number of foreign firms permitted to practice is restricted by labour market needs test	4.0	0	5	1
The number of foreign firms permitted to practice is restricted by quotas	4.6	4	5	0
Residence requirement applies to foreign suppliers	3.2	2	4	0
Number of foreign professionals permitted to practice is restricted by economic needs test	3.8	0	5	1
Number of foreign professionals permitted to practice is restricted by labour market needs test	3.8	2	5	0
Number of foreign professionals permitted to practice is restricted by quotas	4.2	3	5	0
Residence requirement applies to foreign professionals	3.0	1	4	0
Service provision reserved for nationals	5.0	5	5	0
Nationality requirement of board members	3.6	1	5	0
Nationality requirement of directors	3.8	2	5	0
Nationality requirement of other personell	3.8	3	4	0
Other restrictions on intra-corporate transferees	3.2	2	4	0

# Scoring results (2/6)

Discriminatory measures and lack of transparency	AVERAGE	MIN	MAX	Number of not relevant
Foreign suppliers are treated less favourably regarding eligibility to subsidies	3.4	2	5	0
Foreign suppliers are treated less favourably regarding taxes	4.2	3	5	0
Restrictions on foreign participation in public procurement	2.8	2	4	0
Regulators do not use internationally harmonised standards and certification procedures wherever	2.8	1	5	0
Regulators do not recognise the equivalence of regulatory measures in other countries	2.6	2	4	0
There is no Mutual Recognition Agreements between your country and the foreign country	2.2	1	4	0

Public ownership, size and scope of public enterprises	AVERAGE	MIN	MAX	Number of not relevant
National, state or provincial government hold equity stakes in the largest firm in sector	2.4	1	4	0
National, state or provincial government control at least one firm in sector	2.0	1	3	0
There are legal or constitutional constraints to the sale of government stakes in these firms	2.0	0	3	1
National, state or provincial governments have special voting rights in any firms within the sector	4.2	3	5	0
<i>These special rights can be exercised in:</i>				
merger with or acquisition by another company	4.0	2	5	0
change in controlling coalition	4.0	2	5	0
acquisition of equity by foreign investors	4.0	2	5	0
choice of management	4.2	2	5	0
strategic management decisions	4.0	2	5	0

# Scoring results (3/6)

Price control and regulations on market behaviour	AVERAGE	MIN	MAX	Number of not relevant
<i>Fees/ prices are regulated</i>				
Binding minimum prices	3.6	3	5	0
Binding maximum prices	4.0	3	5	0
Non-binding recommended prices	1.6	1	3	0
Fees/ prices are self-regulated	2.4	1	3	0
A certain profession has exclusive right to provide the service	2.3	0	3	1
Restrictions on ownership/control for non-professionals	2.6	1	4	0
Restrictions on multidisciplinary partnerships	2.6	1	3	0
Restrictions on partnerships with locally qualified professionals	3.8	1	5	0
Restrictions on hiring locally qualified professionals	3.8	1	5	0
There are restrictions on advertising	2.2	1	3	0

# Scoring results (4/6)

Regulatory transparency in licensing and permit systems	AVERAGE	MIN	MAX	Number of not relevant
Licenses are not issued automatically if the licensing office has not acted by the end of the statutory response period	2.8	2	4	0
There are no single contact points ("one-stop shops") for getting information on notifications and	2.0	1	3	0
There are no single contact points ("one-stop shops") for issuing or accepting notifications and	2.2	1	3	0
There is no general policy requiring "plain language" drafting of regulation	2.0	1	3	0
<i>Administrative procedures are not conducted electronically (E-government)</i>				
Information on notifications and licenses is not available via the internet.	1.8	1	3	0
<i>Visa requirement for business travel</i>				
Can be obtained upon arrival	2.4	1	4	0
Must be obtained before departure	2.6	1	5	0
<i>Regulations are not published or otherwise communicated to the public in a manner accessible at the international level</i>				
There is no period of prior notice for comments	2.6	2	5	0
There are no inquiry points for information on the operation and enforcement of regulations	3.8	3	5	0
Information is not communicated prior to entry into force	4.2	3	5	0
Appeal procedures relating to regulatory decisions are are not open to affected or interested	4.4	3	5	0
When business practices are perceived to restrict competition in a given market, foreign firms do not have redress	4.4	3	5	0

# Scoring results (5/6)

Barriers to competition	AVERAGE	MIN	MAX	Number of not relevant
Laws or other regulations restrict the number of competitors allowed to operate a business in at least some markets in the sector	4.2	4	5	0
Publicly-controlled firms or undertakings are subject to an exclusion or exemption, either complete or partial, from the application of general competition law	3.8	3	5	0

Red tape on start ups and administrative burdens (1/2)	AVERAGE	MIN	MAX	Number of not relevant
<i>In the pre-registration stage of the start up process, the entrepreneur registering a foreign company would need:</i>				
To complete formal approval of proposed name	2.0	1	5	0
To confirm skills/qualifications with authorities	2.6	1	5	0
To obtain overall permit to conduct economic activity	2.6	1	5	0
To complete registration of domicile of business	1.0	1	1	0
<i>To obtain certificate from bank of capital deposited</i>				
The bank needs to be a local bank	1.8	1	4	0
To audit report on deed of incorporation/foundation report or equivalent	2.2	1	5	0
To create financial plan to show viability	2.3	0	3	1
To prepare dossier for registration authorities	1.0	0	1	1
To certificate of all social security charges and compulsory healthcare paid	2.0	0	5	1

# Scoring results (6/6)

Red tape on start ups and administrative burdens (2/2)	AVERAGE	MIN	MAX	Number of not relevant
<i>In the registration stage of the start up process, the entrepreneur registering a foreign company would need:</i>				
To submit registration dossier to “one-stop-shop”	1.0	1	1	0
To seek approval for registration from Commercial Court/Court of First Instance or equivalent	2.0	1	4	0
To seek approval from Companies Agency or equivalent	1.0	1	1	0
To seek approval for registration from local/municipal authorities	3.0	1	4	0
To seek approval for registration from central government	2.0	1	5	0
Approval of name by official agency	2.0	1	4	0
To register (notify) with Commercial Court/Trade Register/Companies Agency/Craft Register or equivalent	1.0	1	1	0
To register with Trade Association/Chamber of Commerce	1.2	1	2	0
To apply for opening licence from local/municipal authorities	3.0	1	4	0
To obtain mandatory pension insurance	1.2	1	2	0
To obtain mandatory civil insurance, e.g. employers' liability	1.2	1	2	0

	Number of days			
How many working days for completing all the pre-registration procedures would you consider excessive?	28	5	45	
How many working days for completing all the registration procedures would you consider excessive?	44	10	90	
	Amount in US\$			
What cost to complete all mandatory procedures for the pre-registration stage would you consider excessive?	600	200	1000	
What cost to complete all mandatory procedures for the registration stage would you consider excessive?	6000	2000	10000	