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PUBLIC VERSION

**BEFORE THE
U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
AND THE
U.S. INTERNATIONAL TRADE COMMISSION**

**PETITIONS FOR THE IMPOSITION OF
ANTIDUMPING AND COUNTERVAILING DUTIES PURSUANT TO
SECTIONS 701 AND 731 OF THE TARIFF ACT OF 1930, AS AMENDED
VOLUME II:
ANTIDUMPING PETITION**

**IN THE MATTER OF:
GLYPHOSATE FROM THE PEOPLE'S REPUBLIC OF CHINA**

**PETITIONER:
MONSANTO COMPANY AND ITS WHOLLY OWNED SUBSIDIARY RUCHEON LLC**

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I. INTRODUCTION

This volume contains allegations regarding sales at less than fair value in the United States of glyphosate from the People’s Republic of China (“China”). The Petition sets forth information relevant to the calculation of constructed export prices and normal value, as appropriate in the case of exports from countries that the U.S. Department of Commerce (“Department”) has identified as non-market economies and as reasonably available to Petitioner. The information confirms that glyphosate from China is being sold, or offered for sale, in the United States at less than fair value. This Petition complies with the requirements of section 732(b)(1) of the Tariff Act, 19 U.S.C. § 1673a(b)(1), and 19 C.F.R. § 351.202(b)(7)(i)(B) (constructed export prices, export prices, and normal value) and (C) (information relevant to the calculation of normal value of merchandise exported from a non-market economy). Additional information required by the statute and regulations regarding general issues and material injury or threat thereof is provided in Volume I of these Petitions.

Based on the information reasonably available to Petitioner and contained in this Petition, the Department should initiate an investigation into sales at less than fair value of glyphosate exported from China and should impose antidumping duties in an amount that is equal to the amount by which the normal value exceeds the constructed export and export price.

II. IDENTITIES OF EXPORTERS AND PRODUCERS OF SUBJECT MERCHANDISE BELIEVED TO SELL THE SUBJECT MERCHANDISE AT LESS THAN FAIR VALUE

As required by 19 C.F.R. § 351.202(b)(7)(i)(A), a list of the names and addresses of the identifiable Chinese manufacturers of subject merchandise whom the Petitioner believes sell the subject merchandise at less than fair value is attached to Volume I of these Petitions at

Exhibit I-6.

III. CHINA IS A NON-MARKET ECONOMY

The Department has identified China as a non-market economy (“NME”) country as recently as June 2026.¹ By statute, the Department’s determination of NME status remains in effect until a contrary determination is made, and the Department has not granted China market economy status as of the date of this Petition.² As China remains an NME country, sales or offers for sale of such or similar merchandise in China or from China to third countries do not permit calculation of normal value under section 773(a) of the Act, 19 U.S.C. § 1677b(a)(1), or under 19 C.F.R. § 351.404. In accordance with the Department’s practice, therefore, Petitioner has calculated normal value by valuing the factors of production for glyphosate based on values in market economies that are at a level of economic development comparable to China.

IV. BRAZIL, MEXICO, AND TÜRKIYE ARE APPROPRIATE SURROGATE COUNTRIES FOR PURPOSES OF INITIATION

Consistent with its practice in other antidumping proceedings relating to imports from China, including pending and recently completed proceedings, for purposes of initiation of this Petition, the Department should use Brazil, Türkiye, and Mexico as potential surrogate countries to value factors of production (“FOPs”) for glyphosate produced in China.³ The Act specifies

¹ See, e.g., *Van-Type Trailers and Subassemblies the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value*, 91 Fed. Reg. 35,957 (June 15, 2026), and accompanying Preliminary Decision Memorandum at 4 (Barcode: 4927379-02) (“{the Department} considers China to be an NME country. In accordance with section 771(18)(C)(i) of the Act, any determination that a foreign country is an NME country shall remain in effect until revoked by the administering authority. Further, no party submitted a request to reconsider China’s NME status as part of this investigation. Therefore, we continue to treat China as an NME country for purposes of this preliminary determination and applied our current NME methodology in accordance with section 773(c) of the Act.”) (internal citations omitted).

² See Tariff Act § 771(18)(C)(i), 19 U.S.C. § 1677(18)(C)(i) (“Any determination that a foreign country is a nonmarket economy country shall remain in effect until revoked by the administering authority.”).

³ See, e.g., Enforcement and Compliance, Office of AD/CVD Operations, Antidumping Duty Investigation Initiation Checklist: N-Cyclohexylbenzothiazole-2-Sulfenamide from the People’s Republic of China (May 27, 2026) at 6-10 (Barcode: 4925105-01) (citing Petitions for the Imposition of Antidumping and Countervailing Duties Pursuant to Sections 701 and 731 of the Tariff Act of 1930, as amended, in the Matter of N-Cyclohexylbenzothiazole-2-Sulfenamide (CBS) from the People’s Republic of China (May 7, 2026) (Barcode: 4918883-02)).

that the Department shall value FOPs in a market economy country that is (1) at a comparable level of development to the NME country, and (2) is a significant producer of identical or comparable merchandise.⁴ For purposes of this Petition, these three countries satisfy both requirements.⁵

A. Brazil, Türkiye, and Mexico Are at a Level of Economic Development Comparable to China

To determine whether potential surrogate countries are at a comparable stage of economic development, the Department relies on the per capita levels of gross domestic product as reported by the World Bank Development Indicators database.⁶ Based on the most recent data available for 2024, the Department has identified Brazil, Türkiye, and Mexico as being at a level of economic development that is comparable to China.⁷

B. Brazil, Türkiye, and Mexico Are Significant Producers of Comparable Merchandise

Pursuant to the Department’s policy, a determination as to whether a country is a significant producer of the merchandise at issue “should be made consistent with the characteristics of world production of, and trade in, comparable merchandise”⁸ The Department’s practice is to consider both production data and export data to determine whether a country is a significant producer of comparable merchandise.⁹ While the Department will

⁴ Tariff Act § 773(c)(4), 19 U.S.C. § 1677b(c)(4); *see* Import Administration, Policy Bulletin 04.1, Non-Market Economy Surrogate Country Selection Process (Mar. 1, 2004) (“Policy Bulletin 04.1”).

⁵ Petitioner notes that the information contained herein does not constitute Petitioner's advocacy for any particular surrogate country should the Department initiate an antidumping duty investigation. The information provided is for petition purposes only.

⁶ *See List of Surrogate Countries for Antidumping Investigations and Reviews from the People’s Republic of China (“China”)* (Sept. 10, 2025) (citing World Bank Group, “GNI per capita, Atlas method (current US\$)” (**Exhibit II-1**)).

⁷ *Id.*

⁸ Policy Bulletin 04.1 at 4.

⁹ *See, e.g., Pure Magnesium From the People’s Republic of China: Amended Final Results of Antidumping Duty Administrative Review; 2022-2023*, 90 Fed. Reg. 7078 (Jan. 21, 2025), and accompanying Issues and Decision Memorandum at Comment 1 (Barcode: 4677102-02); *Certain Steel Nails From the People’s Republic of China:*

typically consider a country to be a significant producer of comparable merchandise if the country is a net exporter of such merchandise, the Department has stated that the legislative history “does not preclude reliance on additional or alternative metrics.”¹⁰ The Department has relied on exports of comparable merchandise as a proxy for production data, and in accordance with the agency’s established practice to consider exports at the six-digit HTS level when determining significant production,¹¹ Petitioner compiled export data from the S&P Global database commonly known as Global Trade Atlas (“GTA”) for HTS numbers 2931.49 (glyphosate acid and salt) and 3808.93 (formulated glyphosate).¹² The trade data demonstrate that Brazil, Türkiye, and Mexico each have significant production.¹³

C. Public Information from Brazil, Türkiye, and Mexico Is Available to Value All Material Input Factors

Regarding the availability of data,¹⁴ the Department prefers to use data that are publicly available, input-specific, net of taxes and import duties, contemporaneous with the period of investigation (“POI”), and representative of broad market average prices.¹⁵ Brazil, Mexico, and Türkiye have reliable data that meet the Department’s criteria. As reviewed below, Petitioner

Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2014-2015, 81 Fed. Reg. 62,710 (Sept. 12, 2016), and accompanying Issues and Decision Memorandum at 16 (Barcode: 3503881-02).

¹⁰ H.R. Rep. No. 100-576, at 590 (Conf. Rep.) (“The term ‘significant producer’ includes any country that is a significant net exporter and, if appropriate, {the Department} may use a significant net exporting country in valuing factors.”).

¹¹ See, e.g., *1,1,1,2-Tetrafluoroethane (R-134a) From the People's Republic of China: Preliminary Results and Partial Rescission of Antidumping Duty Administrative Review; 2023-2024*, 90 Fed. Reg. 38,455 (Aug. 8, 2025), and accompanying Preliminary Decision Memorandum at 9 (“Where there is no production information, {the Department} has relied upon export data from potential surrogate countries”) (Barcode: 4806533-02); *Wire Decking from the People's Republic of China: Notice of Preliminary Determination of Sales At Less Than Fair Value and Postponement of Final Determination*, 75 Fed. Reg. 1597 (Jan. 12, 2010) (“The Department examined worldwide export data for comparable merchandise, using the six-digit level of the HTS numbers listed in the scope language for this investigation”) (Barcode: 4801986-01).

¹² S&P Global Market Intelligence, Global Trade Atlas (GTA) & GTAS Forecasting (**Exhibit II-2**).

¹³ See *id.*

¹⁴ See Policy Bulletin 04.1 at 4.

¹⁵ See *id.*

was able to obtain publicly available, input-specific, tax-exclusive, broad market averaged, and contemporaneous data for Brazil, Mexico, and Türkiye for the factors relevant to the production of glyphosate.

V. CALCULATION OF THE EXPORT PRICE AND THE CONSTRUCTED EXPORT PRICE

Chinese-produced glyphosate is imported into the United States primarily in the form of salts and glyphosate technical (“GT”),¹⁶ which are further processed by U.S. formulators – affiliated and unaffiliated with Chinese producers/exporters – into generic herbicide formulations that are sold through distributors to retailers, or directly to retailers, for purchase by downstream U.S. customers (i.e., farmers).¹⁷ There is no other significant U.S. market for glyphosate salts and GT other than for use in the herbicide formulations.¹⁸ Generic herbicides further processed from Chinese salts and GT compete directly with U.S. produced glyphosate formulations such as [Product names] in the U.S. market.¹⁹ The Chinese-origin glyphosate salts, GT, and formulations represent typical sales of glyphosate formulations, sold in significant volumes in the United States, the physical characteristics of which are comparable to glyphosate salts, GT, and formulations produced and sold in the United States.²⁰

For purposes of this Petition, Petitioner’s calculations are based on three U.S. prices. First, Petitioner uses official import statistics downloaded from the U.S. International Trade Commission’s Dataweb for the period October 2025 through March 2026 to calculate an average unit value (“AUV”) per kilogram (“kg”) of glyphosate salts imported from China under the

¹⁶ See [Name] Declaration (**Exhibit II-3**). During the POI, [].

¹⁷ See *id.*

¹⁸ See *id.*

¹⁹ See *id.*

²⁰ See *id.*

relevant subheading of the Harmonized Tariff Schedule of the United States (“HTSUS”).
Petitioner also obtained two quoted price offers for the sale of a glyphosate formulation by a U.S. retailer to downstream U.S. customers (i.e., farmers) that was further processed by a U.S. formulator from glyphosate salts imported from [] Chinese producer/exporter.²¹

A. U.S. Sales Price

Petitioner bases U.S. export price (“EP”) on the USD/kg AUV of imports of Chinese glyphosate salts into the U.S. under HTS subheading 2931.49.00.20 – N-(Phosphonomethyl) glycine (glyphosate) and its salts and esters – during the period October 1, 2025 through March 31, 2026.²² To derive the ex-factory U.S. export price, Petitioner deducted the expenses incurred by Chinese producers/exporters associated with exporting the salts to the United States (i.e., Chinese inland freight and brokerage and handling charges).

Petitioner bases U.S. constructed export price (“CEP”) on a quoted price offer for the sale of [] by the [Company name] that was effective [Dates] and a [] quoted price offer for the sale of [] by the [].²³
The amount of pure glyphosate acid present in a [] glyphosate formulation – i.e., the acid equivalent (“a.e.”) – is [].²⁴ Chinese formulations sold in the United States are produced from imported glyphosate isopropylamine (“IPA”) salts with a standard 62 percent glyphosate salt concentration (i.e. 62 percent IPA salts).²⁵ Because the [

²¹ See [] and [] Declarations (**Exhibit II-5**).

²² See Import Data (**Exhibit II-4**). Petitioner understands based on market knowledge that there are no imports of glyphosate esters, which are excluded from the scope of these investigations.

²³ See *id.*

²⁴ See [] Declaration (**Exhibit II-6**).

²⁵ See *id.*

].²⁶

Based on the information reasonably available, Petitioner understands that [

Product and Company Details].²⁷ [

], which it purchased from [].²⁸ Petitioner

further understands that [

].²⁹ Because the price quotes

reflect the price at which the subject merchandise is first sold in the United States after

importation by a seller [] the foreign producer or exporter, CEP is the appropriate

basis for U.S. price.³⁰

To the best of Petitioner's knowledge, Chinese producers/exporters [

].³¹ U.S. formulators sell to [

].³² Thus, in

order to calculate the ex-factory U.S. price for the sale of the imported Chinese product – i.e., the

glyphosate salts – Petitioner adjusted the quoted transaction prices for the following: (1) the

²⁶ See *id.*

²⁷ As indicated in the 2024 financial statement available at [

]. See (Exhibit II-7). See []

Declaration (Exhibit II-3).

²⁸ See [

(Exhibit II-7).

²⁹ See [] Declaration (Exhibit II-3).

³⁰ See Tariff Act § 772(b), 19 U.S.C. § 1677a(b).

³¹ See [] Declaration (Exhibit II-3).

³² See *id.*

[]; (2) the costs incurred by the [] U.S. formulator to import and convert the salts into the formulation and to deliver the formulation to the [] (i.e., international freight, U.S. wharfage, and/or handling fees, customs duties and fees paid upon entry of the subject merchandise into the United States, U.S. brokerage and handling fees, U.S. inland freight expenses and further manufacturing costs); and (3) the expenses incurred by the Chinese producer/exporter associated with exporting the salts to the United States (i.e., Chinese inland freight and brokerage and handling charges). Petitioner also applied two price conversions: (1) the conversion of the quoted price from a USD/gallon basis to a USD/kg basis and (2) the conversion of the net U.S. price for the liquid formulation to a “dry” weight-basis price for the salts.

The following sections describe the calculations performed to derive the U.S. EP and CEP ex-factory prices.

B. Conversion from Gallons to Kilograms

Because several of the adjustments made to the U.S. CEP prices are on a USD/kg basis, Petitioner first converted the USD/gallon price quotes to a USD/kg price by (1) dividing by 3.78541 to calculate the USD/liter price, and (2) dividing that result by the standard liter/kg density of a [] formulation.³³

C. [] Mark-Up

Based on Petitioners’ extensive knowledge of the U.S. market and on the best information available to Petitioner, when purchasing directly from U.S. formulators, the price that [] offer to end users (i.e., farmers) typically includes a []

³³ See Dumping Margin Calculations (Exhibit II-8).

2. U.S. Further Processing Costs

Petitioner relied on its own experience as a formulator and general knowledge of formulation inputs and processes to create a further processing production model, detailing the per kilogram cost of the specific material, energy, and labor inputs used by U.S. formulators to convert imported Chinese 62 percent IPA salts [].³⁹ In doing so, Petitioner accounted for known differences in the type and concentration of surfactants commonly used by U.S. formulators in the production of generic Chinese formulations.⁴⁰ Petitioner subtracted all known further manufacturing costs from the offered U.S. CEP prices.⁴¹

3. Liquid to Salt Price Conversion

After deducting all costs and expenses incurred for the formulation above, Petitioner converted the CEP USD/kg net price for the liquid formulation to a “dry” (i.e. salt) weight basis by dividing the net price for the liquid by the percentage salt concentration specific to a [].⁴²

4. U.S. Inland Freight from the Port to the Formulator

Petitioner multiplied the same USD/mile/kg U.S. inland freight rate calculated above by the distance from [] in miles to calculate the U.S. inland freight costs from the port to the U.S. formulator. Petitioner subtracted the resulting amount from the offered U.S. CEP prices.⁴³

³⁹ See [] Declaration (**Exhibit II-6**).

⁴⁰ *Id.*

⁴¹ See Dumping Margin Calculations (**Exhibit II-8**).

⁴² See [] Declaration (**Exhibit II-6**); Dumping Margin Calculations (**Exhibit II-8**).

⁴³ See Dumping Margin Calculations (**Exhibit II-8**); U.S. Inland Freight Calculation (**Exhibit II-10**).

5. International Freight and Movement Costs

Petitioner was unable to obtain public information regarding the actual international freight and movement costs incurred by [] U.S. formulators/importers of Chinese-produced glyphosate salts. Thus, Petitioner calculated POI average per kilogram international freight and movement costs based on official import statistics downloaded from the U.S. International Trade Commission's Dataweb for the period October 2025 through March 2026. Specifically, Petitioner subtracted the average unit customs value from the average unit landed, duty-paid value of U.S. imports of merchandise under the 10-digit HTS subheading 2931.49.00.20 from China to the [Port of entry] during the POI,⁴⁴ and subtracted the resulting amount from the offered U.S. CEP prices.⁴⁵

E. Foreign Inland Freight and Brokerage and Handling

As the final step in the both the net CEP and EP U.S. price calculations, Petitioner deducted the expenses incurred in China for the exported salts.

1. Foreign Inland Freight

Petitioner was unable to obtain public information regarding market-economy foreign inland freight expenses that Chinese producers/exporters incur in shipping subject merchandise to the Chinese port. Petitioner, therefore, based Chinese inland freight costs on surrogate country information from the World Bank publications *Doing Business in Brazil - 2020* ("DBB 2020"), *Doing Business in Türkiye - 2020* ("DBT 2020"), and *Doing Business in Mexico - 2020* ("DBM 2020").⁴⁶ These publications provide a theoretical freight rate based on the importation

⁴⁴ See International Freight Calculations (Exhibit II-11).

⁴⁵ See Dumping Margin Calculations (Exhibit II-8).

⁴⁶ See DBB 2020, DBM, and DBT (Exhibit II-12). The Department has used *Doing Business 2020* reports to value inland freight and brokerage and handling expenses in non-market economies as recently as June 2026. See, e.g., *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled into Modules, from the People's Republic of China: Preliminary Results, Intent to Rescind, in Part, and Rescission, in Part, of Antidumping Duty Administrative*

and exportation of goods, assuming various Brazilian, Mexican, and Turkish ports and cities.⁴⁷ Petitioner divided the reported costs by the reported distances to calculate the costs per kilometer.⁴⁸ Petitioner then converted to a cost per kilometer per kilogram by dividing each rate by the standard container load as specified by the methodology outlined in all three publications (i.e., 15 metric tons).⁴⁹ Petitioner next calculated the average cost per kilometer per kilogram, inflated that average cost per kilometer per kilogram to reflect the POI period,⁵⁰ multiplied by the calculated average distance from the manufacturing facilities of the Chinese producer to the closest port of export,⁵¹ and subtracted the resulting amount from the U.S. prices.⁵²

2. Foreign Brokerage and Handling/Port Fees

Petitioner was unable to obtain public information on market-economy foreign port fees that Chinese producers incur in shipping subject merchandise to the United States. As best information available, Petitioner again relied on surrogate country information from *DBB 2020*, *DBM 2020* and *DBT 2020*. Specifically, Petitioner converted the indicated brokerage and handling fees indicated in each publication to a per kilogram basis by dividing the brokerage and handling fee rates by the standard container load, i.e., the 15 metric tons referenced above. Petitioner inflated the cost per kilogram to reflect the POI period and subtracted the resulting amount from the U.S. prices.⁵³

Review; 2023-2024, 91 Fed. Reg. 37,951 (June 24, 2026), and accompanying Preliminary Decision Memorandum at 35 (Barcode: 4927668-02).

⁴⁷ See *DBB 2020* at 87; *DBM 2020* at 86, 88; and *DBT 2020* at 51.

⁴⁸ See Domestic Inland Freight and Brokerage and Handling Calculation Worksheets (**Exhibit II-13**).

⁴⁹ See *DBB 2020* at 81; *DBM 2020* at 85; and *DBT 2020* at 46.

⁵⁰ See PPI by Surrogate Country (**Exhibit II-14**).

⁵¹ []. See Distance [] (**Exhibit II-15**). Petitioner assumed a distance from the factory to the closest port – Port Diyi Haiyuan, which is also located in [] – at 23.8 kilometers. See Distance [] (**Exhibit II-15**).

⁵² See Dumping Margin Calculations (**Exhibit II-8**); PPI by Surrogate Country (**Exhibit II-14**)

⁵³ See Dumping Margin Calculations (**Exhibit II-8**); PPI by Surrogate Country (**Exhibit II-14**).

VI. EX-FACTORY NORMAL VALUE (“NV”)

As noted above, Petitioner based its assessment of the ex-factory NV on the Department’s standard NME methodology. Petitioner calculated the normal value of Chinese glyphosate salts by valuing each of the raw material, energy, and labor factors of production used by Chinese producers by reference to the corresponding Brazilian, Turkish, and Mexican surrogate values.

A. Glyphosate Production Processes

Petitioner does not have access to Chinese producers’ actual consumption rates (i.e., the quantities of raw materials consumed, the amount of energy consumed, or the number of man-hours required). However, glyphosate is a commodity chemical with a widely known, mature manufacturing process.⁵⁴ As a market leader in the development, manufacture, and supply of glyphosate and glyphosate formulations, Petitioner has extensive first-hand knowledge of the material inputs used to produce glyphosate and to convert GT and salts to formulations.

Moreover, Petitioner has [

] .⁵⁵ Petitioner relied on this

[] to develop production consumption models to serve as the basis for the calculation of normal value.

While there are no significant differences among the various forms of glyphosate in either their essential characteristics or end-uses,⁵⁶ there are known differences between the production of glyphosate in the United States compared to that by producers in China. Thus, Petitioner’s [] and the production models used in this Petition to calculate

⁵⁴ [] Declaration (**Exhibit II-6**).

⁵⁵ *See id.*

⁵⁶ *See id.*

normal value account for three primary differences: the glyphosate production route, the type of salts, and labor.

First, as detailed in Volume I, glyphosate is manufactured through three separate production methods: (1) diethanolamine (“DEA”) route, (2) glycine route, and (3) iminodiacetonitrile (“IDAN”) route. Within the glycine route, producers can use either the glycine integrated method or glycine non-integrated method. [

].⁵⁷ By comparison, over 72 percent of the production in China follows the glycine route and 24 percent follows the IDAN process.⁵⁸ Although each method requires different inputs, all three result in interchangeable GT, which is further processed into salts and in turn are converted to formulations.

Based on the information reasonably available, Petitioner understands that there exists [

].⁵⁹ It is also common industrial knowledge that [

Production details].⁶⁰ Accordingly, the production model used to calculate the NV compared to the U.S. CEP ex-factory price quotes assumes the material, labor, and energy inputs specific to the [] route. Because the AUV used as the basis for the U.S. EP ex-factory price is not specific to any single Chinese producer, Petitioner compared this U.S. price to an average NV based on production models specific to the [] routes.

⁵⁷ See *id.*

⁵⁸ See [] Declaration (Exhibit II-3).

⁵⁹ [] Declaration (Exhibit II-3). See also [] (Exhibit II-7).

⁶⁰ [] Declaration (Exhibit II-6).

A second variability between U.S. and Chinese production is the type of glyphosate salt. GT is processed into various salts to enhance water solubility, plant absorption, and handling.

Differences in concentration impact product use rates for equivalent amounts of GT.⁶¹ Chinese producers use IPA salts, which are the most common. U.S. production [

].⁶² Because the U.S.

price quotes are for Chinese formulations, which are produced from imported Chinese 62 percent IPA salts, Petitioner's models assume the production of 62 percent IPA salts.⁶³

Finally, because Petitioner's [], it accounts for known differences in Chinese labor hours. For example, Chinese producers are known to manually mine their own phosphorus, [Production details]. Accordingly, Petitioner's [

].⁶⁴ Accordingly, the production models used as the basis for normal value reflect these same known differences.

⁶¹ For example, compare a potassium salt formulation that has 5.5 lbs. active ingredient ("a.i.") per gallon – which is equivalent to 4.5 lbs. acid equivalent ("a.e.") per gallon of the acid – to an IPA salt formulation with 4 lbs. a.i. per gallon, which is equivalent to 3 lbs. a.e. per gallon of glyphosate acid. On an a.e. basis, the 4.5 a.e. is 50% more concentrated than the other (as in 4.5 lbs. a.e. vs. 3 lbs. a.e). To achieve a comparable application rate, a grower would need to apply 50% less of the 4.5 lbs. a.e product to get the same amount of glyphosate acid as compared to the 3 lbs a.e. product.

⁶² [] Declaration (**Exhibit II-3**). While U.S. [

].

⁶³ [] Declaration (**Exhibit II-6**).

⁶⁴ [] Declaration (**Exhibit II-6**).

B. Calculation of Normal Value

Petitioner determined the average cost for the material, labor, and energy inputs used by Chinese producers based on the most recently available public information for each of the surrogate countries. Where Petitioner was unable to obtain a surrogate value contemporaneous to the period for which Petitioner has cost data for certain inputs – i.e., where the value available reflects a period preceding the POI – Petitioner made adjustments for inflation using the Producer Price Index (“PPI”) for Brazil, Türkiye, and Mexico.⁶⁵ Petitioner divided the index for the proposed POI by that for the period to which the input price pertained.

Where the direct material consumption rates or surrogate values were not expressed on a per kilogram basis, Petitioner converted to a per kilogram basis.⁶⁶ For input prices not denominated in U.S. dollars, Petitioner converted to U.S. dollars using the Department’s official exchange rates in effect during the POI.⁶⁷

1. Production costs

Utilizing the aforementioned methodology, Petitioner has estimated the cost of production for merchandise produced and exported by Chinese producers as follows.

A) Direct Material Inputs

To value direct material inputs, Petitioner applied surrogate values based on Brazilian, Turkish, and Mexican import statistics as sourced from GTA.⁶⁸ Petitioner used the data specific

⁶⁵ See, e.g., *Alloy and Certain Carbon Steel Threaded Rod from the People’s Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 85 Fed. Reg. 8821 (Feb. 18, 2020), and accompanying Issues and Decision Memorandum at Comment 5 (inflating the surrogate values for domestic brokerage and handling and truck freight to account for inflation in the surrogate country) (Barcode: 3941488-02).

⁶⁶ NV Calculation (**Exhibit II-16**).

⁶⁷ See Exchange Rates (**Exhibit II-24**).

⁶⁸ NV Calculations (**Exhibit II-16**). To best capture the nature of various inputs, Petitioner relied on more specific and/or alternate data for certain inputs/byproducts as follows. Petitioner based the surrogate value for the [] input in the [] models for all three surrogate countries on a Brazilian price obtained from [], which is specific to []. See [] (**Exhibit II-17**). Petitioner based the surrogate value for the

to the POI (October 1, 2025 through March 31, 2026).⁶⁹ Consistent with standard agency practice, Petitioner excluded from the surrogate value calculations import data that came from countries the Department treats as non-market economies (*e.g.*, China, Laos, Russia, and Vietnam) or countries that are known to provide generally available export subsidies (*e.g.*, Indonesia, Korea, India, and Thailand).⁷⁰ Pursuant to the Department’s standard practice,⁷¹ Petitioner adjusted all Mexican import values from an FOB to CIF basis using marine insurance rates sourced from RJG Consultants, ocean freight rates sourced from Drewry Shipping Consultants Ltd., and brokerage and handling expenses reported in the *DBM 2020* publication.⁷²

Petitioner multiplied each direct material surrogate value by the consumption rate for the corresponding input material to derive the cost of that material input consumed in the production of Chinese glyphosate IPA salts.⁷³

B) Labor costs

Petitioner valued labor costs for Brazil and Mexico using information published by the International Labor Organization (“ILO”). According to those data, in 2025, the most recent

[] input in the [] models for all three surrogate countries on Brazilian import data under HTS subheading [], which is the only HTS classification/surrogate value specific to the input (*i.e.*, [Production input]) (**Exhibit II-17**). For the [] input in the [] models, Petitioner used an average of the more specific Brazilian and Turkish surrogate values for Mexico (**Exhibit II-17**). Similarly, Petitioner based the Brazilian surrogate value for the [] byproduct in the [] models on the average of the Mexican and Turkish surrogate values, which were more specific to the input (**Exhibit II-17**). For the [] byproduct in the [] models for all three surrogate countries, Petitioner relied on Turkish import data under HTS subheading [], which is more specific than that for Brazil and Mexico (**Exhibit II-17**). For the Turkish [] model, given the extremely low volume of imports into Türkiye under HTS subheading [], Petitioner used the Brazilian surrogate value for the [] input (**Exhibit II-17**).

⁶⁹ See *id.*

⁷⁰ See *id.*

⁷¹ *Chlorinated Isocyanurates From the People’s Republic of China: Final Results of Antidumping Duty Administrative Review; 2023–2024*, 91 Fed. Reg. 11,954 (Mar. 11, 2026), and accompanying Issues and Decision Memorandum at Comment 1 (Barcode: 4890761-02).

⁷² NV Calculation (**Exhibit II-16**).

⁷³ See *id.*

year for which data are available, the Brazilian and Mexican average wage rates in the manufacturing sector were 3,417.47 BRL and 11,271.16 MXP per month, respectively.⁷⁴

Petitioner converted to per hour rates assuming 192 hours per month, inflated the rates to the POI and converted to USD.⁷⁵ For Türkiye, Petitioner relied on manufacturing labor rate data sourced from EUROSTAT for the calendar year 2025, inflated to reflect the POI period and converted to U.S. dollars using the average of the Department’s official exchange rates for the POI.⁷⁶

Petitioner multiplied the surrogate labor rate by the labor hours in the consumption models to derive the cost of labor in the production of the Chinese 62 percent IPA salts.

C) Energy

Based on the information reasonably available to Petitioner, Chinese producers of 62 percent IPA salts from glyphosate manufactured via the IDAN route use electricity, water, natural gas and steam energy inputs, and Chinese producers of 62 percent IPA salts from glyphosate manufactured via the glycine route use electricity, water, and steam energy inputs.⁷⁷ Petitioner valued electricity based upon Brazilian and Mexican business-specific electricity rates for the POI sourced from the reporting service GlobalPetrolPrices.⁷⁸ For Türkiye, Petitioner relied on EUROSTAT’s “Electricity prices for non-household consumers” for the calendar year 2025, inflated to reflect the POI period and converted to U.S. dollars using the average of the Department’s official exchange rates for the POI.⁷⁹ The electricity rates were multiplied by the

⁷⁴ Labor Rates (**Exhibit II-18**).

⁷⁵ See *Certain Activated Carbon From the People's Republic of China: Final Results of Antidumping Duty Administrative Review; 2013-2014*, 80 Fed. Reg 61,172 (Oct. 9, 2015), and accompanying Issues and Decision Memorandum at Comment 11 (Barcode: 3402879-02).

⁷⁶ Labor Rates (**Exhibit II-18**).

⁷⁷ See NV Calculation (**Exhibit II-16**); [] Declaration (**Exhibit II-6**).

⁷⁸ NV Calculation (**Exhibit II-16**); GlobalPetrolPrices.com, Brazil and Mexico energy prices (**Exhibit II-19**).

⁷⁹ NV Calculation (**Exhibit II-16**); EUROSTAT’s “Electricity prices for non-household consumers” (**Exhibit II-19**).

consumption of electricity to derive the cost of electricity consumed in the production of Chinese 62 percent IPA salts.⁸⁰

Petitioner valued the consumption of natural gas and steam based on the business-specific USD/kwh natural gas rates for Brazil and Mexico available at GlobalPetrolPrices.⁸¹ For the natural gas input, Petitioner converted the USD/kwh rate to a kwh/kg rate and multiplied the result by the consumption of natural gas to derive the cost of natural gas consumed in the production of Chinese 62 percent IPA salts.⁸² For Türkiye, Petitioner relied on EUROSTAT's "Gas prices for non-household consumers" for the calendar year 2025, inflated to reflect the POI period and converted to U.S. dollars using the average of the Department's official exchange rates for the POI.⁸³

For the steam input, pursuant to the Department's standard practice, Petitioner converted the kwh/kg natural gas rates to steam rates by multiplying the kwh/kg rate by a 14.52 percent conversion factor,⁸⁴ and multiplied the result by the consumption of steam to derive the cost of steam energy consumed in the production of Chinese 62 percent IPA salts.⁸⁵

Petitioner obtained BRL/cubic meter (m3) water rates for the year 2022 from Brazil's Ministry of Cities, available from the data service CEIC.⁸⁶ Petitioner inflated the cost per m3 to reflect the POI period and converted to U.S. dollars using the average of the Department's

⁸⁰ NV Calculation (**Exhibit II-16**).

⁸¹ Electricity Rates (**Exhibit II-19**).

⁸² Natural Gas and Steam Rates (**Exhibit II-20**).

⁸³ Natural Gas and Steam Rates (**Exhibit II-20**).

⁸⁴ See, e.g., *Citric Acid and Certain Citrate Salts From the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review; 2023-2024*, 90 Fed. Reg. 44,010 (Sept. 11, 2024), and accompanying Issues and Decision Memorandum at 17 (Barcode: 4822983-02); *Certain Aluminum Foil From the People's Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 83 Fed. Reg. 17,362 (Apr. 19, 2018), and accompanying Issues and Decision Memorandum at Comment 10 (Barcode: 3677858-02).

⁸⁵ NV Calculation (**Exhibit II-16**).

⁸⁶ CEIC, Global Economic Data, Indicators, Charts & Forecasts (**Exhibit II-21**).

official exchange rates for the POI. For Mexico, Petitioner relied on USD/m³ water rates provided by the International Benchmarking Network for Water & Sanitation Utilities (“IBNET”).⁸⁷ The water rate for Mexico is contemporaneous to the POI and reflects the simple average of IBNET’s published water rates in various Mexican cities. For Türkiye, Petitioner relied on contemporaneous USD/m³ water rates from the Presidency of the Republic of Türkiye Investment Office - Investment Guide - Cost of Doing Business.⁸⁸ The resulting USD/m³ rates were multiplied by the consumption of water to derive the cost of water consumed in the production of Chinese 62 percent IPA salts.⁸⁹

D) Packing Materials

As was the case with direct material inputs, Petitioner applied surrogate values to the packing material inputs based on Brazilian import statistics sourced from the S&P Global’s GTA. Petitioner again utilized Brazilian, Turkish, and Mexican import data encompassing the period October 2025-March 2026, and excluded from the calculation of all surrogate values import data that came from countries that the Department treats as non-market economies (*e.g.*, China, Laos, Russia, and Vietnam), came from countries that are known to provide generally available export subsidies (*e.g.*, Indonesia, Korea, India, and Thailand), and for which no quantity units were reported.⁹⁰ Petitioner multiplied the final value by the consumption rate of the corresponding packing material to derive the cost of the packing input consumed in the production of Chinese 62 percent IPA salts.⁹¹

⁸⁷ International Benchmarking Network for Water & Sanitation Utilities (IBNET) (**Exhibit II-21**).

⁸⁸ Presidency of the Republic of Türkiye Investment Office - Investment Guide - Cost of Doing Business (**Exhibit II-21**).

⁸⁹ NV Calculation (**Exhibit II-16**).

⁹⁰ NV Calculation (**Exhibit II-16**).

⁹¹ NV Calculation (**Exhibit II-16**).

E) Total Cost of Production

To derive the total cost of manufacturing, Petitioner summed all of the direct material, energy, and labor costs indicated above, and then added an amount related to manufacturing overhead. Petitioner next added additional expenses to the total cost of manufacturing relating to selling, general, and administrative expenses (“SG&A”) and profit. These calculations are described herein.

F) Overhead

As the Department’s standard NME methodology requires, to derive financial ratios to calculate overhead, SG&A, and profit, Petitioner attempted to locate publicly available and usable financial statements of Brazilian, Turkish and Mexican producers of identical merchandise. However, because global glyphosate production is highly concentrated in the United States and China, Petitioner was unable to find financial data for identical producers in Brazil, Mexico, and Türkiye. Petitioner, therefore, searched for publicly available and usable financial statements of Brazilian, Turkish, and Mexican producers of comparable merchandise. For Brazil, Petitioner readily identified a profitable, audited, contemporaneous financial statement for a producer of comparable biological pesticides and inoculants – Vittia S.A. (“Vittia”).⁹² As the best information reasonably available, Petitioner relies on the FY 2025 financial data for Vittia to calculate the financial ratios for the Brazilian calculations.⁹³

Further, as the best information reasonably available, Petitioner relies on Vittia’s financial ratios for the Mexican and Turkish calculations as well. In choosing surrogate financial ratios, it is the Department’s long-standing practice to use data from surrogate companies based on the

⁹² Financial Ratios (Exhibit II-22).

⁹³ Financial Ratios (Exhibit II-22).

“specificity, contemporaneity, and quality of the data.”⁹⁴ In accordance with 19 C.F.R. § 351.408(c)(4), the Department relies on nonproprietary, complete financial statements showing a profit, contemporaneous with the data used to calculate production factors, gathered from producers of identical or comparable merchandise in the surrogate country.⁹⁵ While Petitioner identified financial statements for producers in Türkiye and Mexico and provides that data as alternative options,⁹⁶ Vitta’s financial data best meet the Department’s criteria. Thus, Petitioner believes that utilizing the financial ratios of this comparable Brazilian producer is a viable surrogate source for financial ratios in the Mexican and Turkish calculations. This is consistent with the Department’s very recent decision to initiate its investigation of *N-Cyclohexylbenzothiazole-2-Sulfenamide from the People’s Republic of China* based on normal value calculations that applied the financial ratios for a single producer to all three surrogate country calculations.⁹⁷ This is also consistent with the Department’s recent final determination

⁹⁴ See, e.g., *Certain Walk-Behind Lawn Mowers and Parts Thereof From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 86 Fed. Reg. 27,384 (May 20, 2021) and accompanying Issues and Decision Memorandum at Comment 1 (Barcode: 4122048-02); *Final Determination of Sales at Less Than Fair Value and Final Partial Affirmative Determination of Critical Circumstances: Diamond Sawblades and Parts Thereof from the People’s Republic of China*, 71 Fed. Reg. 29,303 (May 22, 2006) and accompanying Issues and Decision Memorandum at Comment 1 (Barcode: 4794539-01).

⁹⁵ See, e.g., *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Final Determination of No Shipments; 2015-2016*, 83 Fed. Reg. 35,616 (July 27, 2018) and accompanying Issues and Decision Memorandum at Comment 10 (Barcode: 3729965-02).

⁹⁶ Alternative Financial Ratios (**Exhibit II-23**). Specifically, for Mexico, Petitioner provides the financial ratios and FY 2025 financial statement for CYDSA S.A.B. de C.V. (“CYDSA”) FY 2025. CYDSA’s chemicals manufacturing and specialties business line includes the manufacture of industrial salts (**Exhibit II-23**). For Türkiye, Petitioner provides the financial ratios and FY 2023 financial statement for Alkim Alkali Kimya A.Ş. ve Bağlı Ortaklıkları (“Alkim”) - a producer of industrial chemicals and salts (**Exhibit II-23**). Alkim was not profitable in FY 2024 and 2025 (**Exhibit II-23**).

⁹⁷ Enforcement and Compliance, Office of AD/CVD Operations, Antidumping Duty Investigation Initiation Checklist: *N-Cyclohexylbenzothiazole-2-Sulfenamide from the People’s Republic of China* (May 27, 2026) at 6-10 (Barcode: 4925105-01).

in *Certain Alkyl Phosphate Esters from the People's Republic of China*, where the Department relied on the financial data for a producer in a country other than the primary surrogate country.⁹⁸

Accordingly, Petitioner multiplied the calculated total materials, energy, and labor costs by the average fixed overhead ratio as derived from the companies' financial statements to arrive at the fixed overhead expense.⁹⁹ Petitioner added this expense to the calculated total materials, energy, and labor costs to arrive at the total cost of manufacturing for Chinese producers.¹⁰⁰

G) SG&A and Interest

As with overhead, Petitioner is not privy to the actual SG&A and interest expenses incurred by Chinese producers. As an alternative, Petitioner calculated the expected expenses based on the financial experience of the Brazilian producer identified above.

With respect to SG&A and interest, Petitioner multiplied the calculated total cost of manufacturing by the SG&A and interest ratio as derived from the company's financial statement to arrive at the SG&A and interest expenses for Chinese producers.¹⁰¹ Petitioner added the calculated SG&A and interest expenses to the previously calculated total cost of manufacturing to arrive at a total cost of production (net profit and packing expenses).¹⁰²

H) Profit

In order to establish the profit ratios for manufacturing IPA salts in China, Petitioner again relied upon the financial experience of the Brazilian producer identified above.¹⁰³ To calculate the profit expense, Petitioner multiplied the calculated total cost of production (net

⁹⁸ *Certain Alkyl Phosphate Esters From the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value*, 90 Fed. Reg. 17,404 (Apr. 25, 2025), and accompanying Issues and Decision Memorandum at Comments 1 and 2 (Barcode: 4750067-02).

⁹⁹ See Financial Ratios (**Exhibits II-22**); NV Calculation (**Exhibit II-16**).

¹⁰⁰ See *id.*

¹⁰¹ See *id.*

¹⁰² See *id.*

¹⁰³ See *id.*

profit and packing expenses) by the profit ratio as derived from the company's financial statement to arrive at the profit attributable to Chinese producers.¹⁰⁴ Petitioner then added the calculated profit rate to the total cost of production (excluding profit and packing expenses) to arrive at the total cost of production.¹⁰⁵

2. Final Normal Value

Petitioner added the calculated total cost of production to the calculated packing expenses to yield the normal value for Chinese producers.¹⁰⁶

C. Less Than Normal Value Comparison

In calculating the dumping margins, Petitioner subtracted the EP/CEP from the NV and divided the difference by the EP/CEP to determine the percentage dumping margin.¹⁰⁷ The comparisons demonstrate that Chinese producers sold or offered to sell the subject merchandise in the United States at prices that are less than normal value. The less than normal value calculations for IPA salts produced in China result in dumping margins ranging from **68.90 percent to 446.47 percent.**¹⁰⁸

¹⁰⁴ *See id.*

¹⁰⁵ *See id.*

¹⁰⁶ *See* NV Calculation (**Exhibit II-16**).

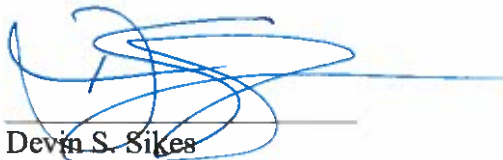
¹⁰⁷ *See* Dumping Margin Calculation (**Exhibit II-8**).

¹⁰⁸ *Id.*

VII. CONCLUSION

Petitioner requests that antidumping duties be imposed on imports of glyphosate imported from China in amounts sufficient to offset the unfair pricing described above.

Respectfully submitted,



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VOLUME II EXHIBIT LIST

Exhibit No.	Description	BPI/ Public
II-1	<i>List of Surrogate Counties for Antidumping Investigations and Reviews from the People’s Republic of China (“China”) September 10, 2025</i>	Public
II-2	Global Trade Atlas Export Data for HTS Number 2931.49 and 3808.93	Public
II-3	[] Declaration	BPI
II-4	Imports For Consumption: 2931.49.00.20	Public
II-5	[] and [] Declarations: US Price Quotes	BPI
II-6	[] Declaration	BPI
II-7	Online Articles and Financial Statement	BPI
II-8	China AD Margin Calculation Worksheet	BPI
II-9	Distances from [] to Retailers and to Closest Port	BPI
II-10	U.S. Inland Freight Calculation Worksheet	BPI
II-11	International Freight Calculation Worksheet	BPI
II-12	World Bank Group, <i>Doing Business</i> Publications	Public
II-13	Domestic Inland Freight and Brokerage and Handling Calculation Worksheets	BPI
II-14	Producer Price Indexes for Mexico, Brazil, and Türkiye	Public
II-15	Distance from [] to Closest Port	BPI
II-16	FOP Models/ NV Calculation Worksheets/GTA Data	BPI
II-17	HTS Specificity Comparisons and Alternative Surrogate Value Data	BPI
II-18	Labor Rate Calculations and Supporting Materials	Public
II-19	Electricity Rate Calculations and Supporting Materials	Public
II-20	Natural Gas and Steam Rate Calculations and Supporting Materials	Public
II-21	Water Rate Calculations and Supporting Materials	Public
II-22	Brazilian Producer’s Financial Statements, Surrogate Ratio Calculations and Supporting Materials	Public
II-23	Mexican and Turkish Producers’ Financial Statements, Surrogate Ratio Calculations and Supporting Materials	Public
II-24	Exchange Rates	Public

EXHIBIT II-1



September 10, 2025

MEMORANDUM TO: Scot Fullerton
Acting Deputy Assistant Secretary
AD/CVD Operations
Enforcement and Compliance

FROM: Alexander Hammer *ABH*
Director, Economic Analysis Unit
Office of Policy
Enforcement and Compliance

SUBJECT: List of Surrogate Countries for Antidumping Investigations and
Reviews for the People's Republic of China ("China")

This memorandum provides (1) a surrogate country list for the purpose of selecting a primary surrogate country in antidumping duty (AD) proceedings concerning imports from China; and (2) guidance concerning Commerce's process of selecting a primary surrogate country.

Since non-market economy (NME) countries do not operate on market principles of cost or pricing structures, the prices and costs in NME countries do not reflect the fair value of the merchandise.¹ Therefore, Commerce is required to use prices and costs of factors of production in one or more market economy countries to calculate AD duties. According to section 773(c)(4) of the Act (as amended) (the Act), these surrogate prices and costs must be, to the extent possible, from market economy countries that are at a level of economic development comparable to that of the NME country, and significant producers of comparable merchandise.²

The surrogate country list for China provided below satisfies the first of the above-referenced requirements and includes six market economy countries that are at levels of economic development comparable to that of China's, as determined by per capita levels of gross domestic product (GDP). The use of GDP instead of Gross National Income (GNI) that was used in prior years, reflects Commerce's changes in its regulatory practices as published in its *Regulations Enhancing the Administration of the Antidumping and Countervailing Duty Trade Remedy Laws* on December 16, 2024.³

Commerce should treat the surrogate countries on the list with equal consideration and select the

¹ See section 771(18)(A) of the Act.

² In measuring economic comparability, Commerce may consider additional factors in determining whether certain market economy countries are at a level of economic development comparable to the NME country at issue. Moreover, Commerce will identify the factors it relies upon and provide an explanation for its decision. See 19 C.F.R. § 408(b)(1)(ii).

³ See 19 C.F.R. § 351.408(d)(3) and (4); see also *Regulations Enhancing the Administration of the Antidumping and Countervailing Duty Trade Remedy Laws*, 89 Fed. Reg. 101,694, 101,720 (Dep't of Commerce Dec. 16, 2024).

primary country from the surrogate country list that is a significant producer of comparable merchandise.⁴ If more than one country from the surrogate country list or not on the list satisfies both statutory criteria, Commerce should consider the public availability, the accessibility, and quality of the data on the record as well as the similarity of products manufactured in the potential surrogate countries in comparison to the subject merchandise to make their determination.⁵ If no proposed value on the record from a market economy country that is at a level of economic development comparable to the NME country is appropriate to value a specific factor of production, Commerce may also use a value on the record derived from a market economy country which is not at a level of economic development comparable to the NME country and also may also use a value on the record derived from a market economy that is not a significant producer of merchandise comparable to the subject merchandise to value a specific factor of production. If none of the countries on the surrogate country list is a significant producer of comparable merchandise, Commerce may select a country that is not on the surrogate country list, but is a significant producer of comparable merchandise with the best available data provided on the record.

For other circumstances, see section 773(c)(2) of the statute and Import Administration Policy Bulletin 04.1 for guidance. The below list constitutes the 2025 surrogate country list for China in consideration of the above criteria, centered around China’s 2024 per capita GDP level.

Surrogate Country List: CHINA⁶

<u>Surrogate Countries</u>	<u>Per Capita GDP Levels (in current \$US, 2024)⁷</u>
Türkiye (Turkey)	15,473
Mexico	14,158
Serbia	13,524
CHINA	13,303
Malaysia	11,867
Dominican Republic	10,876
Brazil	10,280

⁴ The statute does not define “significant” or “comparable,” although “comparable” encompasses a larger set of products than “like product,” which is the legal standard enumerated in the Act for what the domestic industry produces which competes with the imports to be investigated. Comparable merchandise can be identified, for example, on the basis of similarities in production factors (physical and non-physical) and factor intensities. If more than one economically comparable country produces comparable merchandise, Commerce will consider the totality of the information on the record in selecting a surrogate country. 19 C.F.R. § 351.408(b)(3).

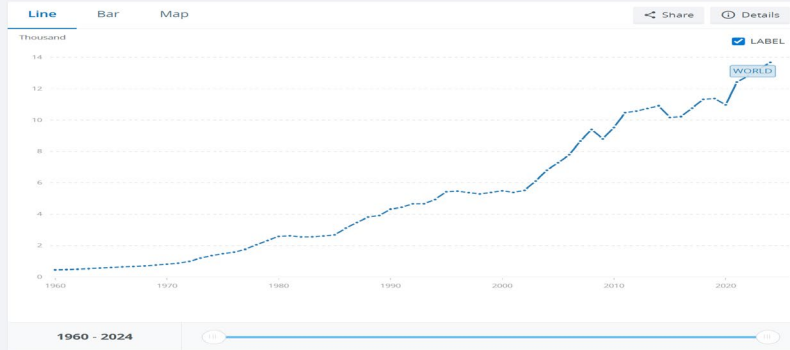
⁵ To assess the quality of the data, the case team should, to the extent possible, use factor prices reported on a duty- and tax-exclusive basis, giving due consideration to aggregation, small-quantity, contemporaneity, and data-source concerns.

⁶ The following countries were close to China’s 2024 per capita GDP levels but omitted on the surrogate country list given the identified rationale. In alphabetical order, they include: Argentina (high economic volatility in first half of 2024, with full-year average inflation exceeding 200%, heightened debt refinancing risks as demonstrated by elevated sovereign debt ratings, and associated downward exchange rate pressure affecting producer and other costs), Dominica (very small island economy with limited data availability), Grenada (very small island economy with limited data availability), Kazakhstan (structurally very different from China’s economy due to high dependence on oil and gas; the World Bank’s World Development Indicators’ latest comparable data show that fuel exports as a share of total merchandise export in China and Kazakhstan averaged 1.6 and 64.2, respectively, in the last 3 years of comparable data from 2021 to 2023, and manufacturing exports accounted for 91.9 percent and 19.0 percent (2023) in China and Kazakhstan, respectively). See <https://databank.worldbank.org/source/world-development-indicators>; Maldives (very small island economy, limited data availability), Mauritius (very small island economy with limited data availability), Montenegro (very small economy, limited data availability), Nauru (very small island economy with limited data availability), Russia (NME), St. Lucia (very small island economy with limited data availability), St. Vincent & the Grenadines (very small island economy with limited data availability). Consistent with Commerce’s regulations at 19 C.F.R. § 351.408(b)(1)(ii), Commerce is not foreclosed from considering additional factors in the future depending on the evidence on the record of a given proceeding.

⁷ World Bank, *World Bank Development Indicators*, <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD> (accessed August 13, 2024). U.S. dollar denominated current per capita GDP data represent the latest available information as of 2024.

GDP per capita (current US\$)

Country official statistics, National Statistical Organizations and/or Central Banks; National Accounts data files, Organisation for Economic Co-operation and Development (OECD); Staff estimates, World Bank (WB)
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- GDP per capita growth (annual %)
- GDP per capita (constant LCU)
- GDP per capita (constant 2015 US\$)
- GDP per capita, PPP (current international \$)
- GDP per capita (current LCU)
- GDP per capita, PPP (constant 2021 international \$)
- Inflation, GDP deflator (annual %)
- Oil rents (% of GDP)

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Country	Most Recent Year	Most Recent Value
Afghanistan	2023	413.8
Albania	2024	10,011.6
Algeria	2024	5,631.2
American Samoa	2022	18,017.5
Andorra	2024	49,303.7
Angola	2024	2,122.1
Antigua and Barbuda	2024	23,725.8
Argentina	2024	13,858.2
Armenia	2024	8,500.6
Aruba	2023	33,984.8
Australia	2024	64,407.5
Austria	2024	56,833.2
Azerbaijan	2024	7,283.8
Bahamas, The	2024	39,455.4
Bahrain	2024	30,048.2
Bangladesh	2024	2,593.4

Barbados	2024	25,365.8
Belarus	2024	8,316.6
Belgium	2024	55,954.6
Belize	2024	8,429.7
Benin	2024	1,485.4
Bermuda	2024	138,935.0
Bhutan	2023	3,839.4
Bolivia	2024	4,001.2
Bosnia and Herzegovina	2024	8,957.4
Botswana	2024	7,695.2
Brazil	2024	10,280.3
British Virgin Islands		
Brunei Darussalam	2024	33,417.8
Bulgaria	2024	17,412.4
Burkina Faso	2024	987.3
Burundi	2024	153.9
Cabo Verde	2024	5,272.9
Cambodia	2024	2,627.9
Cameroon	2024	1,762.4
Canada	2024	54,282.6

Cayman Islands	2023	97,749.5	
Central African Republic	2024	516.2	
Chad	2024	1,016.1	
Channel Islands	2023	74,589.1	
Chile	2024	16,709.9	
China	2024	13,303.1	
Colombia	2024	7,914.0	
Comoros	2024	1,784.1	
Congo, Dem. Rep.	2024	647.4	
Congo, Rep.	2024	2,482.2	
Costa Rica	2024	18,587.2	
Cote d'Ivoire	2024	2,709.9	
Croatia	2024	23,931.5	
Cuba	2020	9,605.3	
Curacao	2023	21,061.7	
Cyprus	2024	38,654.2	
Czechia	2024	31,706.6	
Denmark	2024	71,851.8	
Djibouti	2024	3,496.5	
Dominica	2024	10,405.3	
Dominican Republic	2024	10,875.7	
Ecuador	2024	6,874.7	
Egypt, Arab Rep.	2024	3,338.5	
El Salvador	2024	5,579.7	
Equatorial Guinea	2024	6,745.4	
Eritrea	2011	688.7	
Estonia	2024	31,170.1	
Eswatini	2024	3,936.1	
Ethiopia	2022	1,011.1	
Faroe Islands	2023	71,774.4	

Fiji	2024	6,288.4	
Finland	2024	53,188.6	
France	2024	46,150.5	
French Polynesia	2023	22,774.1	
Gabon	2024	8,218.8	
Gambia, The	2024	908.5	
Georgia	2024	9,193.7	
Germany	2024	55,800.2	
Ghana	2024	2,405.8	
Gibraltar			
Greece	2024	24,752.1	
Greenland	2023	58,499.0	
Grenada	2024	11,871.6	
Guam	2022	41,833.2	
Guatemala	2024	6,150.0	
Guinea	2024	1,717.0	
Guinea-Bissau	2024	963.0	
Guyana	2024	29,883.6	
Haiti	2024	2,142.6	
Honduras	2024	3,426.4	
Hong Kong SAR, China	2024	54,107.0	
Hungary	2024	23,310.8	
Iceland	2024	82,703.9	
India	2024	2,696.7	
Indonesia	2024	4,925.4	
Iran, Islamic Rep.	2024	4,771.4	
Iraq	2024	6,073.6	
Ireland	2024	107,316.3	
Isle of Man	2022	88,328.5	
Israel	2024	54,176.7	

Italy	2024	40,226.0	
Jamaica	2024	7,019.7	
Japan	2024	32,475.9	
Jordan	2024	4,618.1	
Kazakhstan	2024	14,005.3	
Kenya	2024	2,206.1	
Kiribati	2024	2,288.6	
Korea, Dem. People's Rep.			
Korea, Rep.	2023	33,121.4	
Kosovo	2024	7,299.4	
Kuwait	2024	32,213.9	
Kyrgyz Republic	2024	2,419.3	
Lao PDR	2024	2,124.0	
Latvia	2024	23,367.6	
Lebanon	2023	3,477.7	
Lesotho	2024	971.8	
Liberia	2024	846.3	
Libya	2024	6,318.4	
Liechtenstein	2023	207,973.6	
Lithuania	2024	29,386.3	
Luxembourg	2024	137,516.6	
Macao SAR, China	2024	73,046.9	
Madagascar	2024	545.0	
Malawi	2024	508.4	
Malaysia	2024	11,867.3	
Maldives	2024	13,215.5	
Mali	2024	1,086.2	
Malta	2024	42,347.3	
Marshall Islands	2024	7,466.7	
Mauritania	2024	2,082.8	

Mauritius	2024	11,871.7	
Mexico	2024	14,157.9	
Micronesia, Fed. Sts.	2024	4,166.0	
Moldova	2024	7,617.5	
Monaco	2023	256,580.5	
Mongolia	2024	6,691.5	
Montenegro	2024	12,935.5	
Morocco	2024	3,993.4	
Mozambique	2024	647.3	
Myanmar	2024	1,359.3	
Namibia	2024	4,413.1	
Nauru	2024	13,421.8	
Nepal	2024	1,447.3	
Netherlands	2024	68,218.7	
New Caledonia	2022	33,516.4	
New Zealand	2024	48,747.0	
Nicaragua	2024	2,847.5	
Niger	2024	722.7	
Nigeria	2024	806.9	
North Macedonia	2024	9,310.0	
Northern Mariana Islands	2022	23,785.8	
Norway	2024	86,809.7	
Oman	2024	20,248.4	
Pakistan	2024	1,484.7	
Palau	2023	15,899.4	
Panama	2024	19,102.9	
Papua New Guinea	2024	3,076.5	
Paraguay	2024	6,416.1	
Peru	2024	8,452.4	
Philippines	2024	3,984.8	

Poland	2024	25,022.7	
Portugal	2024	28,844.5	
Puerto Rico (US)	2024	39,285.0	
Qatar	2024	76,275.9	
Romania	2024	20,072.4	
Russian Federation	2024	14,889.0	
Rwanda	2024	999.7	
Samoa	2024	4,898.8	
San Marino	2022	54,264.6	
Sao Tome and Principe	2024	3,244.8	
Saudi Arabia	2024	35,057.2	
Senegal	2024	1,744.0	
Serbia	2024	13,523.7	
Seychelles	2024	17,858.8	
Sierra Leone	2024	873.4	
Singapore	2024	90,674.1	
Sint Maarten (Dutch part)	2024	40,027.9	
Slovak Republic	2024	26,147.9	
Slovenia	2024	34,089.4	
Solomon Islands	2024	2,149.4	
Somalia	2024	637.0	
South Africa	2024	6,253.4	
South Sudan	2015	1,080.1	
Spain	2024	35,297.0	
Sri Lanka	2024	4,515.6	
St. Kitts and Nevis	2024	22,771.4	
St. Lucia	2024	14,181.6	
St. Martin (French part)	2021	21,668.4	
St. Vincent and the Grenadines	2024	11,501.2	
Sudan	2024	989.3	

Suriname	2024	7,430.7	
Sweden	2024	57,723.2	
Switzerland	2024	103,669.9	
Syrian Arab Republic	2023	847.4	
Tajikistan	2024	1,341.2	
Tanzania	2024	1,185.7	
Thailand	2024	7,345.1	
Timor-Leste	2024	1,343.1	
Togo	2024	1,043.1	
Tonga	2023	4,863.8	
Trinidad and Tobago	2024	19,314.7	
Tunisia	2024	4,350.4	
Turkiye	2024	15,473.3	
Turkmenistan	2024	8,571.6	
Turks and Caicos Islands	2024	37,506.8	
Tuvalu	2023	6,344.8	
Uganda	2024	1,072.7	
Ukraine	2024	5,389.5	
United Arab Emirates	2024	49,377.6	
United Kingdom	2024	52,636.8	
United States	2024	85,809.9	
Uruguay	2024	23,906.5	
Uzbekistan	2024	3,161.7	
Vanuatu	2024	3,542.8	
Venezuela, RB	2014	15,943.6	
Viet Nam	2024	4,717.3	
Virgin Islands (U.S.)	2022	44,320.9	
West Bank and Gaza	2024	2,592.3	
Yemen, Rep.	2024	433.2	
Zambia	2024	1,235.1	
Zimbabwe	2024	2,656.4	

EXHIBIT II-2

Reporters Export Statistics (Partners: World)

Products: 293149 (Non-Halogenated Organo-Phosphorous Derivatives, Nesoi)

Quantity: Annual Series through 2025

Reporters Export Statistics (Partners: World)

Products: 293149 (Non-Halogenated Organo-Phosphorous Derivatives, Nesoi)

Reporter	Unit	Primary Quantity		
		2023	2024	2025
China	KG	489,801,475	635,394,020	667,077,860
India	KG	30,583,899	40,970,610	46,385,035
United Kingdom HMRC	KG	17,855,862	23,127,032	20,783,063
United Kingdom HMRC (I	KG	17,855,862	23,127,032	20,783,063
Canada	KG	5,324,975	5,643,669	6,270,578
Türkiye/Turkey	KG	4,051,733	7,644,233	5,077,818
Japan	KG	564,007	747,606	1,071,349
Colombia	KG	28,186	463,889	643,402
Mexico (BOL)	KG	92,414	125,434	410,312
Brazil	KG	6,159,421	3,352,909	409,984
Brazil (CIF)	KG	6,159,421	3,352,909	409,984
Chile	KN	190,240	276,520	197,502
Taiwan	KG	56,111	140,577	169,200
Thailand	KG	99,702	84,911	163,657
Malaysia	KG	79,594	265,589	153,339
South Korea	KG	88,909	167,370	126,064
Indonesia	KG	11,031	41,856	82,073
Serbia	KG	5,637	16,881	32,520
Mexico	KG			24,800
Vietnam (BOL)	KG	40	100	100
Kazakhstan	T	10	15	57
Bulgaria	T	41	23	20
Romania	T	21	37	17
Jordan	KG	5,000		

Source of data:

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Reporters Export Statistics (Partners: World)

Products: 380893 (Herbicides, Antisprouting Products And Plant-Growth Regulators,

Excluding Those Specified In Subheading Note 1 To Chapter 38)

Reporter	Unit	Primary Quantity		
		2023	2024	2025
China	KG	1,659,409,798	2,173,123,384	2,449,177,116
India	KG	165,026,628	172,496,033	172,722,267
Malaysia	KG	51,710,091	71,589,185	69,600,142
United Kingdom H	KG	25,136,398	21,677,037	27,709,103
United Kingdom H	KG	25,136,398	21,677,037	27,428,103
Taiwan	KG	14,194,696	16,333,761	18,685,273
Indonesia	KG	13,256,842	13,751,290	15,690,146
Mexico (BOL)	KG	5,572,664	4,585,728	8,881,189
Canada	KG	6,793,873	7,407,353	8,868,538
Colombia	KG	12,845,629	11,230,506	8,863,894
Vietnam (BOL)	KG	3,412,391	7,244,382	8,630,938
Brazil	KG	8,577,121	7,169,979	7,843,904
Brazil (CIF)	KG	8,577,121	7,169,979	7,843,904
Costa Rica	KG	5,927,056	6,824,247	6,581,710
Türkiye/Turkey	KG	4,712,806	7,036,517	5,237,516
Mexico	KG	3,792,334	1,991,145	4,958,827
South Korea	KG	4,140,869	4,245,389	3,711,203
Japan	KG	3,132,628	3,633,336	2,626,457
Serbia	KG	2,423,925	2,020,247	2,215,929
Thailand	KG	1,044,385	1,380,086	2,143,383
Argentina	KG	1,736,419	917,614	1,902,759
Jordan	KG	1,072,387	957,729	1,285,339
Chile	KN	358,720	473,938	598,202
Philippines	KG	64	35,229	48,925
Romania	T	4,748	4,491	5,185
Bulgaria	T	1,943	2,282	2,024
Kazakhstan	T	508	228	202
Sri Lanka	KG	86	1,049	5

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Created on Tue 19 May 2026, 11:28 AM EST (16:28 GMT)

EXHIBIT II-3

DECLARATION

I, [Name], declare and state as follows:

1. I will be employed as the [].
[]. Prior to this, I was the [] for [] years. Prior to that, I worked as a [] and have worked for [] for [] years.

2. [] of glyphosate in the United States and the [].

3. In my capacity as [Job title], I have extensive knowledge of the terms and conditions in the U.S. selling market for glyphosate and glyphosate formulations as well as extensive knowledge of the formulators, distributors and retailers of glyphosate formulations that operate in the U.S. market. I also oversee [

] I routinely [

].

4. There is no other significant U.S. market for glyphosate salts and GT other than for use in the formulation of liquid glyphosate herbicides. While U.S. [], glyphosate is a highly potent herbicide, and farmers realize little practical difference between our U.S. formulations and the competing generic formulations that are produced with Chinese GT or salt. Under typical growing conditions, U.S.-produced glyphosate formulations such as [] and generic formulations operate interchangeably and compete directly against each other in the U.S. market.

5. Based on data obtained from the data service [Company name] and provided at **Attachment 1**,¹ Chinese-produced glyphosate is imported into the United States [

].

¹ As noted on its website, “[

].” **Attachment 2.**

ATTACHMENT 1

[]
[							1500]
[]
[]
[]
[]
[]
[]
[]
[]
[]
[]

ATTACHMENT 2

2 PAGES

**NOT SUSCEPTIBLE TO PUBLIC
SUMMARIZATION**

Declaration Supporting Documentation

EXHIBIT II-4

Imports For Consumption - China: 2931.49.00.20**US ITC Dataweb****Customs Value, First Unit of Quantity**

District	Year	Month	Customs Value	First Unit of Quantity
Chicago, IL	2026	1	4,700,400.00	1,870,000.00
Chicago, IL	2026	2	1,409,980.00	631,040.00
Chicago, IL	2026	3	229,541.00	118,320.00
Chicago, IL	2025	11	2,184,190.00	1,025,440.00
Chicago, IL	2025	12	4,172,120.00	1,015,000.00
Houston-Galveston, TX	2026	1	16,988,375.00	8,827,080.00
Houston-Galveston, TX	2026	2	14,975,188.00	7,620,998.00
Houston-Galveston, TX	2026	3	8,901,152.00	4,549,233.00
Houston-Galveston, TX	2025	10	16,553,790.00	8,145,799.00
Houston-Galveston, TX	2025	11	12,081,220.00	5,975,895.00
Houston-Galveston, TX	2025	12	10,572,682.00	5,219,967.00
Los Angeles, CA	2026	1	531,432.00	217,800.00
Los Angeles, CA	2026	3	1,671,840.00	363,600.00
Minneapolis, MN	2026	1	695,950.00	407,000.00
Minneapolis, MN	2025	10	2,404,752.00	1,387,200.00
Minneapolis, MN	2025	11	2,117,520.00	1,155,670.00
Minneapolis, MN	2025	12	1,488,160.00	820,020.00
New Orleans, LA	2026	1	5,004,400.00	1,312,000.00
New Orleans, LA	2026	2	1,256,400.00	360,000.00
New Orleans, LA	2026	3	5,563,800.00	1,620,000.00
New Orleans, LA	2025	10	2,408,890.00	733,819.00
New Orleans, LA	2025	11	773,228.00	392,819.00
New Orleans, LA	2025	12	6,710,710.00	1,729,000.00
San Francisco, CA	2026	1	1,483,713.00	1,188,000.00
San Francisco, CA	2026	2	392,040.00	198,000.00
San Francisco, CA	2025	10	1,613,403.00	792,000.00
Savannah, GA	2025	10	393,876.00	189,000.00
Savannah, GA	2025	11	1,651,823.00	793,800.00
Seattle, WA	2026	1	1,414,202.00	689,040.00
Seattle, WA	2026	2	207,339.00	104,400.00
Seattle, WA	2026	3	242,626.00	125,280.00
Seattle, WA	2025	10	863,599.00	459,360.00
Seattle, WA	2025	11	1,058,826.00	501,120.00
Seattle, WA	2025	12	618,048.00	292,320.00
St. Louis, MO	2026	1	1,205,127.00	495,000.00
St. Louis, MO	2026	3	104,500.00	19,000.00
St. Louis, MO	2025	11	1,162,840.00	350,711.00
St. Louis, MO	2025	12	1,070,550.00	501,000.00
			136,878,232.00	62,195,731.00

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EXHIBIT II-5

DECLARATION

I, [Name], declare and state as follows:

1. I will be employed as the []
[] Prior to this, I was the
[] since the beginning of 2026. I worked at
[] for over [] years and have [] years of experience in the agricultural
marketing industry.

2. [] of glyphosate in the
United States and the []

3. In my capacity as [Job title], I have extensive knowledge of the terms
and conditions in the U.S. selling market for glyphosate and glyphosate formulations.

4. In []
[] See Attachment 1.

5. In []
[]

6. It is []
[]

CERTIFICATION

I declare under penalty of perjury under the laws of the United States that to the best of
my knowledge the foregoing is true and correct.

Executed June 26, 2026 in [Location]
[]
[]

State of MO County of []
Signed before me on this 26 day of JUNE
2026 by []

Notary Public [] []

DECLARATION

I, [Name], declare and state as follows:

1. I will be employed as the [].
[]. Prior to this, I was the
[]. I worked at [] for
over [] years and have [] years of experience in agro chemical sales.

2. [] of glyphosate in the
United States and the [].

3. In my capacity as [Job title], I have extensive knowledge of the
terms and conditions in the U.S. selling market for glyphosate and glyphosate formulations.

4. In [].
]. **See Attachment 1.**

5. In []

].

6. In [].

CERTIFICATION

I declare under penalty of perjury under the laws of the United States that to the best of
my knowledge the foregoing is true and correct.

Executed June 26, 2026 in [Location].

]

[

]

[
[

]
]

1 PAGE
NOT SUSCEPTIBLE TO PUBLIC
SUMMARIZATION

Declaration Supporting Documentation

EXHIBIT II-6

DECLARATION

I, [Name], declare and state as follows:

1. I will be employed as the []. []. Prior to this, I was the []. I worked at [] for nearly [] and was [] prior to my position as the [].

2. [] of glyphosate in the United States and the [].

3. In my capacity as [Job title], I have extensive knowledge of the specific inputs, routes, and processes used to produce GT, glyphosate salts, and glyphosate formulations.

4. In the normal course of business, I [

].

5. Glyphosate is a commodity chemical with a widely known, mature manufacturing process that entails three different production methods: (1) diethanolamine (“DEA”) route, (2) glycine route, and (3) iminodiacetonitrile (“IDAN”) route. Within the glycine route, some producers are fully backward integrated with their own power and phosphorous mines (“glycine integrated”) whereas some producers start manufacturing with intermediate raw materials (“non-integrated”). Although each route requires different inputs, all three result in an interchangeable glyphosate product, and there are no significant differences among the various forms of glyphosate in either their essential characteristics or end-uses.

6. The concentration of glyphosate formulations ranges from 3 lb/gal to over 5 lb/gal of glyphosate acid. A [

].

7. The [].

8. Glyphosate formulations are produced using glyphosate salts. The Glyphosate salts are produced using GT and adding a base (e.g. isopropyl amine (“IPA”), potassium hydroxide (“KOH”), etc.). There are known differences between the production of glyphosate formulations in the United States and China, related to the route of production, the type of salts, the amount of labor, and the surfactants.

9. [Production details]. By comparison, based on data compiled by [

]. See **Attachment 1**. It is common industry knowledge that the Chinese producer [].

10. U.S.-produced formulations [] Chinese formulations are IPA salt-based. The standard concentration of glyphosate salt in IPA salts is 62%.

11. Regarding labor, Chinese producers []. Accordingly, [

] in the Chinese market as they become known to us.

12. When converting glyphosate salts to a formulation, U.S. formulators add surfactants to improve the performance and efficacy of the herbicide. The chemistry of surfactants can affect the impact of the active ingredient in less-than-ideal conditions. [

].

13. Upon counsel’s request, I provided three models detailing the consumption rates for the raw material, energy, and labor inputs specific to the production of 62% IPA salts in China []. I based these usage rates [] and accounted for the known differences in route, salts, and labor detailed above. See **Attachment 2**.

14. Upon counsel’s request, I also prepared a cost model detailing the per kilogram costs incurred by U.S. formulators to convert 62% IPA salts into a [] formulation. [

Production details [] for calendar year 2025. See **Attachment 3**. In doing so, I accounted for known differences [] to generic Chinese formulations.

CERTIFICATION

I declare under penalty of perjury under the laws of the United States that to the best of my knowledge the foregoing is true and correct.

Executed June 24, 2026 in [Location].

[]

[]

[]
[]

ATTACHMENT 1

ATTACHMENT 2

Product Description []	IPA Salt 62%	Usage per kg of IPA Salt 62%	Units
Input Type	Input		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Material	[]		
Labor	[]		
Labor	[]		
Energy	[]	2.50	
Energy	[]		
Energy	[]		
Energy	[]		
Packing	[]		
Packing	[]		
Byproduct	[]		
Byproduct	[]		
Byproduct	[]		
Byproduct	[]		

Product Description IPA Salt 62%
Glycine Non-Integrated Route

Input Type	Input	Usage per kg	
		of IPA Salt 62%	Units
Material	[]
Material	[]
Material	[]
Material	[	1 . 55]
Material	[]
Material	[]
Material	[]
Material	[]
Material	[]
Material	[]
Material	[]
Material	[]
Labor	[]
Labor	[]
Energy	[]
Energy	[]
Energy	[]
<hr/>			
Packing	[]
Packing	[]
<hr/>			
Byproduct	[]
Byproduct	[	0 . 48]
Byproduct	[]
Byproduct	[]
Byproduct	[]
Byproduct	[]
<hr/>			

ATTACHMENT 3

EXHIBIT II-7

29 PAGES

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2024 Annual Report

EXHIBIT II-8

US Price, Normal Value and Antidumping Duty Calculations

Item	CEP			EP	
	Source/Formula	US Price Quote 1 - CEP	US Price Quote 2 - CEP	Source/Formula	US Price 3: EP
US Product	/ Declarations /	[]	[]	Exhibit 4	[]
US Formulation	/ Declarations /	[]	[]		
US []	/ Declarations /	[]	[]		
Date	/ Declarations /	[]	[]	Exhibit 4	[]
US Formulator	/ / Declaration	[]	[]		
Chinese producer/ exporter	/ / Declaration	[]	[]		
Terms of Sale ([] to US Customer)	/ / Declaration	[]	[]		
Terms of Sale (US Formulator to [])	/ / Declaration	[]	[]		
Terms of Sale (Chinese producer to US formulator)	/ / Declaration	[]	[]		
A US Price USD/gallon		[]	[]		[]
B USD/liter 1 gallon =3.78541 liters	A/ 3.78541	[]	[]		[]
C Density kg/liter	/ / Declaration	[]	[]		[]
D US Price USD/kg	D= B/C	[]	[]	Exhibit 4	[]
E []	/ /	[0 . 48	[]		[]
F Price Less []	F= D-E	[]	[]		[]
G US Frt from Formulator to []	Exhibit 10	[]	[]		[]
H US Further processing costs USD/kg	/ / Declaration	[]	[0 . 47	[]	[]
I					
J Net Price of the Liquid Formulation	J=F-G-H	[]	[]		[]
K Conversion to "dry" weight []	K=J/[]	[]	[]		[]
L US Frt from port to Formulator	Exhibit 10	[]	[]		[]
M International Frt, Movement Expenses and Duties (landed value AUV-customs value AUV)	Exhibit 11	[]	[]		[]

**PUBLIC VERSION
DATA RANGED**

Item	CEP			EP		
	Source/Formula	US Price Quote 1 - CEP	US Price Quote 2 - CEP	Source/Formula	US Price 3: EP	
Surrogate Country 1: Brazil						
N	Foreign Inland Freight USD/KG	Exhibit 13	[]	[
O	Foreign Brokerage and Handling USD/KG	Exhibit 13	[]	[
P	Ex-Factory US Price USD/KG	P=K-L-M-N-O	[	]	P=D-N-O
Q	NV USD/kg	Exhibit 16 - IDAN Model	[	]	Exhibit 16 - Average of all 3 models
R	Unit Margin (NV-Ex Factory US Price)	Q-P	[	]	Q-P
S	Pct Margin (unit margin/ex-factory US price	R/P	[	]	R/P
Surrogate Country 2: Mexico						
N2	Foreign Inland Freight USD/KG	Exhibit 13	[	]	N2
O2	Foreign Brokerage and Handling USD/KG	Exhibit 13	[	]	O2
P2	Ex-Factory US Price USD/KG	P2=K-L-M-N2-O2	[1.75]	P2=D-N2-O2
	NV USD/kg	Exhibit 16 - IDAN Model	[	]	Exhibit 16 - Average of all 3 models
R2	Unit Margin (NV-Ex Factory US Price)	Q2-P2	[	]	Q2-P2
S2	Pct Margin (unit margin/ex-factory US price	R2/P2	[	]	R2/P2
Surrogate Country 3: Turkey						
N3	Foreign Inland Freight USD/KG	Exhibit 13	[	]	N3
O3	Foreign Brokerage and Handling USD/KG	Exhibit 13	[	]	O3
P3	Ex-Factory US Price USD/KG	P3=K-L-M-N3-O3	[	]	P3=D-N3-O3
Q3	NV USD/kg	Exhibit 16 - IDAN Model	[	]	Exhibit 16 - Average of all 3 models
R3	Unit Margin (NV-Ex Factory US Price)	Q3-P3	[6.53]	Q3-P3
S3	Pct Margin (unit margin/ex-factory US price	R3/P3	[]	R3/P3	

EXHIBIT II-9

11 PAGES

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U.S. Locations

EXHIBIT II-10

US Inland Freight

[] Oct 2025 - March 2026	[]	[]	[]
Shipment weight (lbs)	[]	[]	[]
Shipment weight (kg)	[]	[]	[]
	Per kg rate	[]	[]
Distance (km)	[]	[]	[]
	Per kg/km rate	[]	[]

Distance from []	[]	[]	[]
Cost per KG (Rate * Total Distance in miles)	[]	[]	[]

Distance from []	[]	[]	[]
Distance from []	[]	[]	[]
Distance from []	[]	[]	[]
Distance from []	[]	[]	[]
Average Distance	[]	[]	[]
Cost per KG (Rate * Total Distance in miles)	[]	[]	[]

Distance from []	[]	[]	[]
Cost per KG (Rate * Total Distance in miles)	[]	[]	[]

EXHIBIT II-11

HTS 2931.49.00.20

Imports For Consumption: China to the Port of []

Customs Value, First Unit of Quantity, Landed Duty-Paid Value

Source: USITC Dataweb

District	Year	Month	Customs Value	Landed Duty-Paid Value	First Unit of Quantity
[]	2026	1	16,988,375.00	20,021,721.00	8,827,080.00
[]	2026	2	14,975,188.00	17,581,320.00	7,620,998.00
[]	2026	3	8,901,152.00	9,788,146.00	4,549,233.00
[]	2025	10	16,553,790.00	21,089,721.00	8,145,799.00
[]	2025	11	12,081,220.00	14,483,544.00	5,975,895.00
[]	2025	12	10,572,682.00	12,672,106.00	5,219,967.00
			80,072,407.00	95,636,558.00	40,338,972.00

Landed Duty Paid AUV	2.371
Customs Value AUV	1.985
Difference	0.386

EXHIBIT II-12

Economy Profile
Brazil

Doing Business 2020

Comparing Business
Regulation in
190 Economies



Economy Profile of Brazil

Doing Business 2020 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, and 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, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling 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
Employing workers	Flexibility in employment regulation and redundancy cost

About Doing Business

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

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


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

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

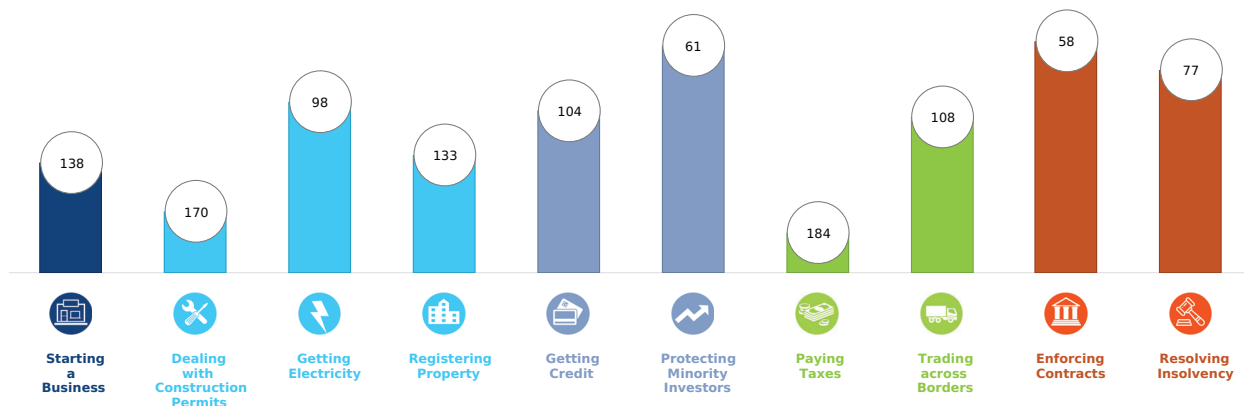
In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in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

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

To learn more about *Doing Business* please visit doingbusiness.org

Ease of Doing Business in Brazil 	Region Latin America & Caribbean	DB RANK 124	DB SCORE 59.1
	Income Category Upper middle income		
	Population 209,469,333		
	City Covered São Paulo, Rio de Janeiro		

Rankings on Doing Business topics - Brazil



Topic Scores



Starting a Business (rank) 138 Score of starting a business (0-100) 81.3 Procedures (number) 11 Time (days) 17 Cost (number) 4.2 Paid-in min. capital (% of income per capita) 0.0	Getting Credit (rank) 104 Score of getting credit (0-100) 50.0 Strength of legal rights index (0-12) 2 Depth of credit information index (0-8) 8 Credit registry coverage (% of adults) 79.0 Credit bureau coverage (% of adults) 81.2	Trading across Borders (rank) 108 Score of trading across borders (0-100) 69.9 Time to export Documentary compliance (hours) 12 Border compliance (hours) 49 Cost to export Documentary compliance (USD) 226 Border compliance (USD) 862 Time to export Documentary compliance (hours) 24 Border compliance (hours) 30 Cost to export Documentary compliance (USD) 107 Border compliance (USD) 375
Dealing with Construction Permits (rank) 170 Score of dealing with construction permits (0-100) 51.9 Procedures (number) 19 Time (days) 338 Cost (% of warehouse value) 1.1 Building quality control index (0-15) 8.4	Protecting Minority Investors (rank) 61 Score of protecting minority investors (0-100) 62.0 Extent of disclosure index (0-10) 5.0 Extent of director liability index (0-10) 8.0 Ease of shareholder suits index (0-10) 4.0 Extent of shareholder rights index (0-6) 4.0 Extent of ownership and control index (0-7) 4.0 Extent of corporate transparency index (0-7) 6.0	Enforcing Contracts (rank) 58 Score of enforcing contracts (0-100) 64.1 Time (days) 801 Cost (% of claim value) 22.0 Quality of judicial processes index (0-18) 13.1
Getting Electricity (rank) 98 Score of getting electricity (0-100) 72.8 Procedures (number) 5 Time (days) 129 Cost (% of income per capita) 203.4 Reliability of supply and transparency of tariff index (0-8) 6	Paying Taxes (rank) 184 Score of paying taxes (0-100) 34.4 Payments (number per year) 10 Time (hours per year) 1,501 Total tax and contribution rate (% of profit) 65.1 Postfiling index (0-100) 7.8	Resolving Insolvency (rank) 77 Score of resolving insolvency (0-100) 50.4 Recovery rate (cents on the dollar) 18.2 Time (years) 4.0 Cost (% of estate) 12.0 Outcome (0 as piecemeal sale and 1 as going concern) 1 Strength of insolvency framework index (0-16) 13.0
Registering Property (rank) 133 Score of registering property (0-100) 54.1 Procedures (number) 14 Time (days) 31 Cost (% of property value) 3.6 Quality of the land administration index (0-30) 16.3		

Starting a Business

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

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

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Procedures to legally start and formally operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration in the economy's largest business city
- Postregistration (for example, social security registration, company seal)
- Obtaining approval from spouse to start a business or to leave the home to register the company
- Obtaining any gender specific document for company registration and operation or national identification card

Time required to complete each procedure (calendar days)

- 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

Cost required to complete each procedure (% of income per capita)

- 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)

- Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

Case study assumptions

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.

The business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.
- Does not qualify for investment incentives or any special benefits.
- Is 100% domestically owned.
- Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.
- Is managed by one local director.
- Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.
- Has start-up capital of 10 times income per capita.
- Has an estimated turnover of at least 100 times income per capita.
- Leases the commercial plant or offices and is not a proprietor of real estate.
- Has an annual lease for the office space equivalent to one income per capita.
- Is in an office space of approximately 929 square meters (10,000 square feet).
- Has a company deed that is 10 pages long.

The owners:

- Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.
- Are in good health and have no criminal record.
- Are married, 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.

Starting a Business - São Paulo

Standardized Company

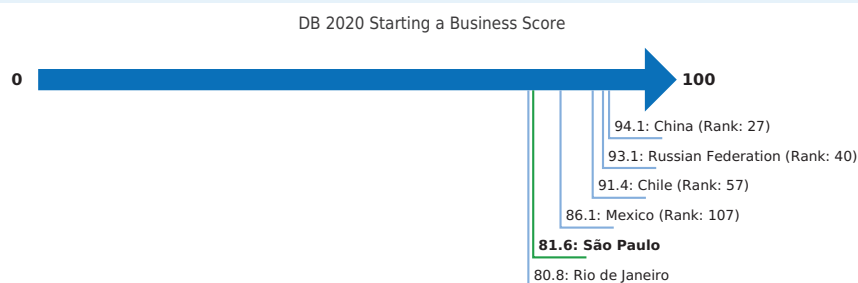
Legal form	Sociedade Limitada
Paid-in minimum capital requirement	No minimum
City Covered	São Paulo

Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedure - Men (number)	11	8.1	4.9	1 (2 Economies)
Time - Men (days)	13.5	28.8	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	3.6	31.4	3.0	0.0 (2 Economies)
Procedure - Women (number)	11	8.1	4.9	1 (2 Economies)
Time - Women (days)	13.5	28.8	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	3.6	31.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	0.4	7.6	0.0 (120 Economies)

Figure - Starting a Business in São Paulo - Score

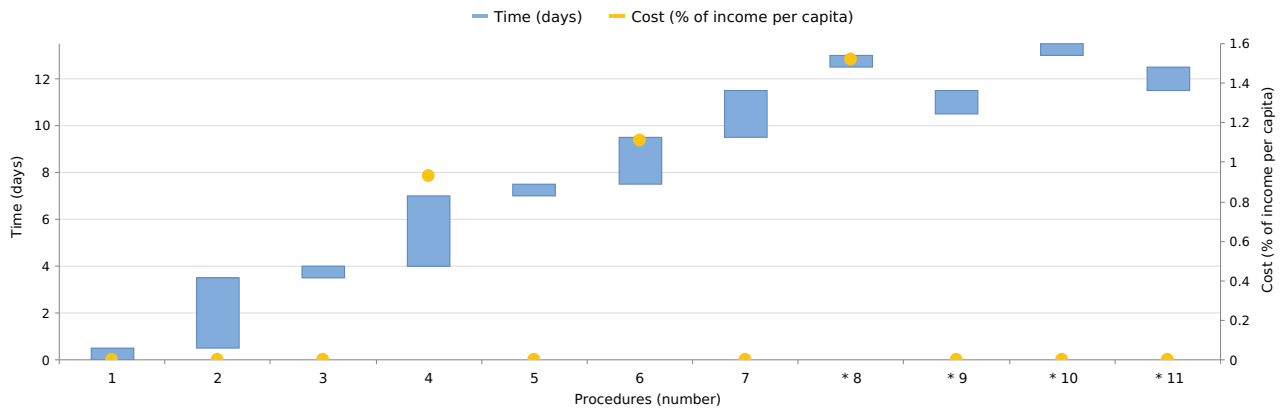


Figure - Starting a Business in São Paulo and comparator economies - Ranking and Score



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

Figure - Starting a Business in São Paulo - Procedure, Time and Cost



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

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

Details - Starting a Business in São Paulo - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Check the availability of the company name and the feasibility of the location <i>Agency</i> : Municipality (Prefeitura de São Paulo) Business founders can check the availability of the company name online at: www.jucesponline.sp.gov.br but no interaction or response if needed. An analysis of the feasibility of the proposed company address (Análise de Viabilidade) must then be requested to the Municipality. This can be done online through the nationally integrated system for company registration (Sistema de Registro e Licenciamento de Empresas, RLE). It can be accessed at https://rle.empresasimples.gov.br/rle/. The applicant must provide information on the company's activities and on the exact proposed location. If the location is approved, a document (Protocolo REDESIM) will be issued online after a few minutes.</p>	Less than one day (online procedure)	no charge
2	<p>Apply for registration with the Federal Tax Authority (Receita Federal) <i>Agency</i> : Federal Tax Authority (Receita Federal) After verifying the availability of the company's name and the feasibility of the proposed location, the entrepreneur must submit an online application to the Federal Tax Authority (Receita Federal). This must be done by filing the Company's Registration File (Ficha Cadastral da Pessoa Jurídica, FCPJ) and the Members and Managers File (Quadro de Sócios e Administradores, QSA) at the Tax Authority's online platform ("Coleta Online", at https://www38.receita.fazenda.gov.br/redesim/). A document will be generated by the system (DBE, "Documento Básico de Entrada" or "Protocolo de Transmissão", if a digital certificate is used). This document must be presented to the State Commercial Registry (JUCESP) for company registration.</p>	3 days	no charge
3	<p>Pay registration fees <i>Agency</i> : Commercial Bank Entrepreneurs choose whether to pay at any commercial bank or at the bank window/agency located inside the commercial registry. It is also possible to pay through a wire transfer, at a commercial bank's website in which the person making the payment holds an account. Examples are www.itau.com.br / banco.bradesco / santander.com.br / bb.com.br / caixa.gov.br.</p> <p>A receipt of payment must be obtained to register the company at JUCESP (Commercial Registry).</p>	Less than one day (online procedure)	fees included in procedure 4
4	<p>Register with the State Commercial Registry (JUCESP) to complete registration with the Federal and State Tax Authorities (CNPJ and ICMS), Social Security (INSS) and the Companies Registry (NIRE) <i>Agency</i> : Commercial Registry (Junta Comercial do Estado de São Paulo - JUCESP) Company registrations have been simplified with a system called Empreenda Fácil. The company must register with the Commercial Registry (Junta Comercial do Estado de São Paulo - JUCESP) to obtain an identification number from the Companies Registry (Número de Identificação do Registro de Empresas - NIRE). In addition, registrations are carried out with the National Corporate Taxpayer Registry from the Federal Tax Authority (Cadastro Nacional de Pessoas Jurídicas - CNPJ), with the Sales Tax from the State Tax Authority (Imposto sobre Circulação de Mercadorias e Serviços - ICMS) and with the National Institute of Social Security (Instituto Nacional do Seguro Social - INSS).</p> <p>The registration process is as follows: after the application with the Federal Tax Authority (Receita Federal) has been filed and a document called "Documento Básico de Entrada - DBE" has been generated, the applicant must submit an application for company incorporation at Via Rápida Empresa 2, an online platform offered by JUCESP (https://www.jucesp.sp.gov.br/VRE/). The business founders must then visit the Commercial Registry (JUCESP) to present the original documents. Upon the analysis and approval by JUCESP, an online version of the certificate of registration (Certidão de Inteiro Teor) will be made available for download.</p> <p>Once this step has been completed, the company can proceed to Municipal tax registration and obtaining a Municipal license.</p>	3 days	R\$145.91 + R\$21.00 for registration + R\$132.65 (service fee)
5	<p>Register with the Municipal Taxpayers' Registry (Secretaria Municipal da Fazenda de São Paulo) <i>Agency</i> : Municipal Taxpayers' Registry (Secretaria Municipal da Fazenda de São Paulo) Enrollment with the Municipal Taxpayers' Registry (Cadastro de Contribuintes Mobiliários - CCM) is made through an electronic form that is filled online on the website of the City Hall (https://ccm.prefeitura.sp.gov.br/). Since since Normative Instruction SF/SUREM No. 4 of April 9, 2019, a visit to the municipality is no longer required. After both the Federal Tax Authority and Commercial Registry approve the request, the CCM, when generated, is blocked and the entrepreneur shall unblock it online, through the City Hall website.</p>	Less than one day (online)	no charge
6	<p>Obtain a digital certification (token) for the use of e-invoices <i>Agency</i> : Serasa Experian The costs involved in the obtainment of the digital certification may vary according to the accredited certifying chosen by the applicant. The information on how to obtain a token is available at http://www.receita.fazenda.gov.br/dvssl/atbhe/falecon/comum/asp/formulario.asp?topico=172</p>	2 days	R\$ 355

7	<p>Obtain an operations license (Auto de Licença de Funcionamento) from the Municipality <i>Agency</i> : Municipality (Prefeitura de São Paulo) Business founders must obtain an operations license (Auto de Licença de Funcionamento) from the Municipality. This document authorizes the operation of commercial, industrial, institutional, service, and similar activities.</p> <p>For companies in some sectors of activity and under certain size and location restrictions, as determined by Decree No. 57,298 of 2016, a simplified operations license can be applied for and obtained online, through the integrated business registration system. In those cases, the license is applied for through RLE (Sistema de Registro e Licenciamento de Empresas, at https://rle.empresasimples.gov.br/rle/). For other cases, the license must be obtained from the District-level Municipality's office (Prefeitura Regional). In these cases, the process requires further analysis and it may take several months to be completed.</p>	2 days	no charge
→ 8	<p>Pay the Municipal Establishments Inspection Fee (Taxa de Fiscalização de Estabelecimentos - TFE) <i>Agency</i> : Municipal Taxpayers' Registry (Secretaria Municipal de Finanças) According to the Municipality of São Paulo's rules, the annual cost of the TFE fee is based both on the company's activities as well as on the company's number of employees (www.prefeitura.sp.gov.br). After the company is registered with the (Cadastro de Contribuintes Mobiliários - CCM), the TFE fee and can be paid online. The invoice is sent by post or obtained online.</p>	Less than one day (simultaneous with previous procedure)	R\$ 470.87 (for retailing business, may vary in accordance with the company's activities)
→ 9	<p>Register the employees in the social integration program (Programa de Integração Social - PIS) <i>Agency</i> : Federal Savings Bank (Caixa Econômica Federal) Employees must be registered at the company's employee registry book (livro de registro de empregados) and their information must be up to date with the Social Integration Program (Programa de Integração Social - PIS/PASEP). The PIS/PASEP program is intended to identify workers with the social security system, so that they may request unemployment insurance and, if needed, benefit from the unemployment guarantee fund (Fundo de Garantia do Tempo de Serviço - FGTS).</p> <p>If the employee already has a PIS/PASEP registration from previous employments, the employee must only inform the Federal Savings Bank of the new employment relationship, in order to update their information. Following the hiring, the employer must submit online the information on the company and its employees through a system called SEFIP (Sistema Empresa de Recolhimento do FGTS e informações à Previdência Social - available at http://conectividade.caixa.gov.br/). Once SEFIP has been submitted, the FGTS account, which is a special account at the Federal Savings Bank (Caixa Econômica), will be opened for payment of the benefits related to the unemployment insurance.</p>	1 day (simultaneous with previous procedure)	no charge
→ 10	<p>Notify the Ministry of Labor (Cadastro Geral de empregados e desempregados, CAGED) <i>Agency</i> : Ministry of Labor (Cadastro Geral de empregados e desempregados, CAGED) Pursuant to Law No. 4.923 of December 23, 1965, the employer must inform the Ministry of Labor's General Cadaster of Employed and Unemployed Workers (Cadastro Geral de Empregados e Desempregados - CAGED) of any new hires or employees dismissals. This must be done until the seventh day of the month after the hiring. A form shall be transmitted online to the Ministry of Labor, at https://caged.maisemprego.mte.gov.br/portalcaged/paginas/home/home.xhtml.</p>	Less than one day (simultaneous with previous procedure)	no charge
→ 11	<p>Registration with the Employers' Union and with the Employees' Union <i>Agency</i> : Employers' Union and with the Employees' Union The requirements for company registration with the Employers' Union and Employees' Union (Sindicato Patronal and Sindicato dos Empregados) vary according to the representative Unions. Generally, in order to be registered with the unions, the company must present the following documents: company registration form, Federal Registry of Corporate Taxpayers, articles of association, employee's list etc. These documents can generally be submitted to the unions through their websites.</p> <p>Since the Labor Law was amended in July 2017, the payment of the contributions to the Unions was made optional. Most entrepreneurs opt to register with the Unions after a new company has been incorporated.</p>	1 day (simultaneous with previous procedure)	no charge

→ Takes place simultaneously with previous procedure.

Starting a Business - Rio de Janeiro

Standardized Company

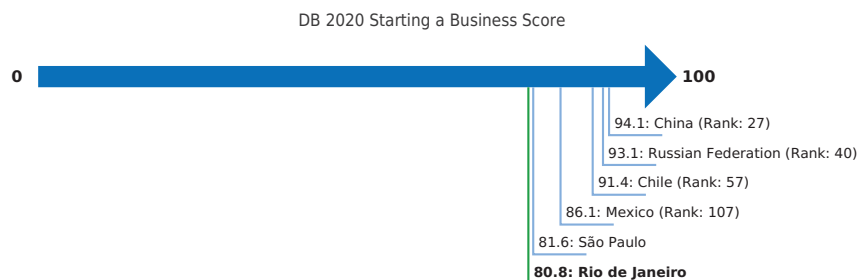
Legal form	Sociedade Limitada
Paid-in minimum capital requirement	No minimum
City Covered	Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedure - Men (number)	10	8.1	4.9	1 (2 Economies)
Time - Men (days)	21.5	28.8	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	5.1	31.4	3.0	0.0 (2 Economies)
Procedure - Women (number)	10	8.1	4.9	1 (2 Economies)
Time - Women (days)	21.5	28.8	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	5.1	31.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	0.4	7.6	0.0 (120 Economies)

Figure - Starting a Business in Rio de Janeiro - Score

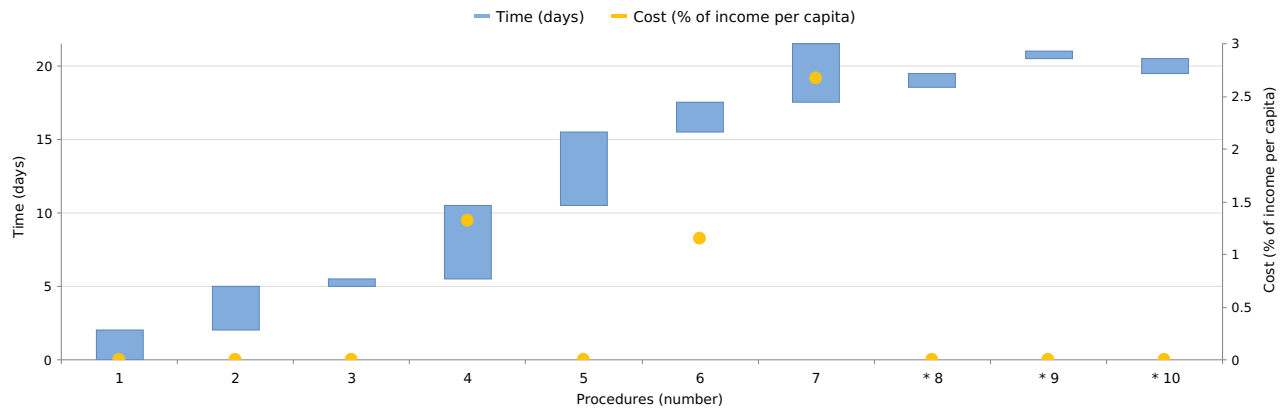


Figure - Starting a Business in Rio de Janeiro and comparator economies - Ranking and Score



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

Figure - Starting a Business in Rio de Janeiro - Procedure, Time and Cost



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

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

Details - Starting a Business in Rio de Janeiro - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Check the availability of the company name and the feasibility of the location <i>Agency</i> : Municipality of Rio de Janeiro Business founders can check the availability of the company name online through the REGIN system at https://www.jucerja.rj.gov.br/Servicos/regin/ReginServicos#. An analysis of the feasibility of the proposed company address (Pedido de Viabilidade) must then be requested online at the Municipality's website (https://carioca.rio/). An answer is provided in 2 days.</p>	2 days	no charge
2	<p>Apply for registration with the Federal Tax Authority (Receita Federal) <i>Agency</i> : Federal Tax Authority (Receita Federal) After verifying the availability of the company's name and the feasibility of the proposed location, the entrepreneur must submit an online application to the Federal Tax Authority (Receita Federal). This must be done by filing the Company's Registration File (Ficha Cadastral da Pessoa Jurídica, FCPJ) and the Members and Managers File (Quadro de Sócios e Administradores, QSA) at the Tax Authority's online platform ("Coleta Online", at https://www38.receita.fazenda.gov.br/redesim/). A document will be generated by the system (DBE, "Documento Básico de Entrada" or "Protocolo de Transmissão", if a digital certificate is used). This document must be presented to the State Commercial Registry (JUCERJA) for company registration.</p>	3 days	no charge
3	<p>Pay registration fees <i>Agency</i> : Bank (Banco Bradesco) The payment must be made at a bank (Banco Bradesco). The fees can be paid online at https://banco.bradesco/html/classic/produtos-servicos/mais-produtos-servicos/pagamentos.shtm. A receipt of payment must be obtained to register the company at the Commercial Registry (JUCERJA).</p>	Less than one day (online procedure)	fees included in procedure 4
4	<p>Register with the State Commercial Registry (JUCERJA) to complete registration with the Federal and State Tax Authorities (CNPJ), Social Security (INSS) and the Companies Registry (NIRE) <i>Agency</i> : Commercial Registry of Rio de Janeiro (Junta Comercial do Estado do Rio de Janeiro - JUCERJA) Company registrations have been simplified with a system called REDESIM (http://www.redesimples.gov.br/). The company must register with the Commercial Registry (Junta Comercial do Estado do Rio de Janeiro - JUCERJA) to obtain an identification number from the Companies Registry (Número de Identificação do Registro de Empresas - NIRE). In addition, registrations are carried out with the National Corporate Taxpayer Registry with the Federal Tax Authorities (Cadastro Nacional de Pessoas Jurídicas - CNPJ), and with the National Institute of Social Security (Instituto Nacional do Seguro Social - INSS). The registration process is as follows: after the application with the Federal Tax Authority (Receita Federal) has been filed and a document called "Documento Básico de Entrada - DBE" has been generated, the applicant must submit an online application for company incorporation (Protocolo Web, at JUCERJA's website - www.jucerja.rj.gov.br). The business founders must then visit the Commercial Registry (JUCERJA) to present the original documents. Upon the analysis and approval by JUCERJA, an online version of the certificate of registration will be made available for download. Once this step has been completed, the company can proceed to Municipal tax registration and obtaining a Municipal license.</p>	5 days	R\$404 (company registration) + R\$21 (DREI fee)
5	<p>Register with the Rio de Janeiro Taxpayers' Registry (Secretaria Municipal de Fazenda) <i>Agency</i> : Municipal Taxpayers' Registry (Secretaria Municipal de Fazenda) Two days after the payment of the Taxpayers' Registry tax, the company must register with the Municipal Taxpayers' Registry (Cadastro Tributário Municipal) from Rio de Janeiro's Municipal Tax Authorities (Secretaria Municipal de Fazenda), to obtain a company identification number for tax purposes (inscrição municipal).</p>	5 days	no charge
6	<p>Apply and obtain digital a certification (token) for the use of e-invoices <i>Agency</i> : Serasa Experian A token must be obtained for the use of e-invoices. The company has a period of 2 days to schedule the withdrawal of the token, which will be activated within 24 hours.</p>	2 days	R\$ 369
7	<p>Obtain an operations license (Alvará de Licença para Estabelecimento) from the Municipality <i>Agency</i> : Municipality of Rio de Janeiro The company must obtain an operations license (Alvará de Licença para Estabelecimento) from the Municipality. After registration with the Municipal Tax Authorities (Secretaria Municipal de Fazenda - SMF), the company has 30 days to apply for the license by filling out the proper forms and submitting the required documents. The operations license is a prerequisite for the company to begin operations. The Municipality may conduct ex-post inspections to certain companies, based on a risk based assessment. Since December 2015, companies can request and obtain the business license online via the Municipality's website, which is called Carioca Digital (https://carioca.rio/).</p>	4 days	R\$858.12

⇒ 8	<p>Update employees' information with Social Security (Programa de Integração Social - PIS) <i>Agency</i> : Federal Savings Bank (Caixa Econômica Federal) Employees must be registered at the company's employee registry book (livro de registro de empregados) and their information must be up to date with the Social Integration Program (Programa de Integração Social - PIS/PASEP). The PIS/PASEP program is intended to identify workers with the social security system, so that they may request unemployment insurance and, if needed, benefit from the unemployment guarantee fund (Fundo de Garantia do Tempo de Serviço - FGTS).</p> <p>If the employee already has a PIS/PASEP registration from previous employments, the employee must only inform the Federal Savings Bank of the new employment relationship, in order to update their information. Following the hiring, the employer must submit online the information on the company and its employees through a system called SEFIP (Sistema Empresa de Recolhimento do FGTS e informações à Previdência Social - available at http://conectividade.caixa.gov.br/). Once SEFIP has been submitted, the FGTS account, which is a special account at the Federal Savings Bank (Caixa Econômica), will be opened for payment of the benefits related to the unemployment insurance.</p>	1 day (simultaneous with previous procedure)	no charge
⇒ 9	<p>Notify the Ministry of Labor (Cadastro Geral de empregados e desempregados, CAGED) <i>Agency</i> : Ministry of Labor (Cadastro Geral de empregados e desempregados - CAGED) Pursuant to Law No. 4.923 of December 23, 1965, the employer must inform the Ministry of Labor's General Cadaster of Employed and Unemployed Workers (Cadastro Geral de Empregados e Desempregados - CAGED) of any new hires or employees dismissals. This must be done until the seventh day of the month after the hiring. A form shall be transmitted online to the Ministry of Labor, at https://caged.maisemprego.mte.gov.br/portalcaged/paginas/home/home.xhtml.</p>	Less than one day (online, simultaneous with previous procedure)	no charge
⇒ 10	<p>Register with the Employers' Union and with the Employees' Union <i>Agency</i> : Employers' Union and Employees' Union The requirements for company registration with the Employers' Union and Employees' Union (Sindicato Patronal and Sindicato dos Empregados) vary according to the representative Unions. Generally, in order to be registered with the unions, the company must present the following documents: company registration form, Federal Registry of Corporate Taxpayers, articles of association, employee's list etc. These documents can generally be submitted to the unions through their websites.</p> <p>Since the Labor Law was amended in July 2017, the payment of the contributions to the Unions was made optional. Most entrepreneurs opt to register with the Unions after a new company has been incorporated.</p>	1 day (simultaneous with previous procedure)	no charge

⇒ Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

What the indicators measure

Case study assumptions

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—through 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 income per capita)

- Official costs only, no bribes

Building quality control index (0-15)

- 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)

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.

Dealing with Construction Permits - São Paulo

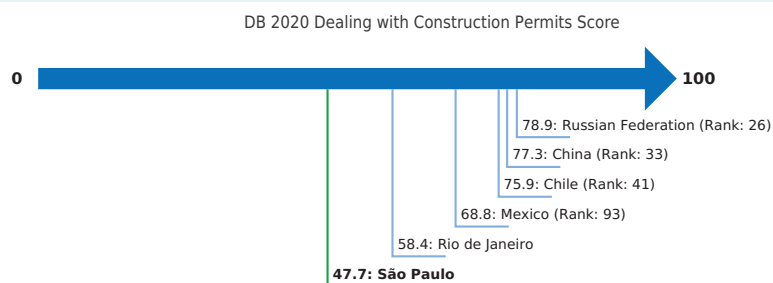
Standardized Warehouse

Estimated value of warehouse	BRL 1,604,333.20			
City Covered	São Paulo			
Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	19	15.5	12.7	None in 2018/19
Time (days)	384	191.2	152.3	None in 2018/19
Cost (% of warehouse value)	1.3	3.6	1.5	None in 2018/19
Building quality control index (0-15)	8.0	9.0	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in São Paulo - Score

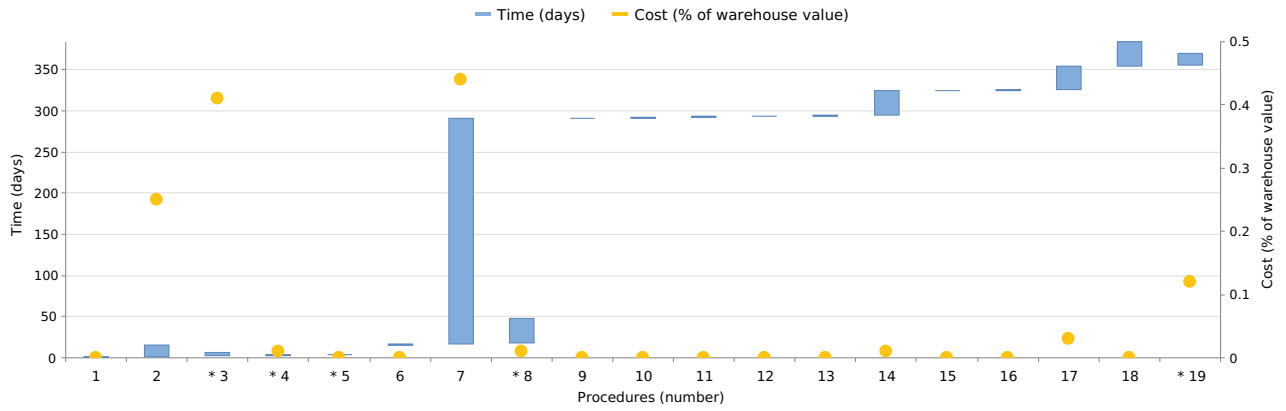


Figure - Dealing with Construction Permits in São Paulo and comparator economies - Ranking and Score



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

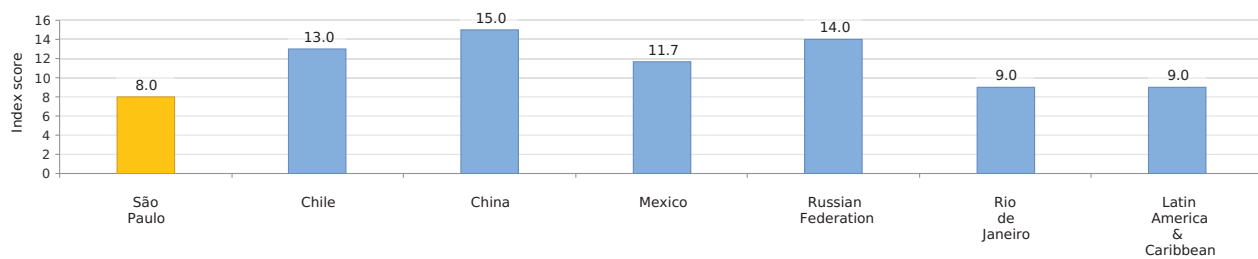
Figure - Dealing with Construction Permits in São Paulo - Procedure, Time and Cost



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

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

Figure - Dealing with Construction Permits in São Paulo and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in São Paulo - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Request and obtain proof of land ownership from the Real Estate Registry <i>Agency</i> : Real Estate Registry According to Art.1-Item IV of Federal Decree No. 93,240/86, Article 1, this certificate is valid for 30 days.</p> <p>According to the official fee schedule of the Property Registrars Agency, the fee is BRL 60.8</p>	1 day	BRL 61
2	<p>Obtain results of Soil study <i>Agency</i> : Private licensed company</p>	15 days	BRL 4,000
⇒ 3	<p>Obtain results of topographical study <i>Agency</i> : Private licensed company A topographical study is conducted prior to construction to measure the levels on the specific terrain. It is a general technical requirement when building a structure of this class. Cannot be simultaneous with the previous procedure, as a proof of land ownership is required before any field work can be conducted on the plot.</p>	5 days	BRL 6,500
⇒ 4	<p>Obtain Technical Term of Responsibility -ART <i>Agency</i> : Engineers Syndicate (Crea) Before the application process, the engineer and architect responsible for the project need to obtain an ART. An ART is a document required by the Engineers Syndicate (Crea) that defines, for legal purposes, who is responsible for the execution of works or services and provides an opportunity for professionals to register their works or services with Crea. The ART is required for each project according to Art. 1 of Federal Law N° 6.496 (December 1977)</p> <p>For contracts or works of more than BRL 15,000.00, the fee is BRL 226.5</p>	0.5 days	BRL 227
⇒ 5	<p>Request and obtain proof of land tax payment from the Treasury Department of the Municipality <i>Agency</i> : Treasury (Municipality) Attesting to payment of land taxes, this certificate may be issued online and is valid for only 30 days. This request can be done in parallel with procedure 2.</p>	0.5 days	no charge
6	<p>Register employees with the Social Security Office <i>Agency</i> : Social Security Office For each construction site, BuildCo must register employees separately with the Social Security Office (Instituto Nacional do Seguro Social, INSS). This procedure can only be done whenever there is a proof of land tax payment, so it cannot be simultaneous with the previous one</p>	0.5 days	no charge
7	<p>Request and obtain construction approval permit and construction execution permit <i>Agency</i> : Municipality BuildCo must apply for construction approval permit and the construction execution permit with the Municipality. If the project conforms to municipal legislation, zoning laws, and the municipal building code, the Municipality will issue a document approving construction. To apply for these permits, BuildCo must submit the architectural drawings and real estate documentation (real estate title or real estate tax). The documentation for construction execution permit is set out in Article 24 of São Paulo's Municipality Building Code, Article 12 of São Paulo's Municipality Decree 57,776/17, and in Section 3.B of São Paulo's Municipality Ordinance No. 221/SMUL-G/2017.</p> <p>After examining the project's architecture and engineering and issuing the construction approval permit, the Municipality examines the practical and installation aspects and begins the process of issuing a construction execution permit.</p> <p>According to Article 29 of São Paulo's Municipality Building Code, and Article 22 of São Paulo's Municipality Decree No. 57,776/17, the construction execution permit is valid for: (i) 2 years from the date of publication of the order granting the application, if the work has not been started, or (ii) 1 year from stoppage in work, if the work has been started.</p>	274 days	BRL 7,009
⇒ 8	<p>Submit project for analysis by Fire Department and obtain report <i>Agency</i> : Fire Department Build Co must present the building project to the Fire department for approval and obtain a report which includes all the fire security measures that need to be implemented.</p>	30 days	BRL 98

9	Receive random inspection from Municipality <i>Agency : Municipality</i> According to Law No. 11.228, annex 1, No. 6, Municipality is legally entitled to perform inspection required during the construction. The inspections can be carried out anytime, or upon complaint of a citizen. This can only happen once the construction has started.	1 day	no charge
10	Receive labor inspection from Labor Public Attorneys' Office <i>Agency : Labor Public Attorneys' Office</i> This submission happens whenever BuildCo. was granted authorization to start construction.	1 day	no charge
11	Submit proof of payment to the Social Security Office <i>Agency : Social Security Office</i> At the end of construction, BuildCo must submit proof of payment to its construction workers.	0.5 days	no charge
12	Request inspection from Fire Department <i>Agency : Fire Department</i> The fire department can receive a request from BuildCo whenever the construction of the warehouse has been finalized.	1 day	no charge
13	Receive inspection from the Fire Department <i>Agency : Fire Department</i> The Fire Department must approve the warehouse safety equipment. This inspection is valid for 3 years. This request is made by BuildCo. upon finalizing the construction.	1 day	no charge
14	Obtain Fire Department Certificate (Certificado de Aprovação - AVCB) <i>Agency : Fire Department</i> This certificate is only given when the Fire Department has already conducted its inspection.	29 days	BRL 207
15	Request final inspection from Municipality <i>Agency : Municipality</i> After construction is completed, BuildCo must request the certificate of occupancy ("Habite-se") from the Municipality to attest that the construction is finished and that the work was performed according to the construction approval permit and the construction execution permit. The approval is valid until the first amendment of the construction project. To request and obtain the conclusion approval, BuildCo must submit the following documents: <ul style="list-style-type: none"> • Application form, addressed to the São Paulo Municipal Secretariat of Housing and Urban Development (SEHAB) • First page of construction and territorial booklet • Construction permit • Engineering and CREA card • Receipt evidencing payment of construction work tax • Sets of approved plans (two) • Administrative tax • ART of chief engineer 	1 day	no charge
16	Receive final inspection from Municipality <i>Agency : Municipality</i> The inspection is conducted once it has been requested by BuildCo.	1 day	no charge
17	Obtain certificate of occupancy ("Habite-se") <i>Agency : Municipality</i> According to Article 35 of São Paulo's Municipality Building Code, the request for the certificate of occupancy must be accompanied by (i) a statement of the professional responsible for the work, certifying its completion and execution in accordance with the applicable technical standards and provisions of municipal legislation, and (ii) documents and licenses related to the construction execution permit. In order to obtain the certificate of occupancy, the Municipality should have conducted its final inspection.	28 days	BRL 460
18	Request and connect to water and sewage <i>Agency : Water and Sewerage Agencies (SABESP)</i> The connection request is filed with the Waste Management Company (SABESP), a different organization regarding the operation license.	30 days	no charge
⇒	Register building with the Real Estate Registry	15 days	BRL 1,872
19	<i>Agency : Real Estate Registry</i> At the end of construction, BuildCo must register the warehouse at the Real Estate Registry. BuildCo must present the title of the land and the certificate from the Social Security Office.		

⇒ Takes place simultaneously with previous procedure.

Details - Dealing with Construction Permits in São Paulo - Measure of Quality

	Answer	Score
Building quality control index (0-15)		8.0
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)		0.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Unscheduled inspections.	0.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are not always done in practice during construction; Mandatory inspections are done most of the time during construction.	0.0
Quality control after construction index (0-3)		2.0
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 does not always occur in practice.	0.0
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.	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; Passing a certification exam.	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

Dealing with Construction Permits - Rio de Janeiro

Standardized Warehouse

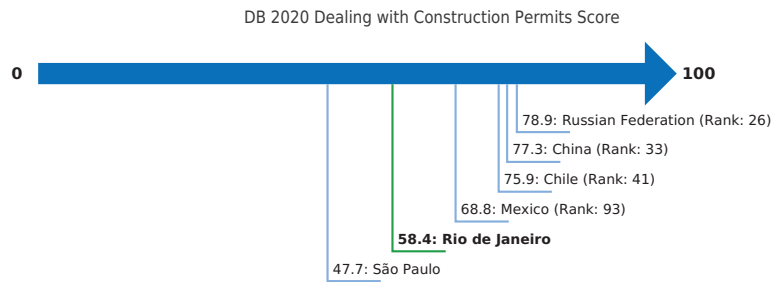
Estimated value of warehouse	BRL 1,604,333.20
City Covered	Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	18	15.5	12.7	None in 2018/19
Time (days)	267	191.2	152.3	None in 2018/19
Cost (% of warehouse value)	1.0	3.6	1.5	None in 2018/19
Building quality control index (0-15)	9.0	9.0	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Rio de Janeiro - Score

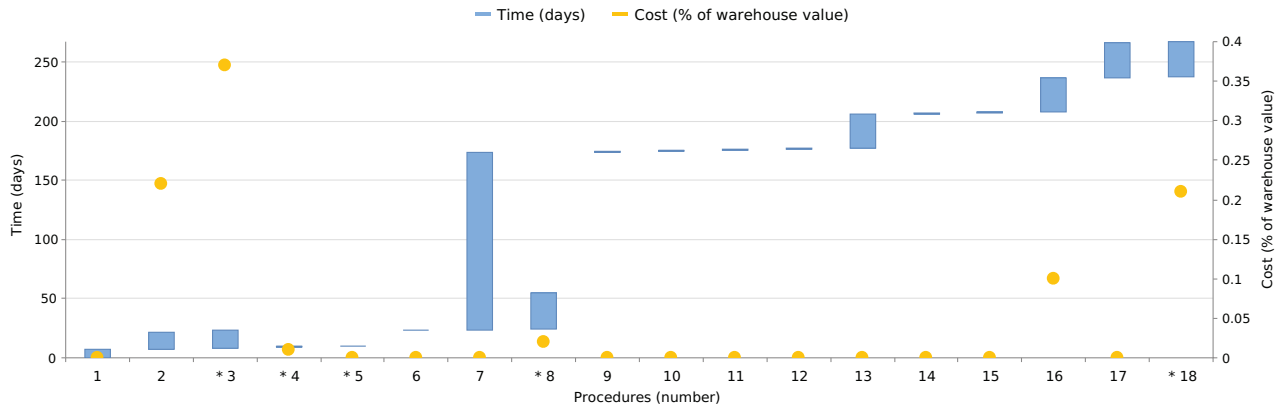


Figure - Dealing with Construction Permits in Rio de Janeiro and comparator economies - Ranking and Score



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

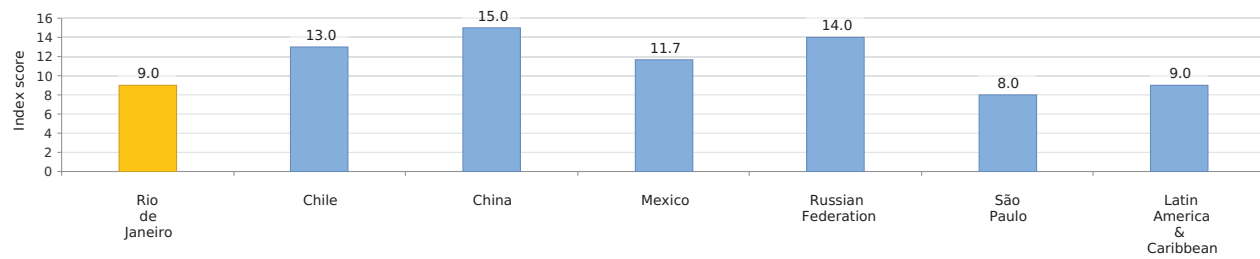
Figure - Dealing with Construction Permits in Rio de Janeiro - Procedure, Time and Cost



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

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

Figure - Dealing with Construction Permits in Rio de Janeiro and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Rio de Janeiro - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Request and obtain proof of land ownership from the Real Estate Registry <i>Agency : Real Estate Registry</i> Attesting to proof of land ownership, this certificate is valid for only 30 days. This is one of the documents to be included in the application for the construction permit.</p>	7 days	BRL 78
2	<p>Obtain a topographic map <i>Agency : Private licensed company</i> A topographic map is obtained prior to development of the building plans to assess the levels on the specific terrain. It is a general technical requirement when building a structure of this class. Although the law does not specifically ask for a topographic map to be submitted to obtain a building permit, it is consistently conducted in practice by professionals.</p>	15 days	BRL 3,500
⇒ 3	<p>Obtain soil test <i>Agency : Private agency</i></p>	15 days	BRL 6,000
⇒ 4	<p>Obtain Technical Term of Responsibility -ART <i>Agency : Engineers Syndicate (Crea)</i> Before the application process, the engineer and architect responsible for the project need to obtain an ART. An ART is a document required by the Engineers Syndicate (Crea) that defines, for legal purposes, who is responsible for the execution of works or services and provides an opportunity for professionals to register their works or services with Crea. The ART is required for each project according to the Federal Law N° 6.496 of 7 December 1977. It is possible to obtain it online within a couple of hours. The value of the fee varies according to the value of the contract or the cost of the work.</p>	0.5 days	BRL 227
⇒ 5	<p>Request and obtain proof of land tax payment from the Treasury Department of the Municipality <i>Agency : Treasury (Municipality)</i> Attesting to payment of land taxes, this certificate may be issued online and is valid for only 30 days. This document needs to be included in the application sent to the municipality.</p>	0.5 days	no charge
6	<p>Register employees with the Social Security Office <i>Agency : Social Security Office</i> For each construction site, BuildCo must register employees separately with the Social Security Office (Instituto Nacional do Seguro Social, INSS). If the employer does not register all workers, it can get fined during the inspection. This can only be done once the previous documents have been issued.</p>	0.5 days	no charge
7	<p>Request and obtain construction approval permit and construction execution permit <i>Agency : Municipality</i> BuildCo must apply for construction approval permit and the construction execution permit with the Municipality. If the project conforms to municipal legislation, zoning laws, and the municipal building code, the Municipality will issue a document approving construction. To apply for these permits, BuildCo must submit the In order to apply for a construction approval permit, BuildCo must submit to the Municipality the following documents: (i) architectural drawings, (ii) real estate ownership certificate, (iii) debt clearance certificate (CND/IPTU), (iv) copy of location plan of the property, (v) an statement issued by the professional responsible for the works or for the project that the property is not located less than 50 meters from water courses or near slopes (Declaration of rivers and canals), (vi) copy of registry of the responsible professionals before Crea-RJ and CAU, (vii) statement of the author of the project in accordance with Annex I of the Decree 10,426/91; (viii) proof of payment of 50% of the license fee and (ix) declaration of vegetation suppression. Valid for a year, the construction approval permit is a prerequisite for subsequent procedures. The construction execution permit is valid for 3 years.</p>	150 days	no charge

⇒ 8	<p>Submit project for analysis by Fire Department and obtain report <i>Agency : Fire Department</i> Build Co must present the building project to the fire department for approval and obtain a report which includes all the fire security measures that need to be implemented. The applicant needs to send the design, the ART of the engineer, ownership ownership certificate and copy of ID to the fire department. The cost of this procedure is determined by a fee set by SEDEC, the annual fiscal unit of reference (UFIR) and the number of sq. m of the building.</p>	30 days	BRL 386
9	<p>Receive labor inspection from Labor Public Attorneys' Office <i>Agency : Labor Public Attorneys' Office</i> The Labor Public Attorneys' Office does random inspections in order to check whether all employees were registered and if the security measures are being undertaken. It will happen once, but may happen more than once in case the Labor Secretary receives any complaints. This can only happen once the construction is ongoing.</p>	1 day	no charge
10	<p>Submit proof of payment to the Social Security Office <i>Agency : Social Security Office</i> At the end of construction, BuildCo must submit proof of payment to its construction workers. The company should have passed the inspections conducted by the Labor Agency.</p>	0.5 days	no charge
11	<p>Request inspection from Fire Department <i>Agency : Fire Department</i> Once the works have been implemented according to the report, BuildCo must request an inspection so that the fire department verifies that the works were done according to their report. The inspection usually happens after 1 month of being requested. The fire department will then issue a certificate that approves the construction called " Certificado de Aprovação". This procedure happens once the proof of payment to the builders has been handed. Legal basis: Decree 897 of 21 of September,1976.</p>	1 day	no charge
12	<p>Receive inspection from Fire Department <i>Agency : Fire Department</i> The Fire Department must approve the warehouse safety equipment. This inspection is valid for 3 years. It can only be conducted upon request.</p>	1 day	no charge
13	<p>Obtain Fire Department Certificate (Certificado de Aprovação - AVCB) <i>Agency : Fire Department</i> The "Certificado de Aprovação" needs to be included in the application to obtain the operation License. This is issued after BuildCo. passes the inspection, so it cannot be simultaneous. The cost is determined by a fee set by SEDEC and the annual fiscal unit of reference (UFIR)</p>	29 days	BRL 73
14	<p>Request final inspection from Municipality <i>Agency : Municipality</i> After construction is completed, BuildCo must request the certificate of occupancy ("Habite-se") from the Municipality to attest that the construction is finished and that the work was performed according to the construction approval permit and the construction execution permit. The approval is valid until the first amendment of the construction project. In order to receive the certificate of occupancy, BuildCo. must request final inspection and submit the following additional documents: (i) declaration of completion of the facilities to be inhabited (attesting to the existence of sewage, water, gas and power connections); (ii) "Certificado de Aprovação" issued by the fire department; (iii) declaration of compliance with the approved project; and (iv) other documents indicated in the construction permit.</p>	1 day	no charge
15	<p>Receive final inspection from Municipality <i>Agency : Municipality</i> This inspection is conducted upon BuildCo.'s request.</p>	1 day	no charge
16	<p>Obtain certificate of occupancy ("Habite-se") <i>Agency : Municipality</i> This certificate can only be obtained once the final inspection has been successfully conducted.</p>	28 days	BRL 1,610
17	<p>Request and connect to water and sewage <i>Agency : Water and Sewerage Agencies (CEDAE)</i> The connection request is filed with the Waste Management Company (CEDAE). This line can be requested once the certificate of occupancy has been issued.</p>	30 days	no charge
⇒ 18	<p>Register building with the Real Estate Registry <i>Agency : Real Estate Registry</i> At the end of construction, BuildCo must register the warehouse at the Real Estate Registry. BuildCo must present the habite-se (occupation permit), the ownership certificate, and the ID of the parties in order to update the title. This procedure can be done ins simultaneity with the previous one, as they respond to different institutions.</p>	30 days	BRL 3,398

⇒ Takes place simultaneously with previous procedure.

Details - Dealing with Construction Permits in Rio de Janeiro - Measure of Quality

	Answer	Score
Building quality control index (0-15)		9.0
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)		0.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	No inspections are legally required during construction..	0.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are not always done in practice during construction.	0.0
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; Passing a certification exam.	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; Passing a certification exam.	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 May 2019. [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>To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption 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 January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.
<p>*Note: <i>Doing Business</i> measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.</p>	

Getting Electricity - São Paulo

Standardized Connection

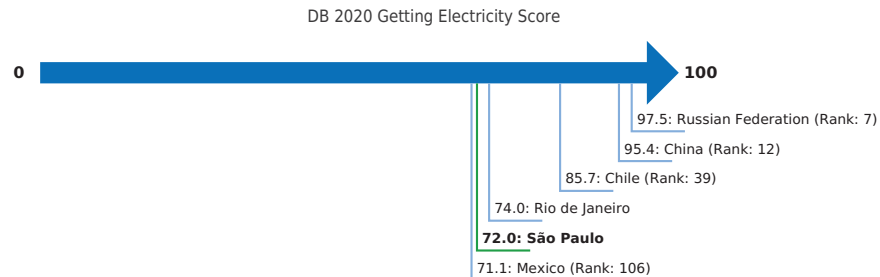
Name of utility	Enel Distribuição São Paulo
Price of electricity (US cents per kWh)	16.8
City Covered	São Paulo

Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	5	5.5	4.4	3 (28 Economies)
Time (days)	132	66.8	74.8	18 (3 Economies)
Cost (% of income per capita)	333.1	407.2	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	6	4.4	7.4	8 (26 Economies)

Figure - Getting Electricity in São Paulo - Score

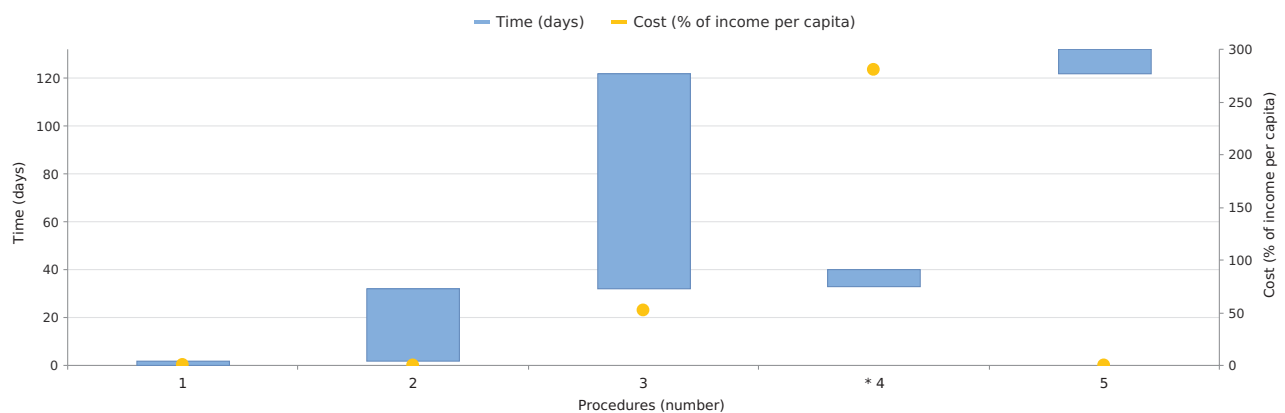


Figure - Getting Electricity in São Paulo and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in São Paulo - Procedure, Time and Cost

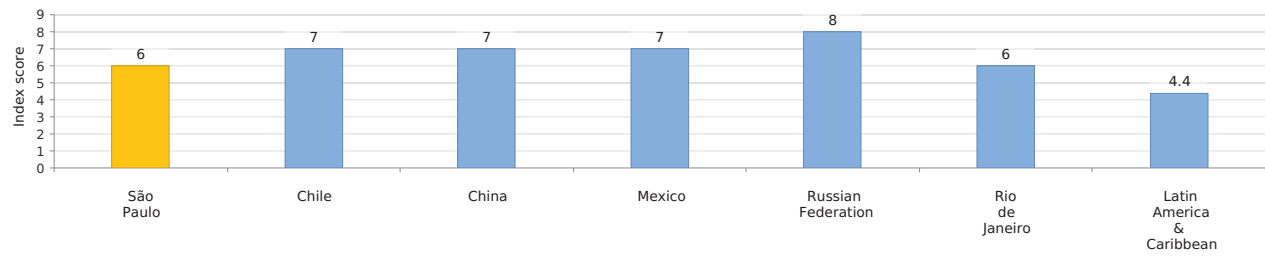


*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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

reflected here, see the summary below.

Figure - Getting Electricity in São Paulo and comparator economies - Measure of Quality



Details - Getting Electricity in São Paulo - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain a project approval (Anotação de Responsabilidade Técnica, ART) from the Regional Council of Engineering (CREA-SP)</p> <p><i>Agency</i> : Regional Council of Engineering (Conselho Regional de Engenharia e Agronomia, CREA-SP)</p> <p>In order to apply for a new connection, the client's electrician must obtain a project approval from the Regional Council of Engineering (Conselho Regional de Engenharia e Agronomia, CREA-SP). This document can be obtained online at https://creanet1.creasp.org.br/Seguranca/Login.aspx?Acesso=UHjvZmlzc2lvbmFs&solicitacao=preencherArt</p> <p>This document is obtained online in 2 days upon payment of the fee, which is charged based on the cost of works.</p>	2 calendar days	BRL 150.44
2	<p>Submit application to Enel Distribuição São Paulo and receive service layout</p> <p><i>Agency</i> : Enel Distribuição São Paulo</p> <p>The customer needs to submit, online or in person, a set of documents, including the electrical project and the ART (obtained from CREA-SP, the Engineers' Association), to Enel Distribuição São Paulo. After receiving the documents, the technicians may conduct an external site inspection and develop a work project to make the necessary adjustments in the network with estimated costs and time and send it back to the client. The site visit is done outside of the property and the customer need not be present.</p> <p>After approval, the utility will issue a technical opinion ('parecer técnico'), to be accepted by the client along with the cost estimate.</p>	30 calendar days	BRL 0
3	<p>Sign energy supply agreement and receive external connection works</p> <p><i>Agency</i> : Enel Distribuição São Paulo</p> <p>The customer receives an invoice with the estimated value of the works, a contract and a service order ('ordem de serviço'). Once the contract and the service order are signed and the invoice is paid, Enel Distribuição São Paulo will proceed to scheduling the necessary adjustments in its network.</p> <p>Enel will obtain the necessary permits for works on a public road from the Municipality and any other relevant authorities. After that, they will schedule the works. Once the works have been completed, the utility informs the customer and a request for the external connection must be made.</p>	90 calendar days	BRL 16,736.54
→ 4	<p>Hire a private company to purchase and install a transformer</p> <p><i>Agency</i> : Electrical contractor</p> <p>In parallel with the connection works, the customer must hire an electrical contractor to purchase and install a transformer with a shed (cabine primária). These costs must be paid by the client.</p>	7 calendar days	BRL 90,000
5	<p>Receive an inspection, meter installation and electricity flow from utility</p> <p><i>Agency</i> : Enel Distribuição São Paulo</p> <p>The customer must request an inspection and meter installation to Enel. The utility will schedule a visit to inspect the wiring and the transformer's shed and install the meter. After the visit, in 2 days the electricity is available at the switchboard/meter.</p>	10 calendar days	BRL 0

→ Takes place simultaneously with previous procedure.

Details - Getting Electricity in São Paulo - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	6
Total duration and frequency of outages per customer a year (0-3)	1
System average interruption duration index (SAIDI)	6.3
System average interruption frequency index (SAIFI)	3.5
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	https://www.eneldistribuicaoasp.com.br/para-seu-negocio/tarifa-de-energia-eletrica and https://www.eneldistribuicaoasp.com.br/para-seu-negocio/impostos-e-outros-encargos
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.

Getting Electricity - Rio de Janeiro

Standardized Connection

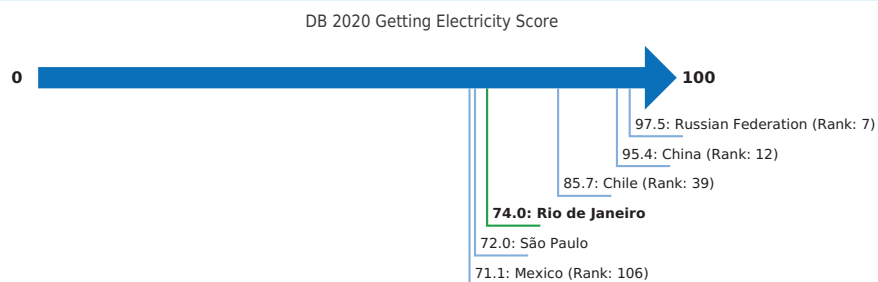
Name of utility	Light
Price of electricity (US cents per kWh)	18.8
City Covered	Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	5	5.5	4.4	3 (28 Economies)
Time (days)	123	66.8	74.8	18 (3 Economies)
Cost (% of income per capita)	0.5	407.2	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	6	4.4	7.4	8 (26 Economies)

Figure - Getting Electricity in Rio de Janeiro - Score

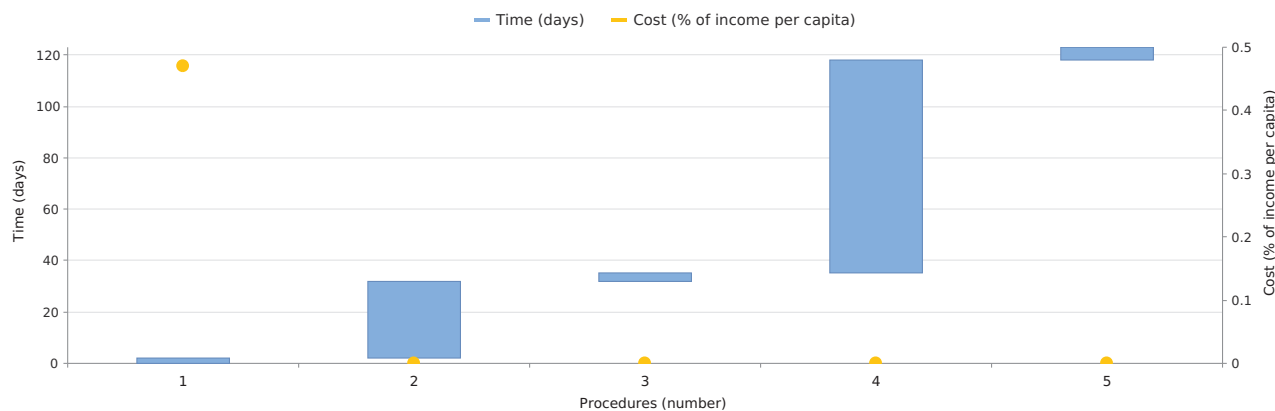


Figure - Getting Electricity in Rio de Janeiro and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Rio de Janeiro - Procedure, Time and Cost

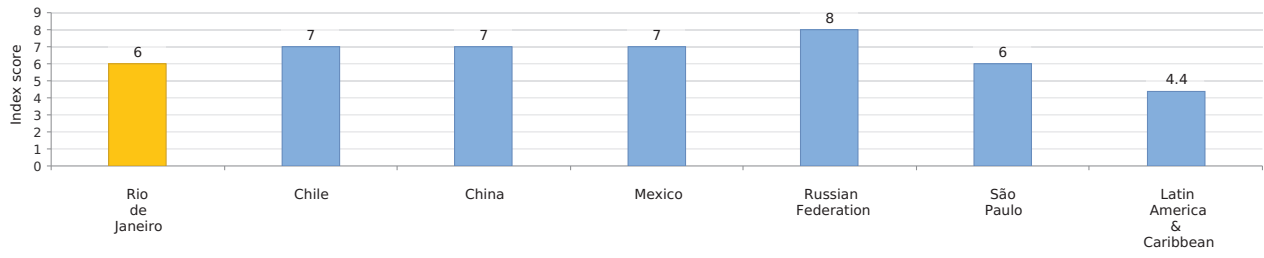


*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

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

reflected here, see the summary below.

Figure - Getting Electricity in Rio de Janeiro and comparator economies - Measure of Quality



Details - Getting Electricity in Rio de Janeiro - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain a project approval (Anotação de Responsabilidade Técnica, ART) from the Regional Council of Engineering (CREA-RJ)</p> <p><i>Agency</i> : Regional Council of Engineering (Conselho Regional de Engenharia e Agronomia, CREA-RJ)</p> <p>In order to apply for a new connection, the client's electrician must obtain a project approval from the Regional Council of Engineering (Conselho Regional de Engenharia e Agronomia, CREA-RJ). This document can be obtained online at https://creaonline.crea-rj.org.br/creaOnline/home/efetuarloginAction.do?action=inicioProfissional</p> <p>This document is obtained online in 2 days upon payment of the fee, which is charged based on the cost of works.</p>	2 calendar days	BRL 150.44
2	<p>Submit application to Light and await estimate</p> <p><i>Agency</i> : Light</p> <p>The customer must submit an application for a new connection along with the following documents:</p> <p>Sign Up Form Technical Information - Substations Simplified - duly completed and with all data and assessed the installed load demand;</p> <p>Descriptive loads (2 copies);</p> <p>Plant Situation / Location (4 copies) listed;</p> <p>Project approval (ART) duly repaid (1 copy);</p> <p>Power of Attorney, on letterhead and notarization as attached model (1 copy);</p> <p>Charter Service Request (2 copies);</p> <p>Letter of no parallelism with Light's network (2 copies);</p> <p>Copy of the contract or bylaws in force, or the like, according to the type of legal entity, and subsequent changes, together with the election of its current directors, duly registered with the competent agency documents;</p> <p>Copy of card from the National Register of Legal Entities (CNPJ);</p> <p>Copies of Identity and Registration of Individuals (CPF) of the Legal Representatives;</p> <p>Copy of Lease Agreement or similar, if the customer is not the owner of the property;</p> <p>Copy of proof of ownership of the property (certificate of encumbrances);</p> <p>All documents have to be notarized. Each notarization costs BRL 10. All documents should be already in possession of the applicant except for the ART and the proof of ownership. The utility has a deadline of 30 days to respond, according to Art. 31 of Resolution 414 of ANEEL.</p>	30 calendar days	BRL 0
3	<p>Receive an inspection by utility</p> <p><i>Agency</i> : Light</p> <p>Light carries out an inspection to verify where will the connection point be and the future network's location and conditions. To avoid delays, it is advisable that the electric engineer responsible for the works is present, in case the technician conducting the inspection has questions about the process. Within 3 days of the site visit, the client receives a budget, if there is a cost, and a supply contract ('carta-contrato'), for signing. Works will be scheduled by Light after the contract is signed.</p>	3 calendar days	BRL 0
4	<p>Sign a contract and receive external works from utility</p> <p><i>Agency</i> : Light</p> <p>After the site visit, Light will calculate the cost estimate and determine if the client must partially cover the connection costs. Connection costs are by Law partially absorbed by the utility, and can be partially paid by the client. For this type of connection, generally Light will absorb the costs and the client is not charged. Also, the regional network's capacity is usually sufficient, and a transformer would not be required. It depends on the client's preference to be connected to low- or medium-voltage. However, the customer may be charged based on the utility's cost analysis for each situation.</p> <p>Once the contract is signed, Light will schedule the necessary works to connect the warehouse to the network. The Municipal permit for works on a public space will be obtained by the utility, which will then procure the materials, schedule the works and notify the region of potential power cuts. The client will be informed once works are completed.</p>	83 calendar days	BRL 0
5	<p>Receive meter installation and electricity flow from utility</p> <p><i>Agency</i> : Light</p> <p>At the end of the works, Light will proceed to scheduling a visit for final inspection and meter installation. The client or a representative has to be present for the meter to be installed. Once it is finalized, the client starts to receive energy within 1 day.</p>	5 calendar days	BRL 0

⇨ Takes place simultaneously with previous procedure.

Details - Getting Electricity in Rio de Janeiro - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	6
Total duration and frequency of outages per customer a year (0-3)	1
System average interruption duration index (SAIDI)	7.2
System average interruption frequency index (SAIFI)	4.0
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.light.com.br/para-residencias/Sua-Conta/composicao-da-tarifa.aspx
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

Note:

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

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

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

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Procedures to legally transfer title on immovable property (number)</p> <ul style="list-style-type: none"> • 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) <p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> • 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 <p>Cost required to complete each procedure (% of property value)</p> <ul style="list-style-type: none"> • Official costs only (such as administrative fees, duties and taxes). • Value Added Tax, Capital Gains Tax and illicit payments are excluded <p>Quality of land administration index (0-30)</p> <ul style="list-style-type: none"> • 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) 	<p>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</p> <p>The parties (buyer and seller):</p> <ul style="list-style-type: none"> - Are limited liability companies (or the legal equivalent). - Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - Are 100% domestically and privately owned. - Perform general commercial activities. <p>The property (fully owned by the seller):</p> <ul style="list-style-type: none"> - Has a value of 50 times income per capita, which equals the sale price. - Is fully owned by the seller. - Has no mortgages attached and has been under the same ownership for the past 10 years. - Is registered in the land registry or cadastre, or both, and is free of title disputes. - Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required. - Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety. - Will not be subject to renovations or additional construction following the purchase. - Has no trees, natural water sources, natural reserves or historical monuments of any kind. - Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required. - Has no occupants, and no other party holds a legal interest in it.

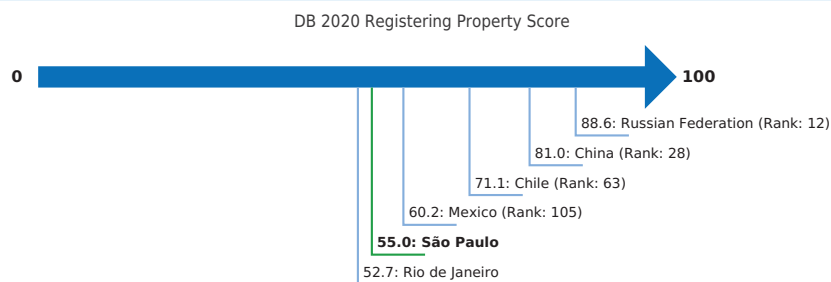
Registering Property - São Paulo

Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	14	7.4	4.7	1 (5 Economies)
Time (days)	24.5	63.7	23.6	1 (2 Economies)
Cost (% of property value)	3.6	5.9	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	16.5	12.0	23.2	None in 2018/19

Figure - Registering Property in São Paulo - Score

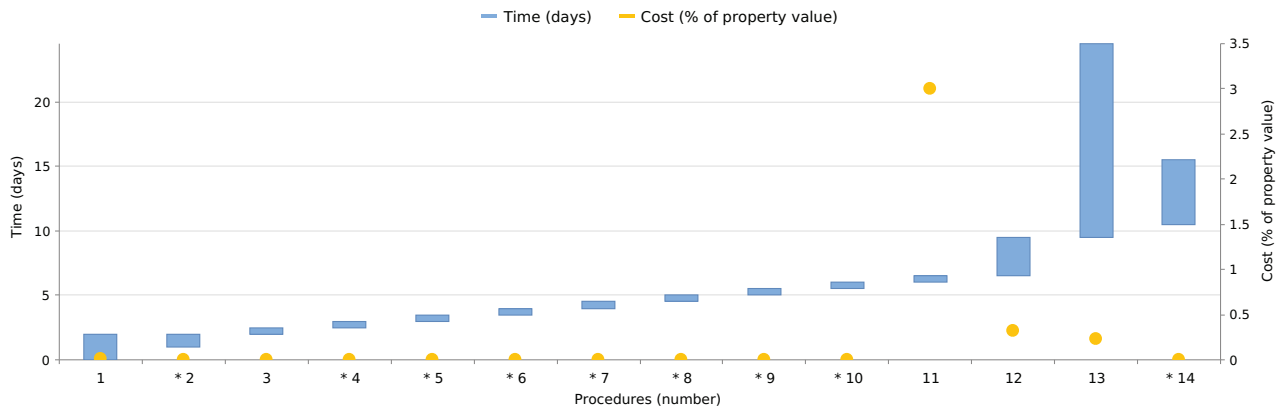


Figure - Registering Property in São Paulo and comparator economies - Ranking and Score



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

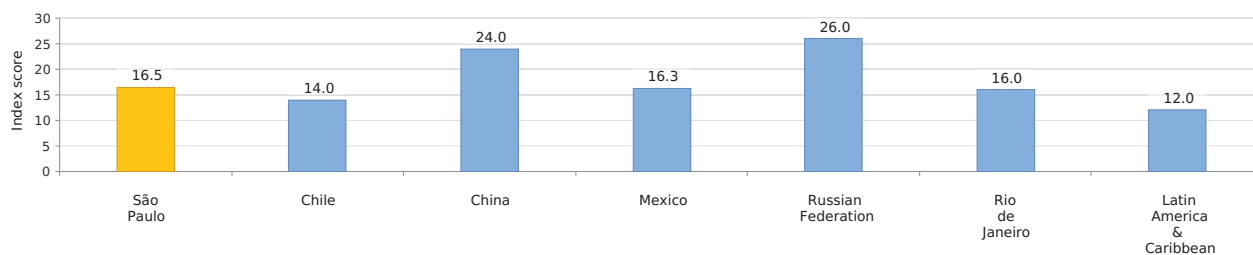
Figure - Registering Property in São Paulo - Procedure, Time and Cost



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

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

Figure - Registering Property in São Paulo and comparator economies - Measure of Quality



Details - Registering Property in São Paulo - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Acquire 10 Certificates of Registries and Disputes (Certidão dos Cartórios de Protestos) from the Distributor of Disputes Registry <i>Agency</i> : Disputes Registry (Cartórios de protesto)</p> <p>The buyer can request the certificates on the existence of debts on the website: https://www.protesto.net.br/index.php?act=certidao. Although this certificate is not required by law, it is common practice to request it particularly in transactions between companies that tend to be more conservative and are usually assisted by lawyers. The seller will usually request 5-year certificates. 10-year certificates are also available for higher fees. There are 10 Protest Notaries in São Paulo, and it is necessary to research them all.</p>	2 days	BRL 133; (BRL 13.30 each (the total is BRL 133.30))
⇒ 2	<p>Acquire a Civil Distributor's Certificate (Certidão dos Distribuidores Cívies), a Fiscal Executive Certificate (Certidão de Executivos Fiscais) and a Bankruptcy Certificate (Certidão de Falências e Concordatas) from the City Court Office <i>Agency</i> : Distributor of the State Courts (Tribunal de Justiça de São Paulo)</p> <p>These three certificates guarantee that the seller does not owe any payment as a result of a civil, fiscal, and commercial legal dispute. Additionally, it states that no pending sentences or legal proceedings are linked to the seller.</p> <p>These certificates can be retrieved online at no cost since August 2016 (https://esaj.tjsp.jus.br/sco/abrirCadastro.do). It takes around 1 day for the certificate to be issued if it is negative (that is, that the seller does not have any pending payment nor legal proceedings)</p> <p>Certificates are issued immediately when requested in person at the Fórum do Tribunal de Justiça.</p>	1 day	no charge
3	<p>Obtain a Labor Justice Certificate (Certidão da Justiça do Trabalho) from the Regional Labor Court <i>Agency</i> : Regional Labor Court (Tribunal Regional de Trabalho No. 2)</p> <p>This document is not required by law. Technically, the buyer and seller can agree to trust that all these checks are represented and warranted by the seller without needing to submit the certificate to the public notary. In practice, however, for transactions between companies, the seller will provide these documents.</p> <p>Since January 2016, the Labor Justice certificate can be retrieved online immediately according to Act GP/CR No. 1/2016. This certificate identifies all the ongoing procedures at the Regional Labor Court in which the company (buyer) is a defendant. The certificate is valid for 90 days, and its authenticity can be verified online as well.</p>	Less than one day, online	no charge
⇒ 4	<p>Obtain a Certificate of Good Standing on Labor Debts (Certidão Negativa de Débitos Trabalhistas) <i>Agency</i> : High Labor Court (Tribunal Superior do Trabalho)</p> <p>The Certificate of Good Standing on Labor Debts is not required by law and therefore does not prevent the registration of real estate transactions. It is, however, common practice and highly recommended to check the standing on labor debts of the seller.</p>	Less than one day, online	no charge
⇒ 5	<p>Obtain a 20-year certificate (Certidão de matrícula) from the Real Estate Property Registry (Cartório de Registro de Imóveis) <i>Agency</i> : Real Estate Property Registry (Cartório de Registro de Imóveis)</p> <p>The 20-year certificate (Matrícula) needs to be obtained in order to (i) certify the successive chain of owners (and ownership titles) of the plot in the past 20 years; (ii) check if the seller is really the owner of the property; and (iii) check about any encumbrances over the land.</p> <p>The certificate might be requested online at https://www.registradores.org.br/Servicos/frmTabelaCustas.aspx. The digital certificate has the same legal validity as the one issued on paper format.</p>	Less than one day, online	BRL 52.85
⇒ 6	<p>Request a Land-Tax Certificate and a Cadastral Certificate (Certidão de Dados Cadastrais do Imóvel) from City Hall <i>Agency</i> : Municipal Prefecture of Sao Paulo (Prefeitura Municipal de São Paulo)</p> <p>These certificates can be obtained in the website: www.prefeitura.sp.gov.br</p> <p>They will establish if there is any pending tax debt affecting the property.</p> <p>The certificate is free if obtained online.</p> <p>The buyer can waive this certificate if he assumes the obligation to pay all pending land tax debt related to the real state according to § 2 of Art. 1 of Decree 93.240/86.</p>	Less than one day, online	no cost if obtained online

⇒ 7	<p>Acquire a Clearance Certificate from Tax Agency and a Federal Tax Clearance Certificate (Certidão de Débitos Relativos a Créditos Tributários Federais e à Dívida Ativa da União) <i>Agency</i> : Federal Tax agency (Ministério da Fazenda, Procuradoria Geral da Fazenda Nacional, Secretaria da Receita Federal do Brasil - RFB) The joint certificate (Certidão de Débitos Relativos a Créditos Tributários Federais e à Dívida Ativa da União) can be obtained online at www.receita.fazenda.gov.br since November 2014. The joint certificate includes:</p> <p>(i) Clearance Certificate (Certidão Conjunta Negativa de Débitos relativos aos Tributos Federais e à Dívida Ativa da União emitida pelo Ministério da Fazenda – Procuradoria Geral da Fazenda Nacional – Secretaria da Receita Federal do Brasil) from the Tax Agency: this certificate includes the debts related to taxes administered by the Internal Revenue Service of Brazil (RFB) and the inscriptions on Union Debts with the General Attorney of National Treasury (PGFN). This certificate, which is issued in the name of the headquarters and applies to all its subsidiaries, refers only to the information of the taxpayer within the RFB and PGFN, and does not include social security contributions and the contributions due, by law, to third parties, including those debts enrolled in the National Social Security Institute (INSS), that are object of the second certificate.</p> <p>(ii) The Federal Tax Clearance Certificate (Certidão Negativa de Débitos relativos às Contribuições Previdenciárias e às de Terceiros emitida pelo Ministério da Fazenda, Secretaria da Receita Federal do Brasil) refers exclusively to social security contributions and the contributions owed by law, to third parties, including those enrolled in Union Debts (Dívida Ativa da União - DAU) and does not include other taxes administered by RFB and the remaining debts in the DAU, administered by the General Attorney of National Treasury (PGFN) object PGFN Joint Certificate / RFB.</p> <p>If one is a certified representative of the company with a passcode, one can obtain this certificate online at www.receita.fazenda.gov.br/previdencia/CND free of charge. The certificate was formerly provided by the National Social Security Institute (INSS), but is now provided by the Internal Revenue Service, after both agencies were partially unified according to Law N° 11.457/07.</p>	Less than one day, online	no charge
⇒ 8	<p>Acquire a Worker's Fund Certificate (Certidão de Regularidade de Situação do FGTS) at the federal bank- Caixa Economica Federal <i>Agency</i> : Federal bank (Caixa Economica Federal) The Worker's Fund Certificate assures that the company has kept its pension fund plan up to date with payments. This certificate is obtained online at the site Caixa Economica (https://webp.caixa.gov.br/cidadao/Crf/FgeCfSCriteriosPesquisa.asp) free of charge. It is not required by law, but in practice it is usually requested by the buyer in transactions between companies.</p>	Less than one day, online	no charge
⇒ 9	<p>Acquire a Federal Justice Certificate (Certidão da Justiça Federal) from the Receita Federal - (Certidão de Distribuição de Ações e Execuções Cíveis, Fiscais, Criminais e dos Juizados Especiais Federais Criminais Adjuntos junto ao Poder Judiciário - Justiça Federal de Primeiro Grau em São Paulo) <i>Agency</i> : Justiça Federal This certificate is obtained online at (http://www.jfsp.jus.br/certidoes-emissaoonline/). The certificate will show if there are any pending cases at civil, tax, criminal and special federal criminal courts. If the company has any pending claims, the certificate will have to be picked up in person by a representative at the Justiça Federal.</p>	Less than one day, online	no charge
⇒ 10	<p>Verify the company's information at the Company Registry (Junta Comercial de Estado de São Paulo) <i>Agency</i> : Company Registry (Junta Comercial de Estado de São Paulo) The company's information is verified on the website of the Company Registry (Junta Comercial) to make sure that (i) the articles of association presented by the parties and (ii) the legal representatives mentioned in the articles of association correspond with the most recent ones registered.</p>	Less than one day, online	no charge
11	<p>Pay transfer tax (ITB I) and other fees at a commercial Bank <i>Agency</i> : Municipal Prefecture of Sao Paulo (Prefeitura Municipal de São Paulo) The buyer must pay the transfer tax before the parties can sign the transfer deed. Most notaries prefer to receive the tax payment themselves and then take care of transferring it to the Municipality because they are responsible for checking that the tax payment is correct. Notaries also must file a declaration of all the transactions that they were part of, given that they are jointly liable, to the tax authorities. For the ITBI, it is common practice for the notary to provide the payment form obtained online (http://www.prefeitura.sp.gov.br/cidade/secretarias/financas/servicos/itbi/) to the buyer.</p>	Less than one day, online	BRL 48,130; (3% of the property value registered with the cadastre of the Prefecture for ITBI)
12	<p>Drafting of Public Deed of Purchase and Sale (Escritura Pública de Venda e Compra) by a Public Notary (Tabelião de Notas) <i>Agency</i> : Public Notary (Tabelião de Notas do Estado de São Paulo) The notary will review all the documents obtained in the previous Procedures and proceed to notarize the sale deed. Notary fees are incurred for the notarization of the sale and purchase agreement.</p>	3 days	BRL 5,099.02; (BRL 5,099.02 (according to the fee schedule published on the official notary website))

13	<p>Register the escritura (transfer deed) at the appropriate Real Estate Registry with jurisdiction over the property to finalize registration and name change</p> <p><i>Agency</i> : Real Estate Registry (Cartório de Registro de Imóveis)</p> <p>There are 18 Real Estate Registries in São Paulo. The registration of the deed at the corresponding Real Estate Registry is required for the transfer of ownership of the property. It can be arranged directly by the parties or by the notary if the notary offers this supplementary service. By law, the Real Estate Registry has 30 days to analyze the documents and register the transfer deed.</p>	15 days	BRL 3,712.31; (BRL 3,712.31 (according to the schedule in https://www.registradores.org.br/Servicos/frmTabelaCustas.aspx))
<p>⇒</p> <p>14</p>	<p>Update the land taxation records (IPTU - Imposto Predial e Territorial Urbano) to the new owner's name at City Hall</p> <p><i>Agency</i> : Municipal Prefecture of Sao Paulo (Prefeitura Municipal de São Paulo)</p> <p>Theoretically, the Real Estate Registry should inform the Municipality about the transfer of the real estate and the Municipality should automatically update its land taxation records. In practice, however, this automatic system does not really work. The Municipality updates the records a few times a year, sometimes even only once a year. Therefore, in practice, the parties need to go to the Municipality and request the update.</p>	5 days	no charge

⇒ Takes place simultaneously with previous procedure.

Details - Registering Property in São Paulo - Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		16.5
Reliability of infrastructure index (0-8)		5.0
Type of land registration system in the economy:	Deed Registration System	
What is the institution in charge of immovable property registration?	Cartórios de Registro de Imóveis de São Paulo	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there a comprehensive and functional 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:	Prefeitura Municipal de São Paulo	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	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)		5.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
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.cnbsp.org.br/index.php?pG=X19wYWdpbmFz&idPagina=6009	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	For Notaries fees: http://www.cnbsp.org.br/index.php?pG=X190YWJlbGFzX2Vtb2x1bWVudG9z For Land Registry fees: https://www.registradores.org.br/Servicos/formTabelaCustas.aspx	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.planalto.gov.br/CCIVIL_03/leis/L6015compilada.htm (capítulo III law 6015) https://api.tjsp.jus.br/Handlers/Handler/FileFetch.ashx?codigo=101773	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0

Contact information:	https://www.registroimobiliario.org.br/mecanismo-de-reclamacao	
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 2018:	159.2	
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
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:	Free of charge (http://www.prefeitura.sp.gov.br/cidade/secretarias/financas/servicos/certidoes/index.php?p=2404)	
Does the cadastral/mapping agency formally specify the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	No	0.0
Link for online access:		
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		2.0
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 formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		4.5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Art. 221 and 1245 of Law 10.406, January 2002	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	

Legal basis:	Art. 22 law 8935/94, February 2019. Federal Supreme Court - decision with general repercussions (which binds all instances), in which the direct responsibility of the State was established for damages caused by the Property Registry "The State responds objectively to the acts of the notaries and official registrars who, in the exercise of their duties, cause damage to third parties, based on the obligation to return against the person responsible, in cases of fraud or guilt, under penalty of administrative impropriety "	
Is there a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Legal basis:		
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?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	Tribunal de justiça do estado de Sao Paulo	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 2 and 3 years	1.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	2 053 cases of land disputes in 2018 - First instance Sao Paulo	
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

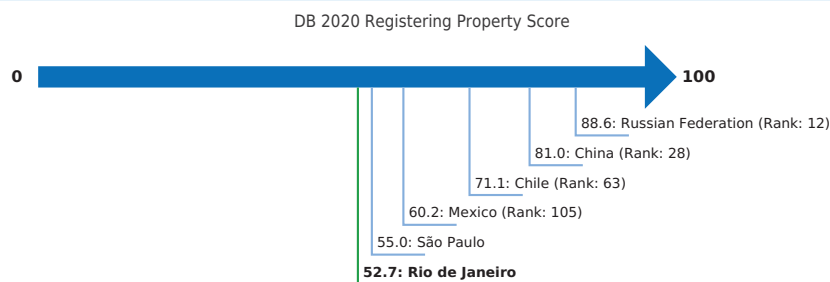
Registering Property - Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Procedures (number)	13	7.4	4.7	1 (5 Economies)
Time (days)	40.5	63.7	23.6	1 (2 Economies)
Cost (% of property value)	3.6	5.9	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	16.0	12.0	23.2	None in 2018/19

Figure - Registering Property in Rio de Janeiro - Score

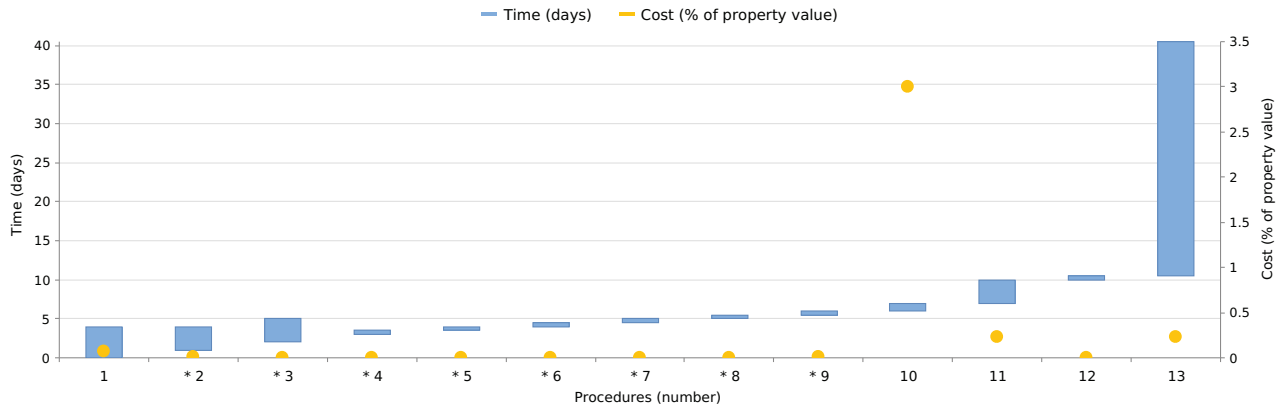


Figure - Registering Property in Rio de Janeiro and comparator economies - Ranking and Score



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

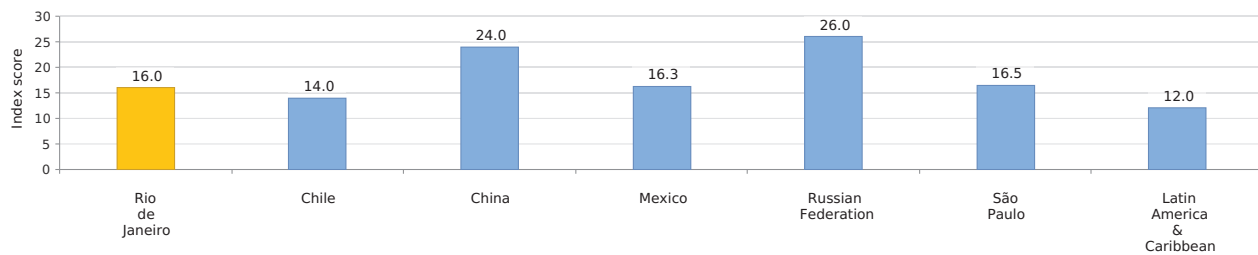
Figure - Registering Property in Rio de Janeiro - Procedure, Time and Cost



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

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

Figure - Registering Property in Rio de Janeiro and comparator economies - Measure of Quality



Details - Registering Property in Rio de Janeiro - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Obtain the certificates of Certificates of Registries and Disputes (Certidão dos Cartórios de Protestos), Acquire a Civil Distributor's Certificate (Certidão dos Distribuidores Cívies), a Fiscal Executive Certificate (Certidão de Executivos Fiscais) and a Bankruptcy Certificate (Certidão de Falências e Concordatas) from the City Court Office</p> <p><i>Agency</i> : Rio Rapido</p> <p>These certificates guarantee that all civil, fiscal, and commercial legal settlements have been finalized and no pending sentences or legal proceedings are linked to the seller. In Rio de Janeiro, it is possible to request these certificates online via a centralized certification office named "Rio Rapido". Although they can be requested online, they need to be picked up personally.</p> <p>Additionally, since December 2017 it is possible to request and receive these certificates online through E-Cartorios RJ (https://e-cartoriosj.com.br/Home/View/Default.aspx#/kitcertidoes). The majority of practitioners are still using Rio Rapido as of May 1, 2018.</p>	4 days	BRL 1,125.49; (i) BRL 114.04 for each Civil Distributor's Certificate issued by the 1st, 2nd, 3rd and 4th Distributor (x4) (ii) BRL 125.18 for the Fiscal Executive Certificate; (iii) BRL 114.04 for each Bankruptcy Distributor's Certificate issued by the 1st, 2nd, 3rd 4th Distributor (x4) (iv) BRL 87.99 for the Certificate of Registries and Disputes)
⇒ 2	<p>Obtain a 20-year certificate (Certidão de matrícula) from the Real Estate Property Registry (Cartório de Registro de Imóveis)</p> <p><i>Agency</i> : Real Estate Registry (Cartório de Registro de Imóveis)</p> <p>The 20-year certificate (Certidão Vintenária) needs to be obtained in order to (i) certify the successive chain of owners (and ownership titles) of the plot in the past 20 years; (ii) check if the seller is really the owner of the property; and (iii) check about any encumbrances over the land.</p> <p>The Internal Affairs Bureau of the State Court of Rio de Janeiro ("Corregedoria Geral da Justiça do Tribunal de Justiça do Rio de Janeiro") together with the Association of Public Notaries and Public Registry Offices in the State of Rio de Janeiro ("ANOREG-RJ") have implemented E-Cartorios RJ (https://e-cartoriosj.com.br/Home/View/Default.aspx#/kitcertidoes) which is an online platform that aims to concentrate the issuance of all certificates for transferring property, in order to make the process of issuing and registering public deeds faster. The 20-year certificate is one of the certificates that may be obtained online, but only in connection with Real Estate Registries in the City of Rio de Janeiro.</p> <p>The digital certificate has the same legal validity as the one issued in physical format.</p>	3 days	BRL 107.73
⇒ 3	<p>Obtain a Labor Justice Certificate (Certidão da Justiça do Trabalho) from the Regional Labor Court</p> <p><i>Agency</i> : Regional Labor Court (Tribunal Regional do Trabalho No. 1)</p> <p>This document is not required by law. Technically, the buyer and seller can agree to trust that all these checks are represented and warranted by the seller without needing to submit the certificate to the public notary. In practice, however, for transactions between companies, the seller will provide these documents.</p> <p>The Labor Justice Certificate (Certidão de Feitos Trabalhistas) may have one or several sheets. It will depend on the quantity of suits against the company under analysis. The cost for a one page certificate is BRL 5.53 and for each additional page BRL 5.53.</p> <p>There are 24 Regional Labor Courts in Brazil. The certificates must be issued by the Regional Labor Court of seller's headquarters and of the location of the real estate. Some practitioners request two certificates, one about 1st instance cases and another on 2nd instance cases at the Regional Labor Court.</p>	3 days	BRL 5.53
⇒ 4	<p>Obtain a Certificate of Good Standing on Labor Debts (Certidão Negativa de Débitos Trabalhistas)</p> <p><i>Agency</i> : High Labor Court (Tribunal Superior do Trabalho)</p> <p>The Certificate of Good Standing on Labor Debts is not required by law and therefore does not prevent the registration of real estate transactions. It is, however, common practice and highly recommended to check the standing on labor debts of the seller.</p>	Less than one day, online	no charge

⇒ 5	<p>Request a Land-Tax Certificate and a Cadastral Certificate (Certidão de Dados Cadastrais do Imovel) from City Hall</p> <p><i>Agency</i> : Municipality of Rio de Janeiro (Prefeitura do Rio de Janeiro)</p> <p>These certificates will establish if there is any pending tax debt affecting the property. The certificate is free if obtained online, or BRL 11.85 if obtained in person. The buyer can waive this certificate if he assumes the obligation to pay all pending land tax debt related to the real state according to § 2 of Art. 1 of Decree 93.240/86.</p>	Less than one day, online	no charge
⇒ 6	<p>Acquire a Clearance Certificate from Tax Agency and a Federal Tax Clearance Certificate</p> <p><i>Agency</i> : Federal Tax agency (Ministério da Fazenda, Procuradoria Geral da Fazenda Nacional, Secretaria da Receita Federal do Brasil - RFB)</p> <p>The joint certificate (Certidão de Débitos Relativos a Créditos Tributários Federais e à Dívida Ativa da União) can be obtained online at www.receita.fazenda.gov.br since November 2014. The joint certificate includes:</p> <p>(i) Clearance Certificate (Certidão Conjunta Negativa de Débitos relativos aos Tributos Federais e à Dívida Ativa da União emitida pelo Ministério da Fazenda - Procuradoria Geral da Fazenda Nacional - Secretaria da Receita Federal do Brasil) from the Tax Agency: this certificate includes the debts related to taxes administered by the Internal Revenue Service of Brazil (RFB) and the inscriptions on Union Debts with the General Attorney of National Treasury (PGFN). This certificate, which is issued in the name of the headquarters and applies to all its subsidiaries, refers only to the information of the taxpayer within the RFB and PGFN, and does not include social security contributions and the contributions due, by law, to third parties, including those debts enrolled in the National Social Security Institute (INSS), that are object of the second certificate.</p> <p>(ii) The Federal Tax Clearance Certificate (Certidão Negativa de Débitos relativos às Contribuições Previdenciárias e às de Terceiros emitida pelo Ministério da Fazenda, Secretaria da Receita Federal do Brasil) refers exclusively to social security contributions and the contributions owed by law, to third parties, including those enrolled in Union Debts (Dívida Ativa da União - DAU) and does not include other taxes administered by RFB and the remaining debts in the DAU, administered by the General Attorney of National Treasury (PGFN) object PGFN Joint Certificate / RFB.</p> <p>If one is a certified representative of the company with a passcode, one can obtain this certificate online at www.receita.fazenda.gov.br/previdencia/CND free of charge. The certificate was formerly provided by the National Social Security Institute (INSS), but is now provided by the Internal Revenue Service, after both agencies were partially unified according to Law N° 11.457/07.</p> <p>The certificate is electronically issued with negative effects if there are no pending debts. If the company has any pending debts with suspended collection (exigibilidade suspensa), a representative of the company must show up to the Revenue Service of Brazil to obtain a positive certificate with negative effects or, if the company has any pending debts in charge, a positive certificate may be issued, according to Joint Ordinance RFB/PGFN 1,14015751 of October 2, 2014.</p>	Less than one day, online	no charge
⇒ 7	<p>Acquire a Worker's Fund Certificate (Certidão de Regularidade de Situação do FGTS) at the federal bank- Caixa Economica Federal</p> <p><i>Agency</i> : Federal bank (Caixa Economica Federal)</p> <p>The Worker's Fund Certificate assures that the company has kept its pension fund plan up to date with payments. This certificate is obtained online at the site Caixa Economica (https://webp.caixa.gov.br/cidadao/Crf/FgeCfSCriteriosPesquisa.asp) free of charge. It is not required by law, but in practice it is usually requested by the buyer in transactions between companies.</p>	Less than one day, online	no charge
⇒ 8	<p>Acquire a Federal Justice Certificate (Certidão da Justiça Federal) from the Receita Federal - (Certidão de Distribuição de Ações e Execuções Cíveis, Fiscais, Criminais e dos Juizados Especiais Federais Criminais Adjuntos junto ao Poder Judiciário - Justiça Federal de Primeiro Grau no Rio de Janeiro</p> <p><i>Agency</i> : Justiça Federal da Seção Judiciária do Rio de Janeiro (Federal Justice of Rio de Janeiro)</p> <p>This certificate is obtained online at (http://www10.trf2.jus.br/consultas/certidao-eletronica). The certificate will show if there are any pending cases at civil, tax, criminal and special federal criminal courts. If the company has any pending claims, the certificate will have to be picked up in person by a representative at the Justiça Federal.</p> <p>The Federal Justice Court in Brazil is divided in 5 sections per zone of group of States. In practice, for the risk assessment of real estate property transfer, the certificate from the Federal Justice Court of the location of company's headquarters address for the last 10 years shall be analyzed.</p>	Less than one day, online	no charge
⇒ 9	<p>Obtain company name certificate</p> <p><i>Agency</i> : Company Registry (Junta Comercial do Estado do Rio de Janeiro)</p> <p>The notary will check the website of the Company Registry (Junta Comercial) to make sure that (i) the articles of association presented by the parties and (ii) the legal representatives mentioned in the articles of association correspond with the most recent ones registered.</p>	Less than one day, online	BRL 183

10	<p>Pay transfer tax (ITB I) at the Bank <i>Agency</i> : Commercial bank</p> <p>The buyer must pay the transfer tax before the parties can sign the transfer deed. Most notaries prefer to receive the tax payment themselves and then take care of transferring it to the Municipality because they are responsible for checking that the tax payment is correct. Notaries must also file a declaration of all the transactions that they were part of, given that they are jointly liable, to the tax authorities. Therefore, the notary provides the payment on behalf of the buyer and the parties pay at the notary. The payment slip in most cases can be issued online at http://smfonlineitbi.rio.rj.gov.br/cgi-bin/itbi2simulacao CGI.exe/EntSimulacao. Payment can only be made at Banco Santander's office in the City Hall.</p>	1 day	BRL 48,130; (3% of the property value)
11	<p>Drafting of Public Deed of Purchase and Sale (Escritura Pública de Venda e Compra) by a Public Notary (Tabelião de Notas) <i>Agency</i> : Notary's office (Tabelião de Notas)</p> <p>The notary will review all the documents obtained in the previous Procedures and proceed to notarize the sale deed. Notary fees are incurred for the notarization of the sale and purchase agreement.</p> <p>An electronic platform to issue electronic public deeds through a Notary has been tested in several Notary offices of Rio de Janeiro, however it has not been implemented widely as of May 1, 2018.</p>	3 days	<p>BRL 3,699.98; (BRL 3,235.49, based on the following fee schedule: Public deed with a declared amount up to R\$ 15,000.00 costs BRL 191.38. From R\$ 15,000.01 to R\$ 30,000.00 - BRL 316.22/ From R\$ 30,000.01 to R\$ 45,000.00- BRL 441.09/ From 45,000.01 to R\$ 60,000.00 - BRL 540.95/ From 60,000.001 to R\$ 80,000.00 - BRL 958.80/ From 80,000.01 to R\$ 100,000.00 - BRL 1.131.92/ From 100,000.01 to R\$ 200,000.00 - BRL 1,531.41 / From 200,000.01 to R\$ 400,000.00 - BRL 1,643.24. For properties valued at R\$ 400,000.01 and higher - BRL 144.75 for each additional R\$ 100,000.00.)</p>
12	<p>Update the land taxation records (IPTU - Imposto Predial e Territorial Urbano) to the new owner's name at City Hall <i>Agency</i> : Tax Department of the Municipality of Rio de Janeiro (Secretaria municipal da fazenda)</p> <p>Before presenting the title to the Real Estate Registry Office, the new owner needs to update his name on the municipality's records. The information is submitted online to the Municipality. Once the information is submitted, a protocol number for the name change request is issued, which needs to be informed to the registrar. The registrar will verify the information submitted and attach the number of registration of the property (numero de matricula) and then sends the information to the municipality via the internet portal (https://dief.rio.rj.gov.br/dief/asp/mcriweb/login_usuri.asp)</p>	Less than one day, online	no charge

13	<p>Register the escritura (transfer deed) at the appropriate Real Estate Registry with jurisdiction over the property to finalize registration and name change</p> <p><i>Agency</i> : Real Estate Registry (Cartório de Registro de Imóveis)</p> <p>There are 12 Real Estate Registries in Rio de Janeiro. The registration of the deed at the competent Real Estate Registry is required for the transfer of ownership of the property. It can be arranged directly by the parties or by the notary if the notary offers this supplementary service. By law, the Real Estate Registry has 30 days to analyze the documents and register the transfer deed.</p>	30 days	<p>BRL 3,704.9; (As of Jan, 2017 the fee for registration is BRL 3,240.22 based on the following fee schedule: Registration of economic content to R\$ 15,000.00 costs BRL 191.38. From R\$ 15,000.01 to R\$ 30,000.00 - BRL 316.22/ From R\$ 30,000.01 to R\$ 45,000.00- BRL 441.09/ From 45,000.01 to R\$ 60,000.00 - BRL 540.95/ From 60,000.001 to R\$ 80,000.00 - BRL 958.80/ From 80,000.01 to R\$ 100,000.00 - BRL 1.131.92/ From 100,000.01 to R\$ 200,000.00 - BRL 1,531.41 / From 200,000.01 to R\$ 400,000.00 - BRL 1,647.97. For properties valued at R\$ 400,000.01 and higher - BRL 144.75 for each additional R\$ 100,000.00.)</p>
<p>Since December 2017, the request to register the property transfer can be done online at https://www.registradores.org.br/eProtocolo/DefaultAC.aspx</p>			

↔Takes place simultaneously with previous procedure.

Details - Registering Property in Rio de Janeiro - Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		16.0
Reliability of infrastructure index (0-8)		4.0
Type of land registration system in the economy:	Deed Registration System	
What is the institution in charge of immovable property registration?	Cartórios de Registro de Imóveis do Rio de Janeiro (Real Estate Registry Office)	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Prefeitura do Rio de Janeiro - Secretaria Municipal de Urbanismo (Rio de Janeiro City Hall)	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	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)		5.5
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
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.1sri-rj.com.br/Compraevendadoacao.pdf	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	http://cgj.tjrj.jus.br/documentos/1017893/1415195/custas-extrajudiciais-2019.pdf	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.planalto.gov.br/CCIVIL_03/leis/L6015compilada.htm	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0
Contact information:	https://www.registroimobiliario.org.br/mecanismo-de-reclamacao	
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 2018:	66.3	
Who is able to consult maps of land plots in the largest business city?	Freely accessible by anyone	0.5
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	No cost	0.5
Link for online access:	http://www2.rio.rj.gov.br/smu/acervoimagens/principal.asp http://www.rio.rj.gov.br/web/smf/exibeconteudo?id=142219 http://www.rio.rj.gov.br/web/ipp/siurb	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	http://www.rio.rj.gov.br/web/smf/exibeconteudo?id=142219 http://www2.rio.rj.gov.br/smu/acervoimagens/principal.asp	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		2.0
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 formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		4.5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Art. 221 and 1245 of Law 10.406, January 2002 Art. 1.227 of Law 10.406/2002 (Código Civil)	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	

Legal basis:	Art. 22 law 8935/94, February 2019. Federal Supreme Court - decision with general repercussions (which binds all instances), in which the direct responsibility of the State was established for damages caused by the Property Registry "The State responds objectively to the acts of the notaries and official registrars who, in the exercise of their duties, cause damage to third parties, based on the obligation to return against the person responsible, in cases of fraud or guilt, under penalty of administrative impropriety "	
Is there a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Legal basis:		
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?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	No	0.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	Tribunal de Justiça do Estado do Rio de Janeiro	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 2 and 3 years	1.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	5.3	
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

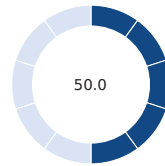
This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Strength of legal rights index (0-12)</p> <ul style="list-style-type: none"> • Rights of borrowers and lenders through collateral laws (0-10) • Protection of secured creditors' rights through bankruptcy laws (0-2) <p>Depth of credit information index (0-8)</p> <ul style="list-style-type: none"> • Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8) <p>Credit bureau coverage (% of adults)</p> <ul style="list-style-type: none"> • Number of individuals and firms listed in largest credit bureau as a percentage of adult population <p>Credit registry coverage (% of adults)</p> <ul style="list-style-type: none"> • Number of individuals and firms listed in credit registry as a percentage of adult population 	<p><i>Doing Business</i> 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.</p> <p>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.</p> <p>Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:</p> <ul style="list-style-type: none"> - 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. <p>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).</p> <p>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.</p>

Getting Credit - São Paulo

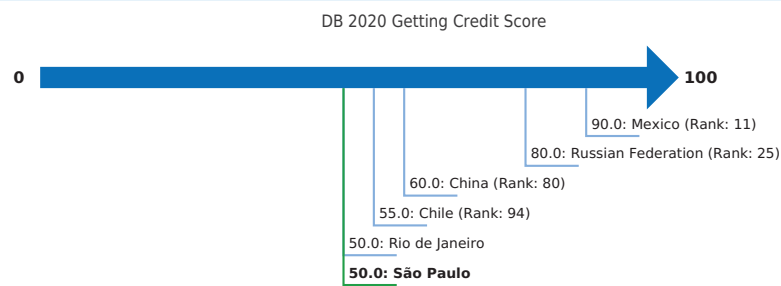
Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	2	5.3	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	5.1	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	79.0	14.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	81.2	47.6	66.7	100.0 (14 Economies)

Figure - Getting Credit in São Paulo - Score



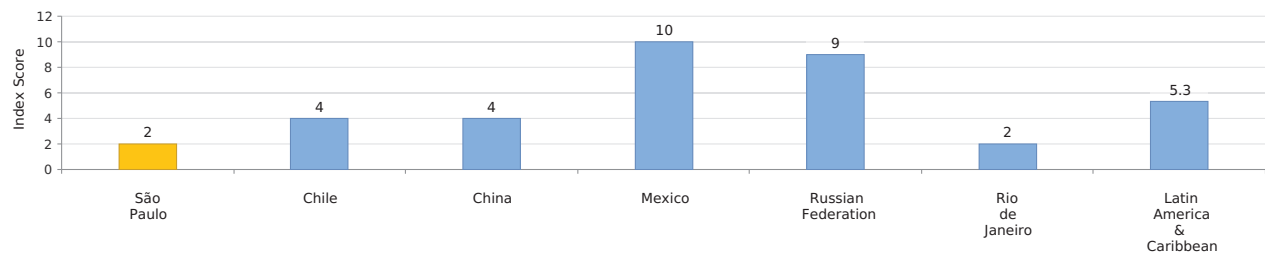
Score - Getting Credit

Figure - Getting Credit in São Paulo and comparator economies - Ranking and Score



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

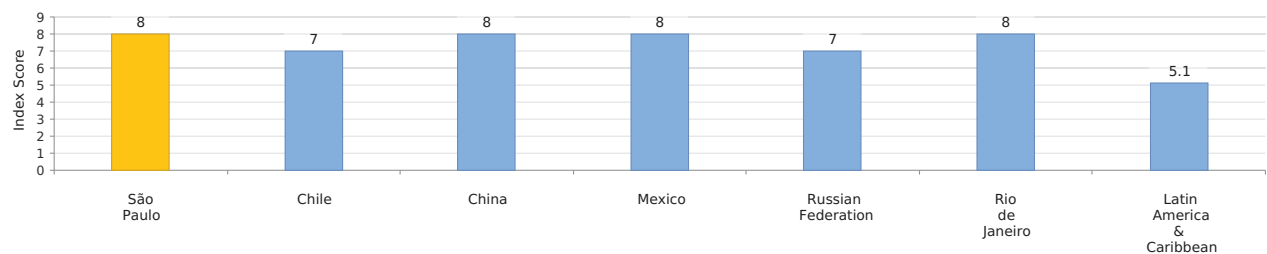
Figure - Legal Rights in São Paulo and comparator economies



Details - Legal Rights in São Paulo

Strength of legal rights index (0-12)	2
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?	No
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?	No
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?	No
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?	Yes
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes

Figure - Credit Information in São Paulo and comparator economies



Details - Credit Information in São Paulo

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?	No	Yes	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.)	No	Yes	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

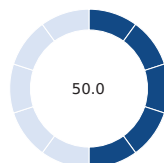
Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	108,230,957	110,080,409
Number of firms	10,479,059	5,364,601
Total	118,710,016	115,445,010
Percentage of adult population	81.2	79.0

Getting Credit - Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	2	5.3	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	5.1	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	79.0	14.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	81.2	47.6	66.7	100.0 (14 Economies)

Figure - Getting Credit in Rio de Janeiro - Score



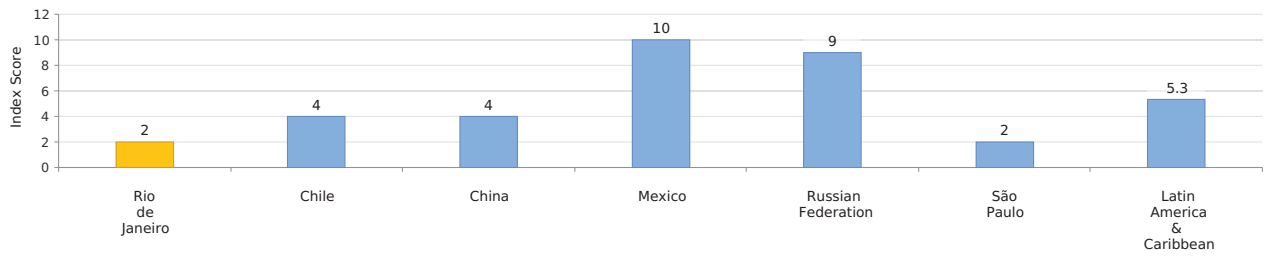
Score - Getting Credit

Figure - Getting Credit in Rio de Janeiro and comparator economies - Ranking and Score



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

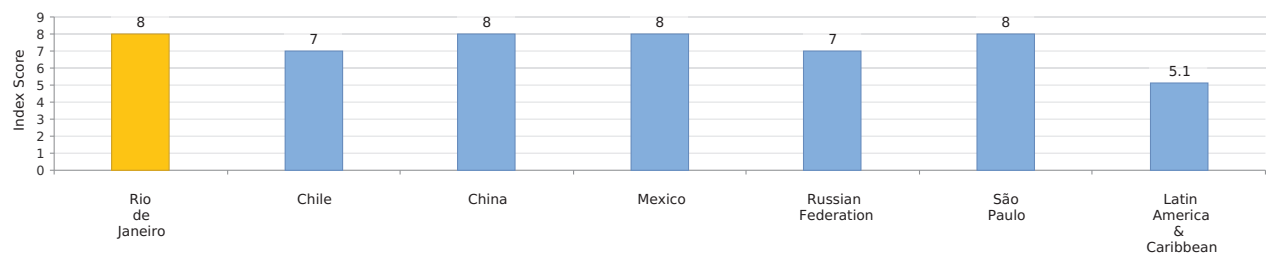
Figure - Legal Rights in Rio de Janeiro and comparator economies



Details - Legal Rights in Rio de Janeiro

Strength of legal rights index (0-12)	2
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?	No
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?	No
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?	No
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?	Yes
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes

Figure - Credit Information in Rio de Janeiro and comparator economies



Details - Credit Information in Rio de Janeiro

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?	No	Yes	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.)	No	Yes	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

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
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Number of firms	10,479,059	5,364,601
Total	118,710,016	115,445,010
Percentage of adult population	81.2	79.0

Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

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

The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

The transaction involves the following details:

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

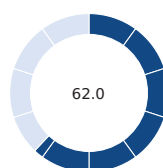
Protecting Minority Investors - São Paulo

Stock exchange information

Stock exchange	Brasil Bolsa Balcão
Stock exchange URL	http://www.b3.com.br
Listed firms with equity securities	535
City Covered	São Paulo

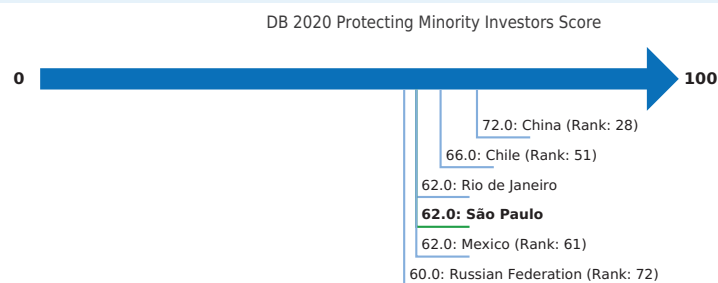
Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	5.0	4.1	6.5	10 (13 Economies)
Extent of director liability index (0-10)	8.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	4.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	4.0	3.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	4.0	2.3	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	6.0	2.3	5.7	7 (13 Economies)

Figure - Protecting Minority in São Paulo - Score



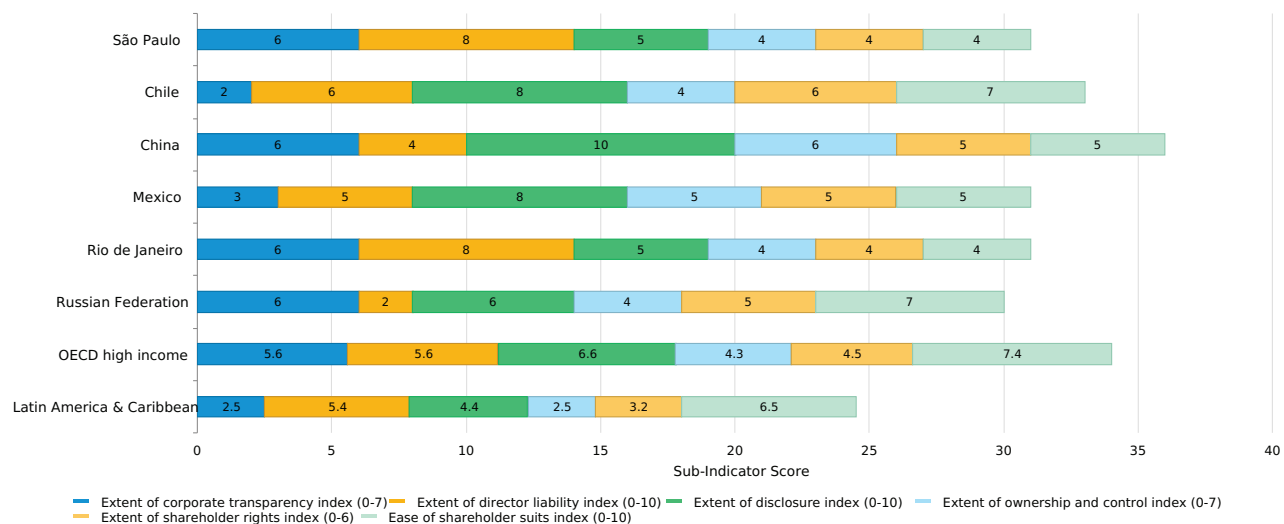
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in São Paulo and comparator economies - Ranking and Score



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

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



Details - Protecting Minority Investors in São Paulo - Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-30)		
Extent of disclosure index (0-10)		5.0
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	CEO alone	0.0
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 periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction only	1.0
Extent of director liability index (0-10)		8.0
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
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)	Yes	1.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if unfair or prejudicial	2.0
Ease of shareholder suits index (0-10)		4.0
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	No	0.0
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)	No	0.0
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 (0-20)		
Extent of shareholder rights index (0-6)		4.0
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
Do shareholders elect and dismiss the external auditor?	No	0.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Extent of ownership and control index (0-7)		4.0
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	No	0.0

Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
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?	Yes	1.0
Extent of corporate transparency index (0-7)		6.0
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?	Yes	1.0
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

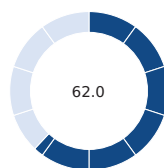
Protecting Minority Investors - Rio de Janeiro

Stock exchange information

Stock exchange	Brasil Bolsa Balcão
Stock exchange URL	http://www.b3.com.br
Listed firms with equity securities	535
City Covered	Rio de Janeiro

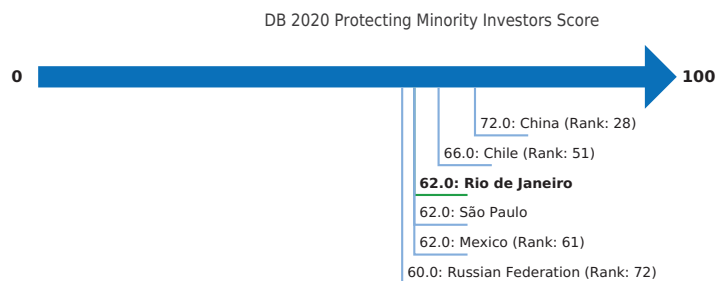
Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	5.0	4.1	6.5	10 (13 Economies)
Extent of director liability index (0-10)	8.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	4.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	4.0	3.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	4.0	2.3	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	6.0	2.3	5.7	7 (13 Economies)

Figure - Protecting Minority in Rio de Janeiro - Score



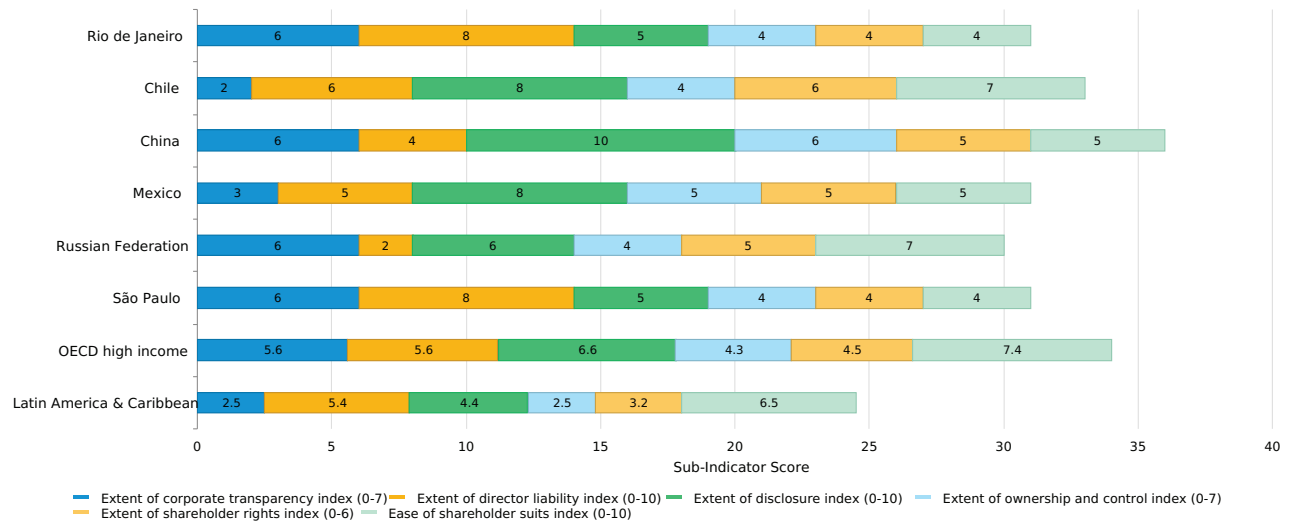
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Rio de Janeiro and comparator economies - Ranking and Score



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

Figure - Protecting Minority Investors in Rio de Janeiro and comparator economies - Measure of Quality



Details - Protecting Minority Investors in Rio de Janeiro - Measure of Quality

	Answer	Score
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Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction only	1.0
Extent of director liability index (0-10)		8.0
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Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
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)	Yes	1.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if unfair or prejudicial	2.0
Ease of shareholder suits index (0-10)		4.0
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	No	0.0
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)	No	0.0
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 (0-20)		
Extent of shareholder rights index (0-6)		4.0
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
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Do shareholders automatically receive preemption rights every time Buyer issues new shares?	Yes	1.0
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Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
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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

5 Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). See the methodology for more information.

What the indicators measure	Case study assumptions
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Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

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

- Method and frequency of filing and payment

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

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

- Arranging payment or withholding

Total tax and contribution rate (% of commercial profits)

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

Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

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

To make data comparable across economies, several assumptions are used: - TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowports and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

The corporate income tax audit process:

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

Paying Taxes - São Paulo

Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Payments (number per year)	10	28.2	10.3	3 (2 Economies)
Time (hours per year)	1501	317.1	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	64.7	47.0	39.9	26.1 (33 Economies)
Postfiling index (0-100)	7.8	47.5	86.7	None in 2018/19

Figure - Paying Taxes in São Paulo - Score

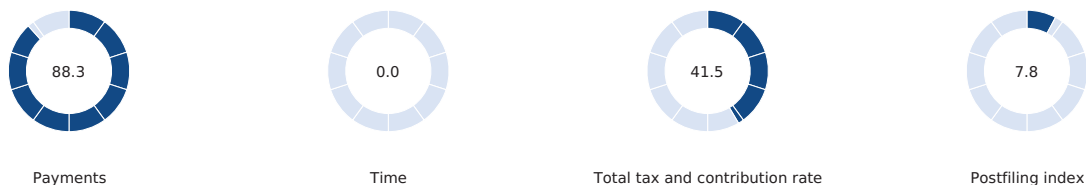
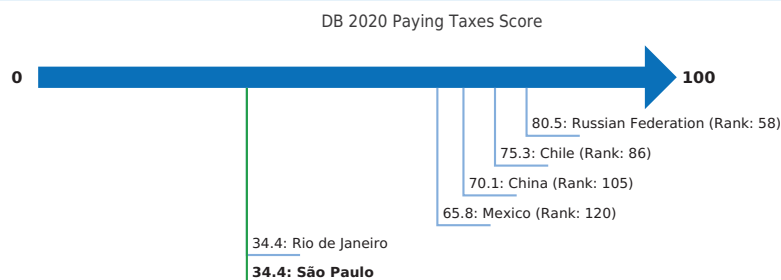
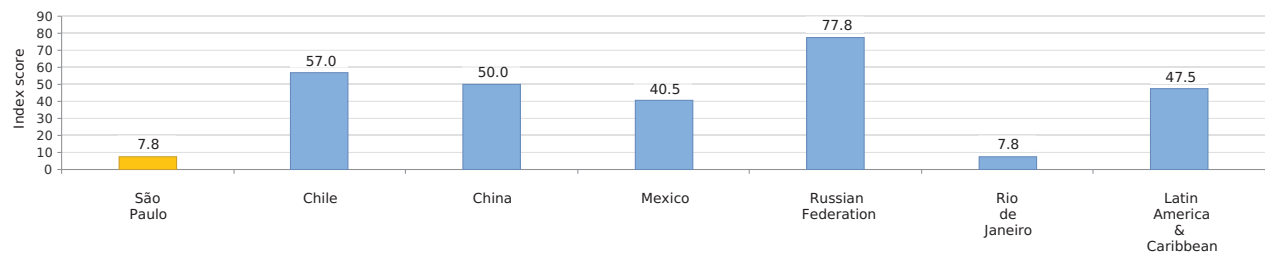


Figure - Paying Taxes in São Paulo and comparator economies - Ranking and Score



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

Figure - Paying Taxes in São Paulo and comparator economies - Measure of Quality



Details - Paying Taxes in São Paulo

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Employer paid - Social security contributions (INSS)	1.0	online	255.0	20%	gross salaries	22.56	
Corporate income tax (IRPJ)	1.0	online	361.0	15%+10% (surcharge applies on annual taxable income exceeding R\$ 240,000)	taxable profit	16.62	
Employer paid - Payroll tax	0.0	online and jointly		8.8%	net salaries	8.84	
Employer paid - Severance contribution (FGTS)	1.0	online		8%	net salaries	8.04	
Social contribution (CSLL)	1.0	online		9%	taxable profit	5.98	
Property tax	1.0			1,9%- R\$ 4500,00	Market value of property, with additions and discounts defined by bands of market value (for São Paulo).	2.47	
Tax on interest	0.0	withheld		20%	interest income	0.51	not included
Vehicle tax	1.0			1.5%	market value of vehicle	0.13	
Establishment inspection fee (TFE)	1.0			fee schedule	type of activity	0.07	
ICMS (similar to VAT)	1.0	online	885.0	18%	value added (including taxes)	0.00	not included
IPI (similar to VAT)	1.0	online		20%	value added (including taxes)	0.00	not included
PIS/COFINS (similar to VAT)	1.0	online		9.25%	value added	0.00	not included
Employee paid - Social security contributions (INSS)	0.0	online and jointly		11%	gross salaries	0.00	withheld
Totals	10		1501			64.7	

Details - Paying Taxes in São Paulo - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	22.6
Labor tax and contributions (% of profit)	39.4
Other taxes (% of profit)	2.7

Details - Paying Taxes in São Paulo - Measure of Quality

	Answer	Score
Postfiling index (0-100)		7.8
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	ICIMS: in case of overpayment due to a mistake in the calculation of taxes due IPI: no IPI VAT credit on capital purchase is allowed PIS and COFINS: restricted international traders and others to ICIMS: in case of overpayment due to a mistake in the calculation of taxes due IPI: no IPI VAT credit on capital purchase is allowed PIS and COFINS: restricted international traders and others.	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0.0
Time to obtain VAT refund (weeks)	No VAT refund per case study scenario	0.0
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	39.0	31.2
Time to complete a corporate income tax correction (weeks)	86.6	0.0

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

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

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

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

N/A = Not applicable.

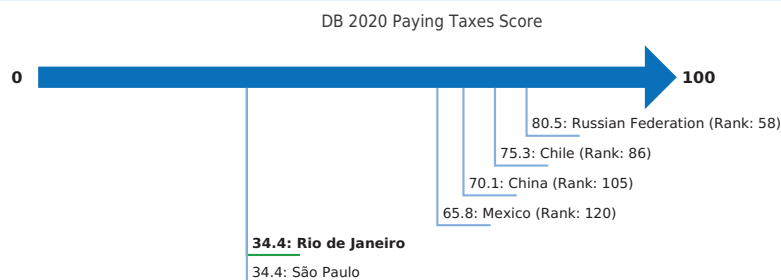
Paying Taxes - Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Payments (number per year)	9	28.2	10.3	3 (2 Economies)
Time (hours per year)	1501	317.1	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	65.7	47.0	39.9	26.1 (33 Economies)
Postfiling index (0-100)	7.8	47.5	86.7	None in 2018/19

Figure - Paying Taxes in Rio de Janeiro - Score

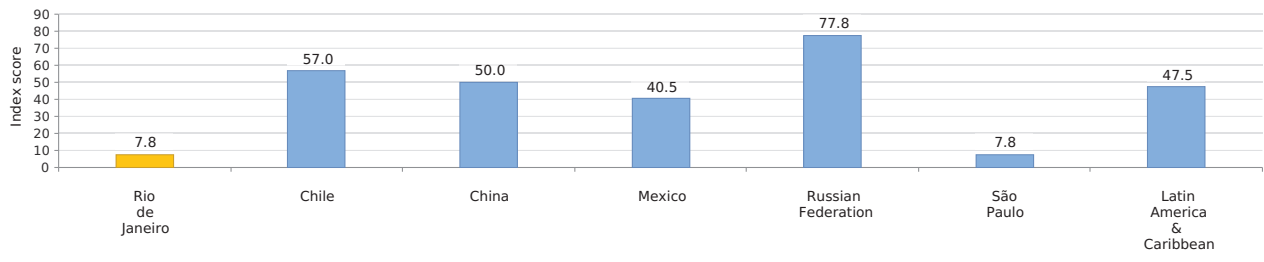


Figure - Paying Taxes in Rio de Janeiro and comparator economies - Ranking and Score



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

Figure - Paying Taxes in Rio de Janeiro and comparator economies - Measure of Quality



Details - Paying Taxes in Rio de Janeiro

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Employer paid - Social security contributions (INSS)	1.0	online	255.0	20%	gross salaries	22.56	
Corporate income tax (IRPJ)	1.0	online	361.0	15%+10% (surcharge applies on annual taxable income exceeding R\$ 240,000)	taxable profit	16.22	
Employer paid - Payroll tax	0.0	online and jointly		8.8%	net salaries	8.84	
Employer paid - Severance contribution (FGTS)	1.0	online		8%	net salaries	8.04	
Social contribution (CSLL)	1.0	online		9%	taxable profit	5.84	
Property tax	1.0			2.8%	market value of property	4.15	
Tax on interest	0.0	withheld		20%	interest income	0.51	not included
Vehicle tax	1.0			1%	market value of vehicle	0.08	
Employee paid - Social security contributions (INSS)	0.0	online and jointly		11%	gross salaries	0.00	withheld
ICMS (similar to VAT)	1.0	online	885.0	20%	value added (including taxes)	0.00	not included
IPI (similar to VAT)	1.0	online		20%	value added (including taxes)	0.00	not included
PIS/COFINS (similar to VAT)	1.0	online		9.25%	value added	0.00	not included
Totals	9		1501			65.7	

Details - Paying Taxes in Rio de Janeiro - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	22.1
Labor tax and contributions (% of profit)	39.4
Other taxes (% of profit)	4.2

Details - Paying Taxes in Rio de Janeiro - Measure of Quality

	Answer	Score
Postfiling index (0-100)		7.8
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	No	
Restrictions on VAT refund process	ICIMS: in case of overpayment due to a mistake in the calculation of taxes due IPI: no IPI VAT credit on capital purchase is allowed PIS and COFINS: restricted international traders and others	
Percentage of cases exposed to a VAT audit (%)	Not applicable	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	No VAT refund per case study scenario	0.0
Time to obtain VAT refund (weeks)	No VAT refund per case study scenario	0.0
Corporate income tax audits		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	39.0	31.2
Time to complete a corporate income tax correction (weeks)	86.6	0.0

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.

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

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Documentary compliance</p> <ul style="list-style-type: none"> • 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 <p>Border compliance</p> <ul style="list-style-type: none"> • 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 <p>Domestic transport</p> <ul style="list-style-type: none"> • 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 	<p>To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:</p> <p>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.</p> <p>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.</p> <p>Assumptions of the case study:</p> <ul style="list-style-type: none"> - For all 190 economies covered by <i>Doing Business</i>, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy. - It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000. - The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing. - All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process. - A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy. - Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - São Paulo

Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	49	55.3	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	862	516.3	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	12	35.7	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	226	100.3	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	30	55.6	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	375	628.4	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	24	43.2	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	107	107.3	23.5	0 (30 Economies)

Figure - Trading across Borders in São Paulo - Score

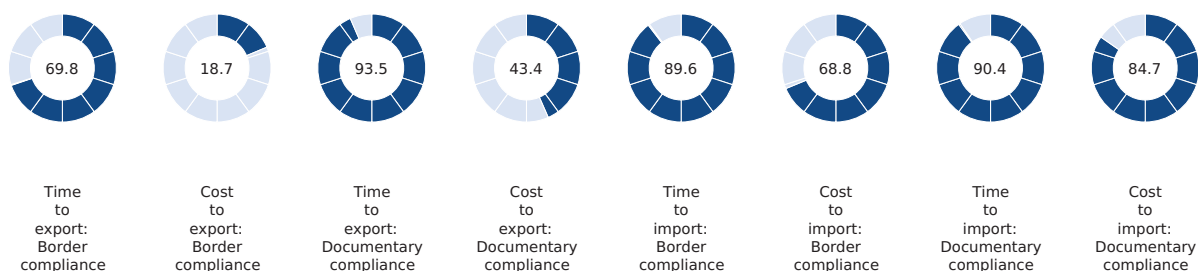
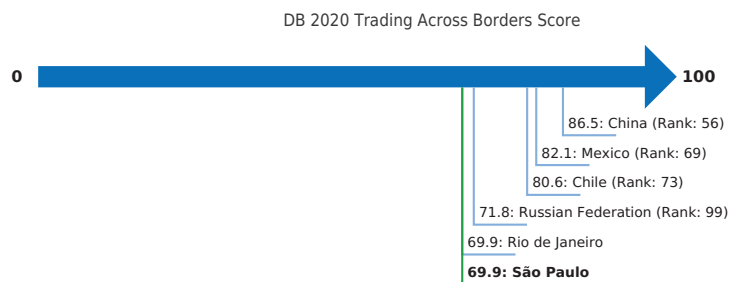
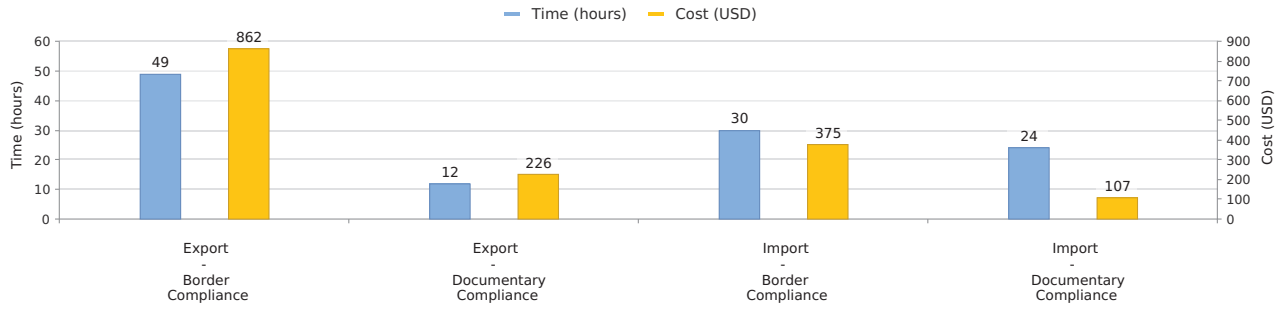


Figure - Trading across Borders in São Paulo and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in São Paulo - Time and Cost



Details - Trading across Borders in São Paulo

Characteristics	Export	Import
Product	HS 12 : Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	HS 8708: Parts and accessories of motor vehicles
Trade partner	China	Argentina
Border	Santos port	Uruguaiana border
Distance (km)	84	1560
Domestic transport time (hours)	9	48
Domestic transport cost (USD)	763	1900

Details - Trading across Borders in São Paulo - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	7.0	232.6
Export: Clearance and inspections required by agencies other than customs	24.0	125.0
Export: Port or border handling	47.0	504.3
Import: Clearance and inspections required by customs authorities	18.0	225.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	30.0	150.0

Details - Trading across Borders in São Paulo - Trade Documents

Export	Import
Bill of lading	Commercial Invoice
Commercial invoice	Packing list
Customs export declaration	Conhecimento de carga CRT
Export Invoice (Nota Fiscal)	Bank document
Packing list	Certificado de Origem Digital
Health certificate	Nota fiscal
SOLAS certificate	Customs import declaration

Trading across Borders - Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	49	55.3	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	862	516.3	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	12	35.7	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	226	100.3	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	30	55.6	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	375	628.4	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	24	43.2	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	107	107.3	23.5	0 (30 Economies)

Figure - Trading across Borders in Rio de Janeiro - Score

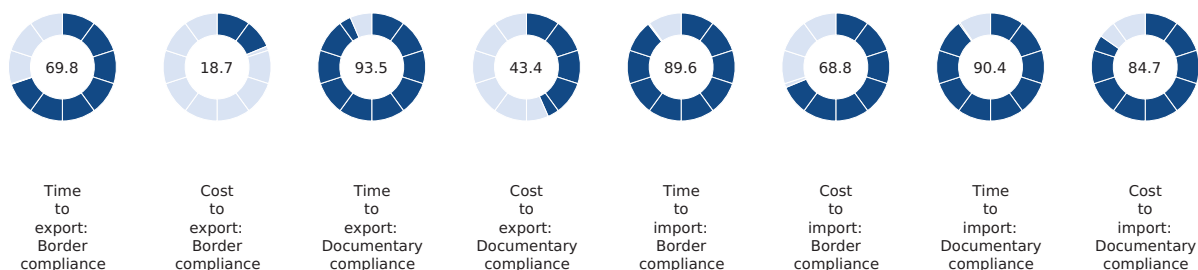
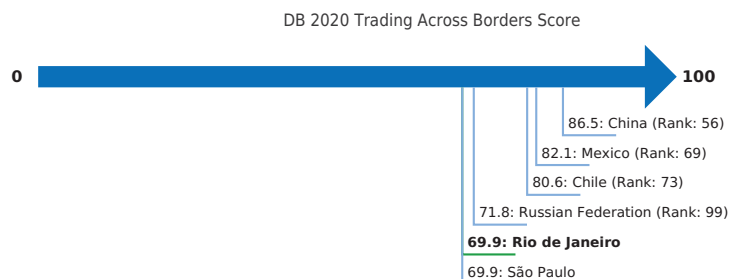
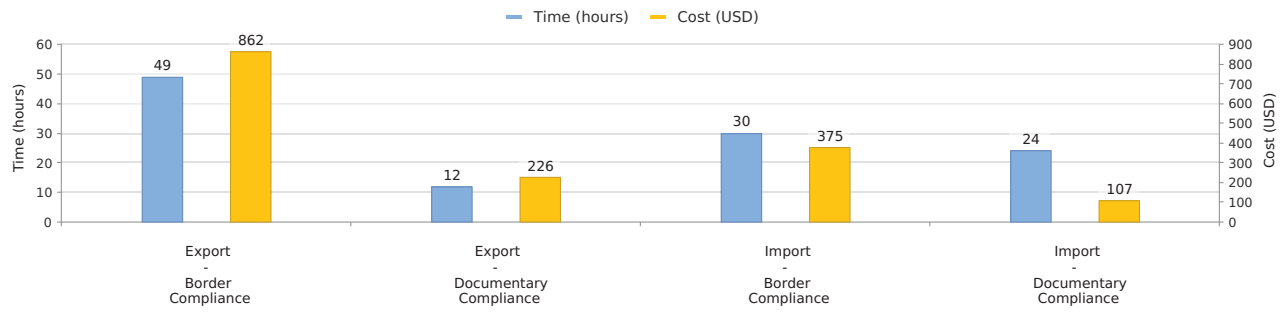


Figure - Trading across Borders in Rio de Janeiro and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Rio de Janeiro - Time and Cost



Details - Trading across Borders in Rio de Janeiro

Characteristics	Export	Import
Product	HS 12 : Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or medicinal plants; straw and fodder	HS 8708: Parts and accessories of motor vehicles
Trade partner	China	Argentina
Border	Santos port	Uruguaiiana border
Distance (km)	513	1970
Domestic transport time (hours)	16	60
Domestic transport cost (USD)	1779	2450

Details - Trading across Borders in Rio de Janeiro - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	7.0	232.6
Export: Clearance and inspections required by agencies other than customs	24.0	125.0
Export: Port or border handling	47.0	504.3
Import: Clearance and inspections required by customs authorities	18.0	225.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	30.0	150.0

Details - Trading across Borders in Rio de Janeiro - Trade Documents

Export	Import
Bill of lading	Commercial invoice
Commercial invoice	Packing list
Customs export declaration	Conhecimento de carga CRT
Export Invoice (Nota Fiscal)	Bank document
Packing list	Certificado de Origem Digital
Health certificate	Nota fiscal
SOLAS certificate	Customs import declaration

Enforcing Contracts

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

What the indicators measure	Case study assumptions
<p>Time required to enforce a contract through the courts (calendar days)</p> <ul style="list-style-type: none"> • Time to file and serve the case • Time for trial and to obtain the judgment • Time to enforce the judgment <p>Cost required to enforce a contract through the courts (% of claim value)</p> <ul style="list-style-type: none"> • Average attorney fees • Court costs • Enforcement costs <p>Quality of judicial processes index (0-18)</p> <ul style="list-style-type: none"> • Court structure and proceedings (-1-5) • Case management (0-6) • Court automation (0-4) • Alternative dispute resolution (0-3) 	<p>The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data on the time and comparable across economies, several assumptions about the case are used:</p> <ul style="list-style-type: none"> - The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. - The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality. - The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater. - The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater. - The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim. - The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate. - The judge decides in favor of the seller; there is no appeal. - The Seller enforces the judgment through a public sale of the Buyer's movable assets.

Enforcing Contracts - São Paulo

Standardized Case

Claim value	BRL 61,363
Court name	São Paulo Civil District Court
City Covered	São Paulo

Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time (days)	731	774.2	589.6	120 (Singapore)
Cost (% of claim value)	20.7	32.0	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	12.5	8.8	11.7	None in 2018/19

Figure - Enforcing Contracts in São Paulo - Score

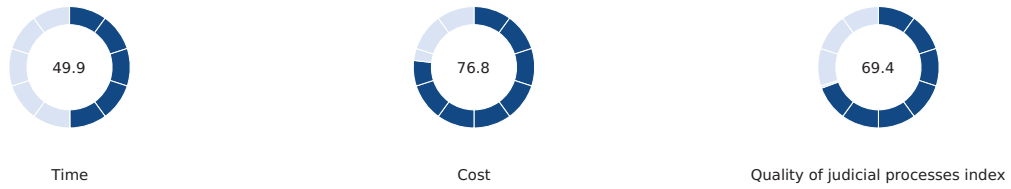
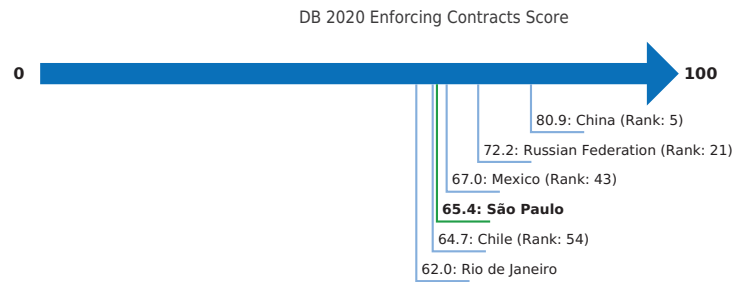


Figure - Enforcing Contracts in São Paulo and comparator economies - Ranking and Score



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

Figure - Enforcing Contracts in São Paulo - Time and Cost

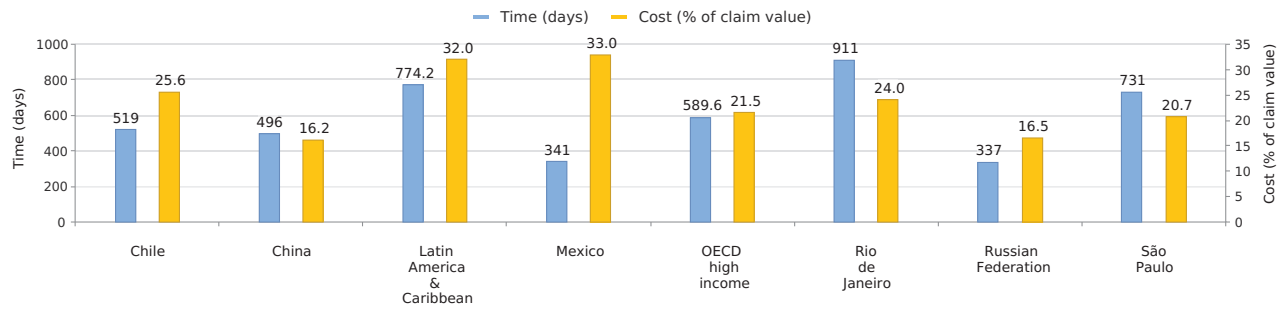
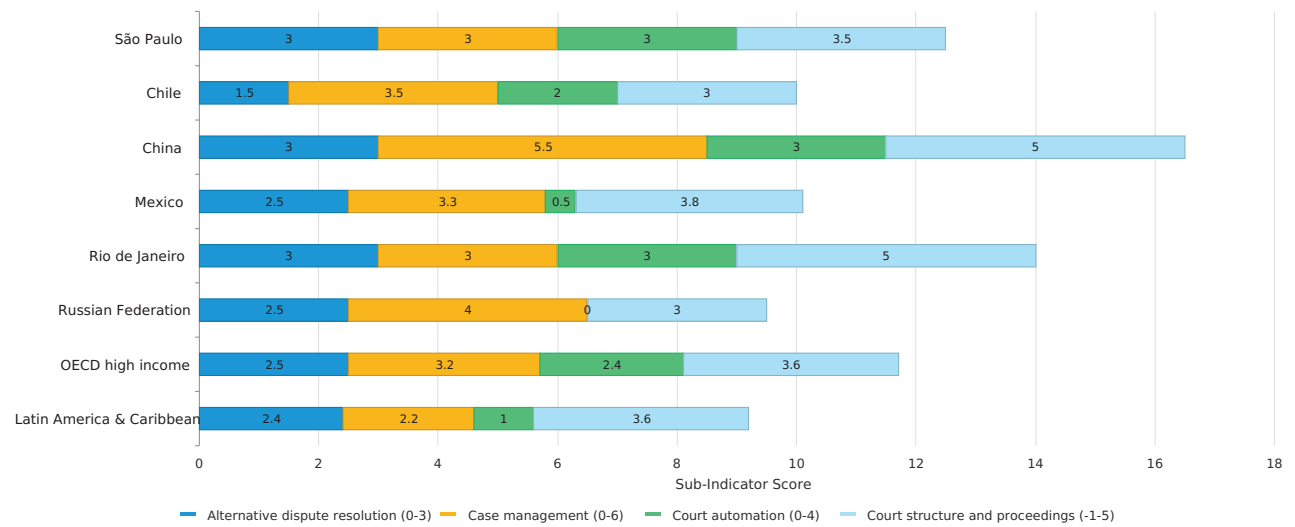


Figure - Enforcing Contracts in São Paulo and comparator economies - Measure of Quality



Details - Enforcing Contracts in São Paulo

	Indicator
Time (days)	731
Filing and service	41
Trial and judgment	480
Enforcement of judgment	210
Cost (% of claim value)	20.7
Attorney fees	12.6
Court fees	7
Enforcement fees	1.1
Quality of judicial processes index (0-18)	12.5
Court structure and proceedings (-1-5)	3.5
Case management (0-6)	3.0
Court automation (0-4)	3.0
Alternative dispute resolution (0-3)	3.0

Details - Enforcing Contracts in São Paulo - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		12.5
Court structure and proceedings (-1-5)		3.5
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
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?	Yes	
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)		3.0
1. Time standards		0.0
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?	No	
1.c. Are these time standards respected in more than 50% of cases?	No	
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?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
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)		3.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	Yes	1.0
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?	Yes	1.0
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)		3.0
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	1.5
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)	Yes
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)?	Yes

Enforcing Contracts - Rio de Janeiro

Standardized Case

Claim value	BRL 61,363
Court name	Rio de Janeiro Civil Court (Vara Cível)
City Covered	Rio de Janeiro

Indicator	Rio de Janeiro	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Time (days)	911	774.2	589.6	120 (Singapore)
Cost (% of claim value)	24.0	32.0	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	14.0	8.8	11.7	None in 2018/19

Figure - Enforcing Contracts in Rio de Janeiro - Score

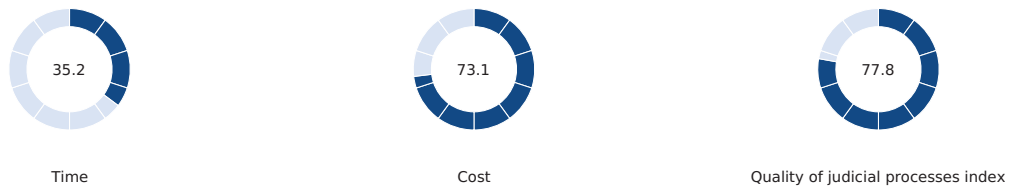
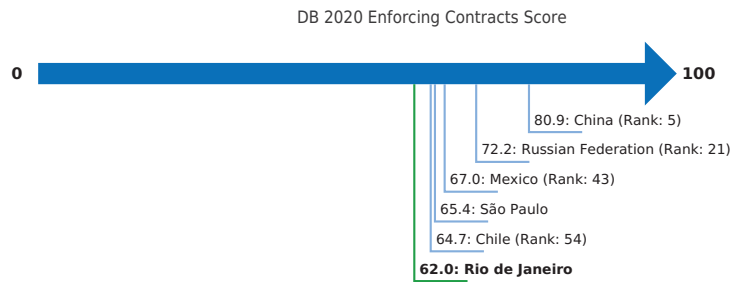


Figure - Enforcing Contracts in Rio de Janeiro and comparator economies - Ranking and Score



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

Figure - Enforcing Contracts in Rio de Janeiro - Time and Cost

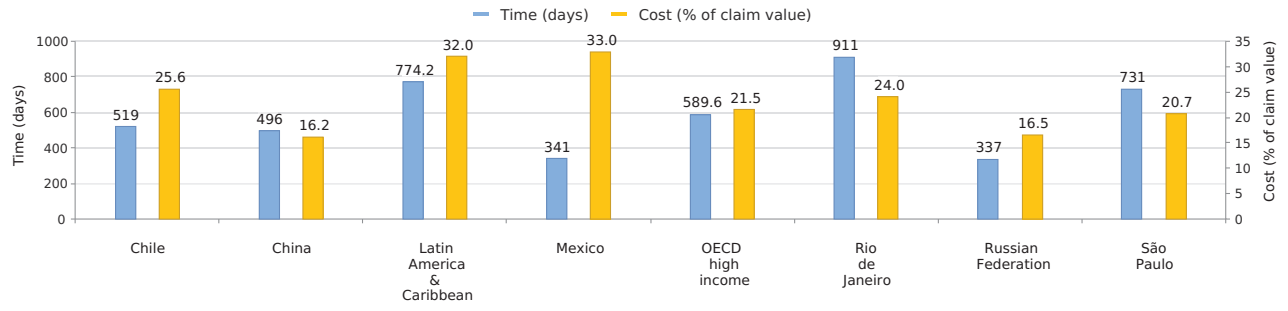
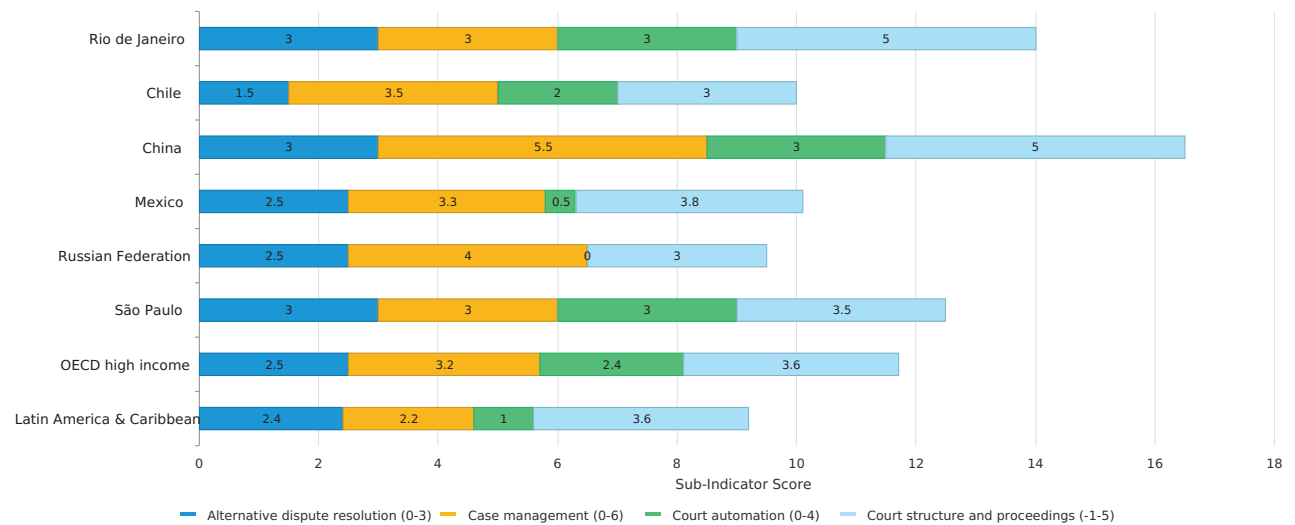


Figure - Enforcing Contracts in Rio de Janeiro and comparator economies - Measure of Quality



Details - Enforcing Contracts in Rio de Janeiro

	Indicator
Time (days)	911
Filing and service	41
Trial and judgment	660
Enforcement of judgment	210
Cost (% of claim value)	24.0
Attorney fees	15.9
Court fees	7
Enforcement fees	1.1
Quality of judicial processes index (0-18)	14.0
Court structure and proceedings (-1-5)	5.0
Case management (0-6)	3.0
Court automation (0-4)	3.0
Alternative dispute resolution (0-3)	3.0

Details - Enforcing Contracts in Rio de Janeiro - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		14.0
Court structure and proceedings (-1-5)		5.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.5
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?	Yes	
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)		3.0
1. Time standards		0.0
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?	No	
1.c. Are these time standards respected in more than 50% of cases?	No	
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?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
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)		3.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	Yes	1.0
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?	Yes	1.0
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)		3.0
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	1.5
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)	Yes
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)?	Yes

Resolving Insolvency

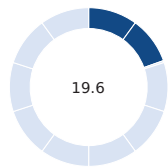
Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Time required to recover debt (years)</p> <ul style="list-style-type: none"> • Measured in calendar years • Appeals and requests for extension are included <p>Cost required to recover debt (% of debtor's estate)</p> <ul style="list-style-type: none"> • Measured as percentage of estate value • Court fees • Fees of insolvency administrators • Lawyers' fees • Assessors' and auctioneers' fees • Other related fees <p>Outcome</p> <ul style="list-style-type: none"> • Whether business continues operating as a going concern or business assets are sold piecemeal <p>Recovery rate for creditors</p> <ul style="list-style-type: none"> • 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 <p>Strength of insolvency framework index (0- 16)</p> <ul style="list-style-type: none"> • 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) 	<p>To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:</p> <ul style="list-style-type: none"> - 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. <p>In addition, <i>Doing Business</i> evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.</p>

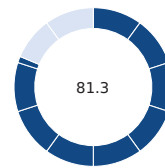
Resolving Insolvency - São Paulo

Indicator	São Paulo	Latin America & Caribbean	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	18.2	31.2	70.2	92.9 (Norway)
Time (years)	4.0	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	12.0	16.8	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	1	..	..	..
Strength of insolvency framework index (0-16)	13.0	7.2	11.9	None in 2018/19

Figure - Resolving Insolvency in São Paulo - Score

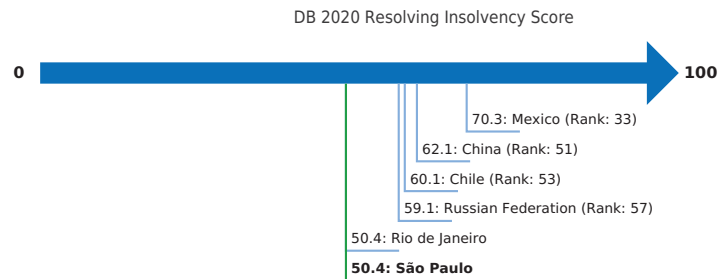


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in São Paulo and comparator economies - Ranking and Score



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

Figure - Resolving Insolvency in São Paulo - Time and Cost

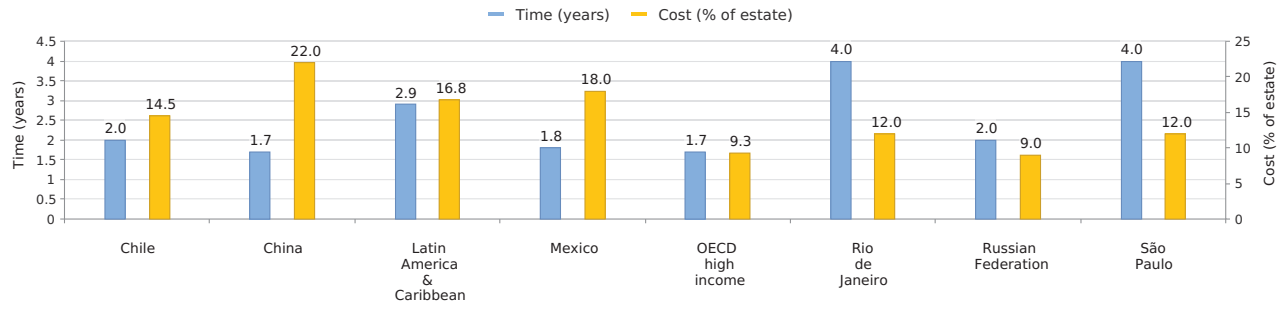
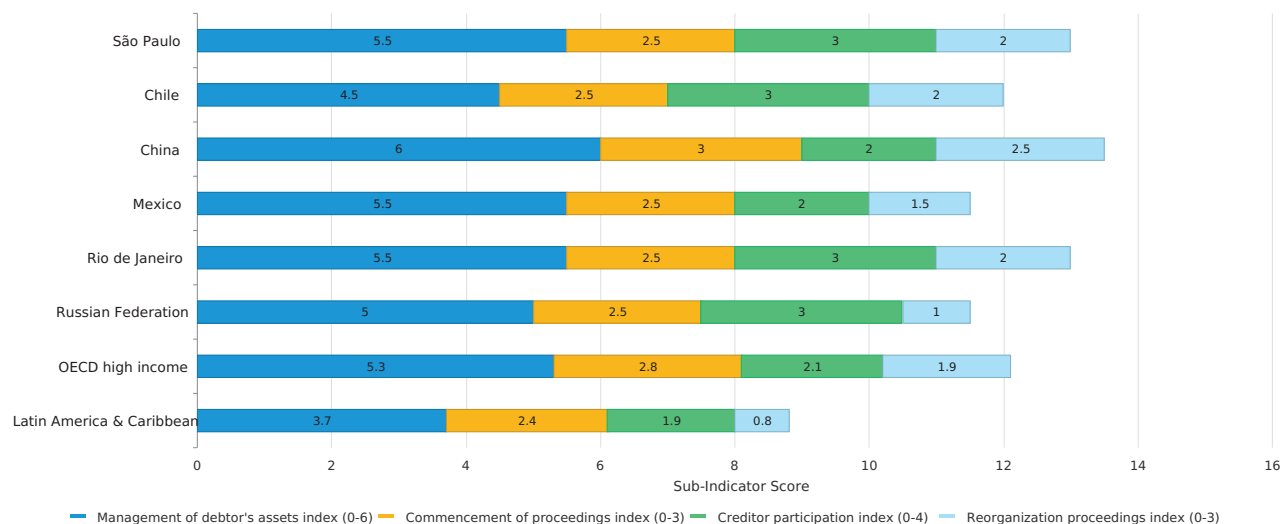
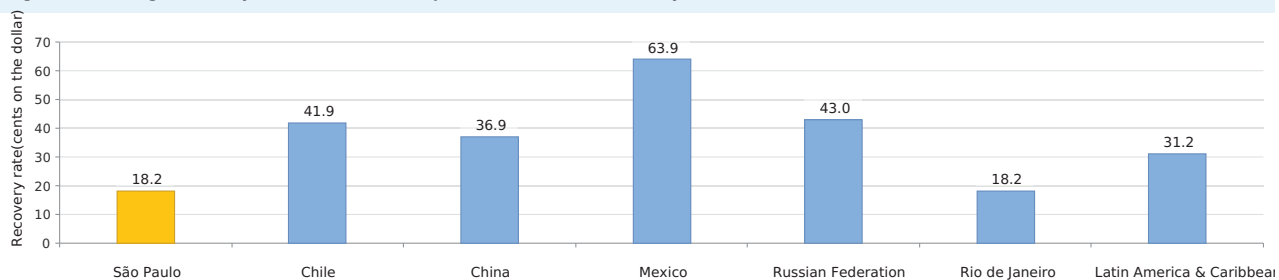


Figure - Resolving Insolvency in São Paulo and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in São Paulo and comparator economies - Recovery Rate



Details - Resolving Insolvency in São Paulo

Indicator	Answer	Score
Proceeding	liquidation (after an attempt at reorganization)	The most likely procedure applicable to our case study would be a reorganization, which will then be converted into a liquidation. Mirage may use the reorganization proceeding to gain time, find a new investor, or renegotiate its debt. Insolvency proceedings will therefore start with Mirage (debtor) filing for court-supervised reorganization (recuperação judicial) with the Bankruptcy Court of the District of São Paulo. Mirage will benefit from the automatic stay / moratorium (article 6 of the Bankruptcy Law) and Mirage's managers will draft a plan that foresees the continuation of Mirage's operations as a going concern, where Mirage's management will stay in control. However, it is very likely that this plan is not approved, and that the case will be converted into liquidation, for the following reasons: (i) BizBank will most likely vote against the plan, since for BizBank the most efficient outcome is the sale of the business as a going concern, free and clear of labor and tax claims (which cannot be achieved through a reorganization), and (ii) no plan can be approved without Mirage's consent, as it is the only creditor holding secured debt (class II claims), and holds 70% of Mirage's total debt.
Outcome	going concern	Yes, the hotel will continue operating as a going concern, since as a result of liquidation proceedings, Mirage is likely to be sold as a going concern, free and clear of labor and tax claims, according to article 141.II.
Time (in years)	4.0	A reorganization procedure that is then converted into liquidation will approximately take 4 years in total. According to the Bankruptcy Law, the reorganization plan must be approved by the creditors within 180 days from commencement of reorganization proceedings (this is the maximum period for which the individual actions are stayed). However, this time will probably be extended several times, because the creditors are not likely to approve the reorganization plan during the first meeting. In practice, it will take almost 2 years to prepare the creditors list, draft and vote the plan, which would be rejected under our case study assumptions. The case will then be converted into liquidation (where the assets would be sold as a going concern), taking the formal conversion and the organization and execution of the sale 2 additional years (until the proceeds of the sale are finally distributed among creditors).
Cost (% of estate)	12.0	The costs associated with the case would amount to approximately 12% of the value of the debtor's estate. The main components of this total cost would be the attorney's fees, which would amount to 6% of the value of the estate, and the insolvency administrator fees, which would amount to 4%, plus 2% related to court fees.
Recovery rate (cents on the dollar)		18.2