



WORLD BANK GROUP

Business Ready (B-READY)

Taxation

Business Ready

Development Economics Global Indicators Group

Outline

B-READY: Taxation

1. Business Ready (B-READY) project overview

- What is B-READY?
- Development purpose
- Seeking to strike the right balance
- Coverage rollout
- B-READY topics

2. Taxation topic within the project

- Why does it matter?
- Before B-READY
- Three pillars of data
- Data sources
- Expert screening and selection

What is Business Ready (B-READY)?

- **Category:** The World Bank's new **corporate flagship** on business environment
- **Output:** A quantitative assessment of the **business environment** for private sector development
- **Coverage:** **Annual** frequency for most economies **worldwide**



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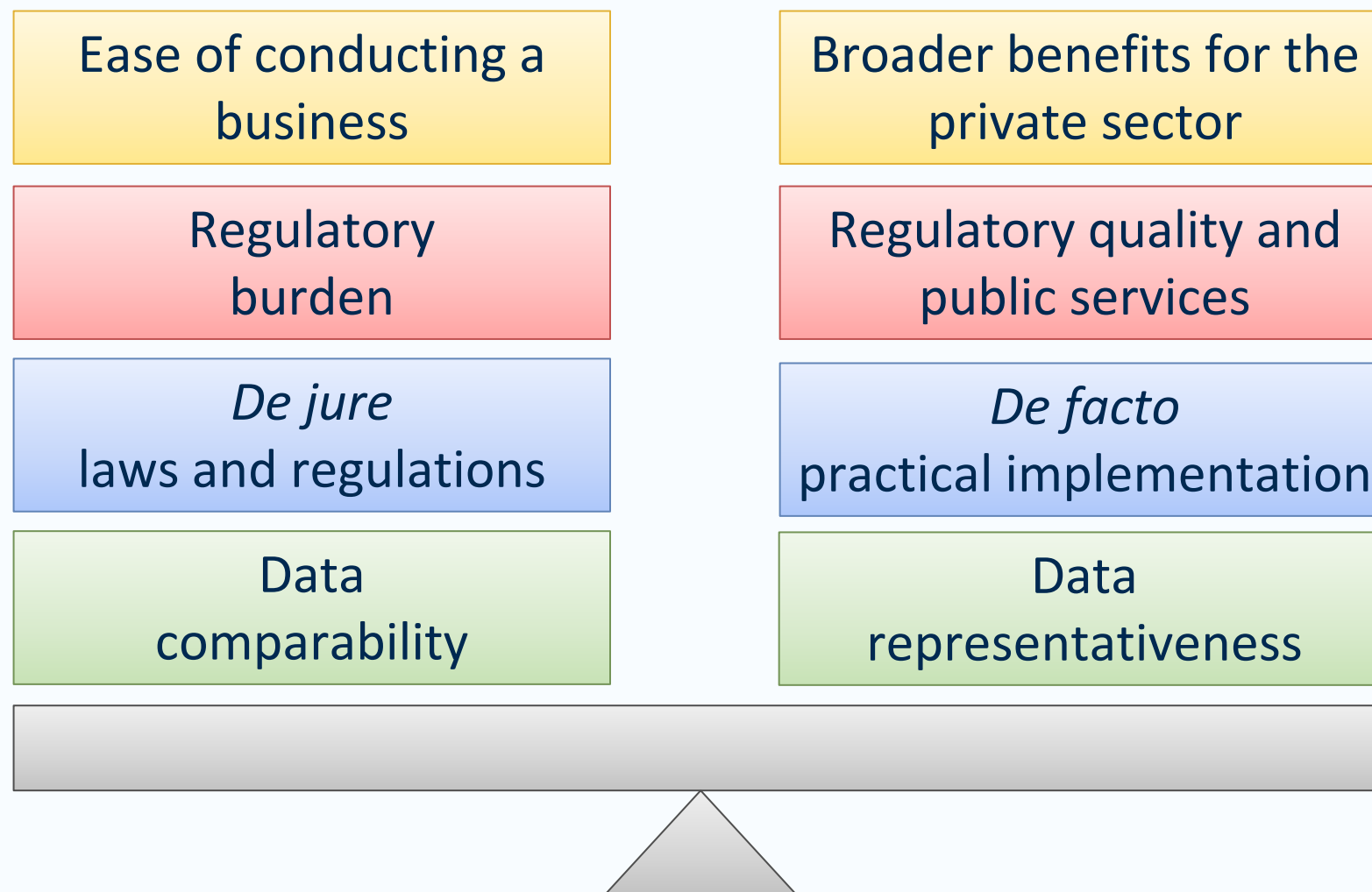
Development purpose

- **Reform advocacy:** Promote economic reforms, opening doors for policy dialogue for governments, the private sector, and development institutions such as the World Bank and USAID
- **Policy advice:** Inform specific policy advice on business environment reforms, including by the World Bank's investment climate assessments (ICA) and country private sector diagnostics
- **Development research:** Support social and economic research on drivers and consequences of private sector development



Seeking to strike the right balance

- Improving on *Doing Business* by providing a more balanced approach in assessing the business environment



Coverage rollout

B-READY 1 (2024, 50 economies)

- Bulgaria
- Croatia
- Estonia
- Greece
- Hungary
- Portugal
- Romania
- Slovak Republic

+ 42 non-EU
economies

B-READY 2 (2025, 112 economies)

B-READY 1 +

- Belgium
- Cyprus
- Czechia
- Ireland
- Italy
- Latvia
- Malta
- Poland
- Slovenia
- Spain
- Sweden

+ 51 non-EU
economies

B-READY 3 (2026, 185 economies)

B-READY 2 +

- Austria
- Denmark
- Finland
- France
- Germany
- Lithuania
- Luxembourg
- Netherlands

+ 65 non-EU
economies

B-READY topics

- Topics are organized following the life cycle of the firm and its participation in the market



- Within each topic, B-READY will include data on important considerations for modern economies, such as **digital adoption**, **environmental sustainability** and **gender**.

Taxation – Why does it matter?

- Taxation is a key policy tool for governments to finance operations and provide public goods, but excessive taxation can distort markets, prevent firm growth, and foster tax evasion.
- Tax system deficiencies like complexity, inefficiency, and high compliance costs hinder private sector development and economic growth.
- Simplifying tax regulations and limiting government discretion can benefit firms, especially small and medium-sized businesses.
- Efficient tax administration systems increase productivity and growth through easy access to information, effective risk management, and transparency.

Before B-READY

- Prior to B-READY, taxation matters were captured by the Doing Business report.
- Data based on expert questionnaires and desk research.
- Detailed case study approach.
- B-READY builds on, expands and improves on the taxation topic in Doing Business.

Total tax and contribution rate



Time



To prepare, file, and pay value added or sales tax, profit tax, and labor taxes and contributions

Postfiling index



Efficiency of postfiling processes



Number of payments (per year)

Three pillars of data



Regulatory framework

Rules + regulations that firms must follow

Quality of regulations on taxation

- Clarity and transparency of tax regulations
- Environmental taxes

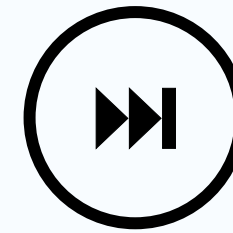


Public services

Government-provided facilities for compliance + business-enabling public institutions and infrastructure

Public services provided by the tax administration

- Digitization in tax administration
- Tax audits
- Dispute resolution mechanisms
- Governance of tax authority



Efficiency

Efficiency to comply with regulations and to use public services

Efficiency of tax systems in practice

- Time to comply with tax regulations
- Cost of taxation

a. Pillar I – Quality of regulations on taxation

1.1	Clarity and transparency of tax regulations
1.1.1	Clarity of tax regulations
1.1.2	Transparency of changes in tax regulations
1.1.3	Simplified record keeping and temporary provisions
1.1.4	Tax registration and VAT refund
1.2	Environmental taxes
1.2.1	General framework
1.2.2	Governance
1.2.3	Transition policy

b. Pillar II – Public services provided by the tax administration

2.1	Digitization in Tax Administration
2.1.1	Services for taxpayers (filling and payment)
2.1.2	Sex-disaggregated data
2.1.3	Taxpayer database
2.1.4	Interoperability
2.2	Tax Audits
2.2.1	Risk-based system
2.2.2	Types of audits and uniform practices
2.3	Dispute Resolution Mechanisms
2.3.1	First-Level Review Mechanism
2.3.2	Second-Level Review Mechanism
2.3.3	Gender equality during tax disputes
2.4	Governance of Tax Authority
2.4.1	Transparency
2.4.2	Public accountability
2.4.3	Gender composition of the staff in tax administration

c. Pillar III – Efficiency of tax systems in practice

3.1	Time to Comply with Tax Regulations
3.1.1	Time to file and pay taxes
3.1.2	Use of electronic systems to file and pay taxes
3.1.3	Duration of generic tax audit
3.1.4	Tax dispute
3.1.5	Use of VAT refund
3.1.6	Environmental report
3.1.7	Environmental audits
3.2	Cost of Taxation

Data sources

Data collection sources:

Pillars I, II, and III

- **Private sector experts:** Tax advisors, tax consultants, tax lawyers, tax specialists and tax auditors

Pillar III

- **Enterprise Surveys:** A representative sample of companies with different characteristics in size, region and industry. *(only in parts of the pillar)*

Data validation sources (for expert questionnaires):

- **Public sector experts:** Representatives from tax administrations and revenue authorities.

Expert screening and selection

Relevant expert professions:

- Tax advisors, consultants, accountants, lawyers, specialists, auditors, etc.

Relevant areas of specialization:

- Specialists in accounting, tax reporting and compliance, corporate tax law, environmental tax law, indirect taxation, tax administration law, tax dispute resolution, tax registration and deregistration procedures; tax review and enforcement; labor taxes and social contributions; etc.

Assessment of experts' knowledge and experience related to taxation and associated regulations, services, and processes:

- Professionals with a significant knowledge and years of experience in taxation and related regulations, services, and processes.



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Thank you

Q&A

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