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**Applying Doing Business indicators at Pardis Technology Park (PTP) and
Proposing Solutions**

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Abstract

In order to gather information about Doing Business indicators at PTP¹, all of the indicators were studied in two steps: designing and asking questions to managers of companies at PTP (CEO's of all the member companies) and gathering information about regulations. The questions were designed to find out number of steps, amount of cost, days and any other information that would help us to assess and compare the PTPs doing business ecosystem with country of Iran. After gathering and analyzing the answers and regulations, some solutions are suggested to make PTP a better place for member companies rather than country for doing business.

Introduction

Doing Business report is annually published by World Bank Group which assesses how easily businesses are running and done in different countries. It also publishes a ranking list which any country can find out whether doing business condition is suitable for companies in that country or not. The assessment is based on legal and administrative subjects and almost 10 indicators are included which any indicator is made of some sub factors. The result of the assessment usually has two main outputs: making countries aware of the inside businesses condition and notifying investors about best places to invest respectively. Thus, Doing Business report is one of the main reports which policy makers and investors rely on to make logical decisions.

Since any technology park designs the business and R&D environment in a way which any innovative and knowledge based company thrive, the doing business indicators can be applied by technology parks policy makers to assess whether the ecosystem was successful or not rather than the normal condition over the country.

PTP as the region's paradise of technology, under auspices of Presidency Deputy for science and technology and a fourteen-entity Board of Trustees comprising of corporate and real bodies from ministries, science centers and academies, headed by the First Vice President, pursuing the goals of commercialization of the research results and, establishing sustainable

¹ Pardis Technology Park

ties between University and Industry, is one of the main players acting in and affecting on Iran economy. The main role of PTP is paving the path through giving services such as technology services, financial supports and training events. PTP has its own policies and regulations which makes a different doing business environment rather than the country. Consequently it was crucial for any member company and policy maker in the ecosystem to compare advantages and disadvantages of the PTP. In order to assess and improve doing business condition at PTP, Doing Business indicators were chosen to be assessed in PTP in this study. Ergo, Starting a business, Dealing with construction permits, Getting electricity, Getting credit, Protecting minority investors, Paying taxes, Trading across borders, Enforcing contracts were selected as the factors to be analyzed in this study.

In order to study the mentioned indicators at PTP, World Bank Groups Doing Business Report 2014, was the based report and all of the given data in this essay is from this report, and it would help us to compare mentioned Doing Business indicators at PTP and Iran.

Methodology

This research is done based on the World Bank Groups Doing Business Report 2014-Iran's situation at any single indicator. After finding out about Iran's situation, the factors are assessed at PTP by some interviews which was done by member companies CEO's and managing office of PTP to know how the indicators are done in it. At the end, Delphi method is practiced by 10 professional to achieve beneficial solutions to make the business environment better for member companies at the PTP.

Doing business Indicators

After analyzing more than 10 annual doing business report which were published by World Bank Group, 8 indicators were known as more effective indicators to member Company's growth in PTP by Delphi group. Thus, in this research the focus is only on the chosen indicators. At this part, comparing between Iran and PTP is done in the chosen indicators and in the next part, the given solutions are offered.

1. Starting a business

This indicator is almost always one of the indicators that World Bank Group starts its analysis with it at Doing Business Report. The following table is showing the real procedure that must be passed by people to start a business in Iran.

Table1 Summary of procedures for starting a business in Iran, Islamic Rep.—and the time and cost (doing business report, 2014).

No.	Procedure	Time to complete	Cost to complete
1	Under articles 111 and 147 of the amendments to the Commercial Code of 1969, a criminal record clearance must be obtained from all company directors and inspections in order to register a new company.	3-7 days	IRR 50,000 per criminal record
2	Reserve a unique company name	3 days	IRR 60,000
3	Deposit at least 35% of the subscribed shares in a bank account and obtain proof thereof	1 day	no charge
4	Register at the Companies Registration Office and Pay the registration fees	3 days	IRR 375,000 for registration and IRR 40,000 for name search

No.	Procedure	Time to complete	Cost to complete
			and reservation.
5	Place a notice of the company formation in the Official Gazette and the selected newspaper of general circulation	1 day	IRR140,000 for official Gazette; IRR 240,000 for general circulation newspaper
6	Retrieve the officially sealed books of account within 30 days of registration	1 day	IRR 100,000
7	Pay the share certificate stamp duty within 60 days of company registration	1 day	0.2% of the par value of the subscribed share capital
8	Enroll workers in the social security program at the Iranian Labor Department and Obtain a workplace number	1 day	no charge

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of starting a business in PTP was as following:

Since this is a legal procedure, there is no exception for those who will start a business at PTP or other regions of country. Despite the fact that there is no legal exception at PTP, there is an advantage for those who will start a business at PTP. Commercialization Process at PTP, helps inventors, startup teams and creative people to boost the starting procedure via innovation service center which is in PTP. Besides, based on some internal regulations at PTP, 50 to 80 percent of the costs are paid by PTP as a supporting action.

Totally, PTP has not changed the procedure, but it has boosted the procedure and sometimes has reduced the cost by 50 to 80 percent for members.

2. Dealing with construction permits

The indicator reported here for Iran, Islamic Rep. are based on a set of specific procedures—the steps that a company must complete to legally build a warehouse—identified by Doing Business through information collected from experts in construction licensing, including architects, civil engineers, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations.

Table2 Summary of procedures for dealing with construction permits in Iran, Islamic Rep. —and the time and cost (doing business report, 2014).

No.	Procedure	Time to complete	Cost to complete
1	Obtain land tax payment code <i>Procedure can be done online</i>	0.5 days	no charge
2	Apply for zoning approval	1 days	no charge
3	Receive site inspection	1 days	no charge
4	Obtain zoning approval	10 days	IRR 455,210
5	Request and obtain construction permit	30 days	IRR 8,500,000
6	*Hire an independent surveillance company	1 day	no charge
7	*Receive inspection from Municipality - I	1 day	no charge
8	Receive inspection from Municipality - II	1 day	no charge
9	Receive inspection from Municipality - III	1 day	no charge
10	Receive inspection from Municipality - IV	1 day	no charge
11	Receive inspection from Municipality - V	1 day	no charge
12	Apply for building completion certificate	1 day	no charge
13	Receive final inspection	1 day	no charge

No.	Procedure	Time to complete	Cost to complete
14	Obtain building completion certificate	1 day	IRR 860,000
15	*Obtain water and sewerage connection	270 days	IRR 560,000,000
16	*Obtain fixed telephone line	1 day	IRR 2,000,000
Total		270 days	IRR 568,150,000

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of Dealing with construction permits in PTP was as following:

As it is shown in the table 2, the procedure takes 270 days. But it is totally different in PTP. Since most of the understructures have been prepared in advance, construction permits will only take 74 days and the cost would be less than country.

Table 3 Summary of procedures for dealing with construction permits in PTP.

No.	Procedure	Time to complete	Cost to complete
1	Selection and introduction of design consultant to PTP's managing office	1 day	no charge
2	First meeting of the Architectural Committee	1 day	IRR 10,000,000
3	Second meeting of the Architectural Committee	1 day	IRR 10,000,000
4	Third meeting of the Architectural Committee	1 day	IRR 10,000,000
5	PTP's Approval for Building Design	1 day	no charge
6	Request and obtain construction permit	30 days	IRR 8,500,000
7	First inspection by the municipality	1 day	no charge
8	Second inspection by the municipality	1 day	no charge
9	Third inspection by the municipality	1 day	no charge
10	Fourth inspection by the municipality	1 day	no charge
11	Fifth inspection by the municipality	1 day	no charge
12	Requesting for completion certificate	1 day	no charge
13	PTP's Inspection from the View and Map	1 day	no charge
14	Introducing the company to the municipality for completion certificate by PTP	1 day	no charge
15	Obtain water and sewerage connection	30 days	IRR 60,000,000
16	Obtain fixed telephone line	1 day	IRR 2,000,000
Total		74 day	IRR 100,500,000

3. Getting electricity

Reliable and affordable electricity is critical for any business. In order to counter weak electricity supply, some companies in underdeveloped and developing economies have to rely on self-supply, often at a prohibitively high cost.

Doing Business records all procedures required for a local business to obtain a permanent electricity connection and supply for a standardized warehouse, as well as the time and cost to complete them. These procedures include applications and contracts with electricity

utilities, clearances from other agencies and the external and final connection works. (Source: doing business).

The following table uncovers the procedure of getting electricity for firms in Iran. Then the process have been compared to the procedure which is obtained by PTP members.

Table 4 summary of procedures for getting electricity in Iran, Islamic Rep.—and the time and cost (doing business report, 2014).

No.	Procedure	Time to complete	Cost to complete
1	The client applies for electricity connection with Tehran Regional Electricity Company (TREC) and awaits estimate of connection fees	9 calendar days	no charge
2	The client obtains external inspection from Tehran Regional Electricity Company (TREC)	1 calendar day	no charge
3	The client obtains approval of the design of the private substation by Tehran Regional Electricity Company (TREC)	7 calendar days	IRR 540,000,000
4	The client obtains material for the external works	103 calendar days	IRR 200,000,000
5	The client obtains an excavation permit from Tehran Municipality	15 calendar days	IRR 5,000,000
6	The client obtains external works from Tehran Regional Electricity Company (TREC)	20 calendar days	IRR 1,150,000,000
7	The client obtains meter installation and final connection from Tehran Regional Electricity Company (TREC)	1 calendar day	IRR 27,000,000

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of getting electricity in PTP was as following:

While the procedure takes 7 procedures, 146 days and IRR 1,922,000,000 to obtain electricity connection in Iran; the procedure in PTP is totally different. In order to have electricity connection, companies must not pass any of the mentioned steps, because all of the buildings will have access to the electricity connection which is prepared in advance. They have to pay no charge for the connection process and either no extra time will be spent by firms. Despite the fact that connections are free and at the moment, there are some electricity disconnections in peak months and peak hours. In order to pave the pass for PTP's new faze expansions, a CCHP infrastructure is planned and is supposed to be invested and built in near future.

4. Getting credit

Two types of frameworks can facilitate access to credit and improve its allocation: credit information systems and borrowers and lenders in collateral and bankruptcy laws. Credit information systems enable lenders' rights to view a potential borrower's financial history (positive or negative)—valuable information to consider when assessing risk. And they permit borrowers to establish a good credit history that will allow easier access to credit. Sound collateral laws enable businesses to use their assets, especially movable property, as security to generate capital—while strong creditors' rights have been associated with higher ratios of private sector credit to GDP. (Source: doing business).

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and

accessibility of credit information available through a public credit registry or a private credit bureau. The strength of legal rights index measures whether certain features that facilitate lending exist within the applicable collateral and bankruptcy laws. *Doing Business* uses case scenarios to determine the scope of the secured transactions system, involving a secured borrower and a secured lender and examining legal restrictions on the use of movable collateral. (Source: doing business).

What the getting credit indicators measure

Strength of legal rights index (0–10) Rights of borrowers and lenders through collateral laws
Protection of secured creditors’ rights through bankruptcy laws

Depth of credit information index (0–6) Scope and accessibility of credit information distributed by public credit registries and private credit bureaus

Public credit registry coverage (% of adults) Number of individuals and firms listed in public credit registry as percentage of adult population

Private credit bureau coverage (% of adults) Number of individuals and firms listed in largest private credit bureau as percentage of adult population

Table5 Summary of scoring for the getting credit indicators in Iran, Islamic Rep (doing business report, 2014).

Indicator	Scoring
Strength of legal rights index (0-10)	4
Depth of credit information index (0-6)	5
Public registry coverage (% of adults)	41.6
Private bureau coverage (% of adults)	33.3

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of getting credit in PTP was as following:

With a glance to the national procedure, nothing is different for PTP’ member companies in the condition that they try to obtain loans and credits from ordinary financial systems; but, Vice Presidency for Science and Technology of Iran has created some financial funds that innovative and knowledge based companies can use it to support their financial problems and PTP’s member companies are not an exception for using this opportunity. These financial funds are called science and technology funds which they work under the conditions which Shokofaei and Noavari Fund designs. Thus, based on the related regulations, any of the national and international patenting, prototyping, elementary equipment for starting a workshop, production line preparation cost are supported by cheap and agile loans. Furthermore, these companies can get required credential guarantee through the mentioned funds.

5. Protecting minority investors

Protecting minority investors is ability of companies to raise the capital they need to grow, innovate, diversify and compete. If the laws do not protect minority shareholders, investors may be reluctant to provide funding to companies through the purchase of shares unless they become the controlling shareholders. Effective regulations define related-party transactions precisely, promote clear and efficient disclosure requirements, require shareholder participation in major decisions of the company and set detailed standards of accountability for company insiders.

Doing Business measures the strength of minority shareholder protections against directors' use of corporate assets for personal gain—or self-dealing. The indicators distinguish 3 dimensions of investor protections: transparency of related-party transactions (extent of disclosure index), liability for self-dealing (extent of director liability index) and minority shareholders' access to evidence before and during trial (ease of shareholder suits index).

What the protecting investors indicators measure

Extent of disclosure index (0–10) Approval process for related-party transactions Disclosure requirements in case of related-party transactions

Extent of director liability index (0–10) Ability of minority shareholders to file a direct or derivative lawsuit Ability of minority shareholders to hold interested parties and members of the approving body liable for prejudicial related-party transactions Available legal remedies (damages, repayment of profits, fines, imprisonment and rescission of the transaction)

Ease of shareholder suits index (0–10) Access to internal corporate documents (directly or through a government inspector) Documents and information available during trial

Strength of investor protection index (0–10) Simple average of the extent of disclosure, extent of director liability and ease of shareholder suits indices

Table 6 Summary of scoring for the getting credit indicators in Iran, Islamic Rep (doing business report, 2014).

Indicator	Scoring
Extent of disclosure index (0-10)	7
Extent of director liability index (0-10)	4
Ease of shareholder suits index (0-10)	0
Strength of investor protection index (0-10)	3.7

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of protecting minority investors in PTP was as following:

Based on the regulations which PTP is following them, there was no differences between the circumstance of PTP and Iran in this occasion. Besides, experts who answered the questions at interview, confirmed that no special rule is defined for minority investors.

6. Paying taxes

Taxes are essential. They fund the public amenities, infrastructure and services that are crucial for a properly functioning economy. Economies around the world have made paying taxes faster and easier for businesses—such as by consolidating filings, reducing the frequency of payments or offering electronic filing and payment. Many have lowered tax rates. Changes have brought concrete results. Some economies simplifying tax payment and reducing rates have seen tax revenue rise.

What the Paying Taxes Indicators Measure:

Tax payments for a manufacturing company in 2012 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and constitutions payed including consumption taxes
- Method and frequency of filling and payment

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

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

Total tax rate (% of profit before all taxes)

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

Table7 Summary of tax rates and administrative burden in Iran, Islamic Rep (doing business report, 2014).

Indicator	Numbers/Hours
Payments (number per year)	20
Time (hours per year)	344 Hours
Indicator	Percent
Profit tax (%)	17.8
Labor tax and contributions (%)	25.9
Other taxes (%)	0.4
Total tax rate (% profit)	44.1

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of paying tax in PTP was as following:

In order to support member companies at PTP, there are some tax exemptions which companies can use them in the condition they follow the regulations as following:

Profit tax: member companies should not pay for income tax. So it will reduce the amount of the tax and consequently it will reduce the procedure and time

Labor tax: and contributions is another exemption which member companies should not pay for that.

In conclusion, the procedure of tax payment is shown in the following table:

Table 8 Summary of tax rates and administrative burden in PTP (doing business report, 2014).

indicator	Numbers/Hours
Payments (number per year)	19
Time (hours per year)	152
Indicator	Percent
Profit tax (%)	0%
Other taxes (%)	26.3
Total tax rate (% profit)	26.3

As it is shown in the table 7, it is needed to pay 19 times instead of 20 which other companies have to pay it. On the other hand, 152 hours per year is required instead of 344 and finally total tax rate that is paid by PTP's members is 26.3 instead of 44.1. Thus it is clear that the circumstance at this indicator in PTP is dramatically better than other parts of the Iran.

7. Trading across borders

Doing Business measures the time and cost (excluding tariffs and the time and cost for sea transport) associated with exporting and importing a standard shipment of goods by sea transport, and the number of documents necessary to complete the transaction. The indicators cover procedural requirements such as documentation requirements and procedures at

customs and other regulatory agencies as well as at the port. They also cover trade logistics, including the time and cost of inland transport to the largest business city. The ranking on the ease of trading across borders is the simple average of the percentile rankings on its component indicators: documents, time and cost to export and import.

What the trading across borders indicators measure

Documents required to export and import (number)

- Bank documents
- Customs clearance documents
- Port and terminal handling documents
- Transport documents

Time required to export and import (days)

- Obtaining, filling out and submitting all the documents
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Does not include sea transport time

Cost required to export and import (IRR per container)

- All documentation
- Inland transport and handling
- Customs clearance and inspections
- Port and terminal handling
- Official costs only, no bribes

To make the data comparable across economies, *Doing Business* uses several assumptions about the business and the traded goods.

The traded goods:

- Are not hazardous nor do they include
- Do not require refrigeration or any other special environment.
- Do not require any special phytosanitary or environmental safety standards other than accepted international standards.
- Are one of the economy's leading export or import products.
- Are transported in a dry-cargo, 20-foot full container load.

Table 9 Summary of procedures and documents for trading across borders in Iran, Islamic Rep (doing business report, 2014).

Indicator of Export	Numbers/Days/Cost
Documents to export (number)	7
Time to export (days)	25
Cost to export (IRR per container)	IRR 57,000,000
Indicator of Import	Numbers/Days/IRR
Documents to import (number)	10
Time to import (days)	37
Cost to import (IRR per container)	IRR 80,000,000

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of trading across abroad in PTP was as following:

PTP's member companies do not experience any simplification at export procedures. They just like any other company in Iran, pass the way to export their products; but, there are some services that members can utilize, such as: international exhibitions which they can introduce the products to foreign customers or some international visits which key characters do from member companies at PTP.

On the other hand there are some simplifications for importing that PTP has done for its member companies. This simplifications are about some special raw materials, special machines and devices. PTP boosts the importing process if it is proved as an urgency one. In conclusion, by the time being, there is no improving at cost, time and number of importing and exporting for ordinary products and materials and member companies most of the time pass the mentioned way at table 8.

8. Enforcing contracts

Effective commercial dispute resolution has many benefits. Courts are essential for entrepreneurs because they interpret the rules of the market and protect economic rights. Efficient and transparent courts encourage new business relationships because businesses know they can rely on the courts if a new customer fails to pay. Speedy trials are essential for small enterprises, which may lack the resources to stay in business while awaiting the outcome of a long court dispute.

Doing Business measures the efficiency of the judicial system in resolving a commercial dispute before local courts. Following the step-by-step evolution of a standardized case study, it collects data relating to the time, cost and procedural complexity of resolving a commercial lawsuit. The ranking on the ease of enforcing contracts is the simple average of the percentile rankings on its component indicators: procedures, time and cost.

The dispute in the case study involves the breach of a sales contract between 2 domestic businesses.

What the enforcing contracts indicators measure

Procedures to enforce a contract through the courts (number)

- Steps to file and serve the case
- Steps for trial and judgment
- Steps to enforce the judgment

Time required to complete procedures (calendar days)

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

Cost required to complete procedures (% of claim)

- Average attorney fees
- Court costs
- Enforcement costs

Table 10 Summary of procedures and documents for enforcing contracts in Iran, Islamic Rep (doing business report, 2014).

Indicator of Export	Days/Cost/Numbers
Procedures (number)	40
Time (days)	505
Cost (% of claim)	17

After interviewing 5 managers at managing department of PTP and 5 CEO of member companies, the procedure of enforcing contracts in PTP was as following:

Based on the researches, PTP has made no change at the indicator of enforcing contracts for its member companies. Thus, companies must pass the same way as other companies in Iran; but, there has created a simplification system which will help to member companies to be able to solve their problems before attending to official court which is called problem solving council. This council has no executive power; but, it certainly will solve some of the problems which will stop the companies from wasting their time at court. In conclusion; despite the fact PTP has made no change at the procedure, cost and time, but in the council which it has created, most of the problems will be solved as soon as possible without attending to court.

Suggestions for PTP

In order to make PTP an attractive place for companies, current condition PTP and current condition of Iran was compared by Delphi group. Finally after 5 rounds collecting the answers and distributing the given answers again, the final suggestions are given in the following of this survey to make PTP a better place for its members.

1. Starting a business

Based on the experience of better countries in this indicator, some solutions can be applied by PTP to make the condition better for those who want to start a business. These solutions are: simplifying procedures of company registration as following:

Making procedures online: This will make the procedure much faster and some procedures like registering at a newspaper of general circulation and criminal record clearance almost will be excluded. On the other hand, one of the changes which is done by many developed countries is excluding the rule of minimum needed capital for company registration. This change is suggested for PTP because it will reduce the number of procedures and time.

2. Dealing with construction permits

At dealing with construction permits, there are two groups of activities which can be afford to make PTP a better place. Some of the efforts should be done at PTP and some should be negotiated with other organizations. Thus, in the following solutions, suggestions will cover both kinds together.

First of all, we can see that the first to fifth procedures are not necessary in Iran but they are compulsory at PTP, thus, we need to rethink and make some changes in it. For instance, instead of asking companies to pass these procedures, it could be possible to check the resume and experience of the architectures who will design for member companies. If PTP exclude these procedures, the five of procedure, five days and IRR 300,000,000 would be reduced for member companies.

It seems that no changes at the sixth to twelfth procedures can be applied, because these steps are crucial; but, many of the companies spent much more time rather than it could be done in its normal condition and that is because many of these companies do not have enough information and experience at doing these procedures. Ergo, it is suggested for PTP, to use some expert companies at doing these procedures or asking them to give consultancy to member companies.

One of the improvements that can be applied is risk based inspection. Based on the survey, all of the inspections at PTP and Iran are the same for any kind of construction but experts at Delphi group believe that it is not necessary for companies to pass all of the inspection for any kind of construction. They believe that inspections must be based on the risk. Thus, sometimes procedure will be reduced for some constructions.

Single window is another solution that experts at Delphi group have suggested. Since companies must attain different offices during the procedures, it would reduce the time if it was possible for companies to attain to only one office which would called single window.

3. Getting electricity

Since PTP has created necessary infrastructure in this occasion, it is only needed to lunch the CCHP generator in order to prevent any kind of electricity problem. On the adding some regulations for professional wiring is suggested by Delphi group. They are under impression that these rules will prevent some electricity problems which would be because of repairmen processes.

4. Getting Credit

There are two approaches which can be applied to make PTP or country a better place for companies. First, it is necessary to pay attention to the role of information technology at this indicator. Through information technology, it would be possible to record the company's credential data and information. Thus, it would be possible to banks and funds to assess them and make correct decisions. This information must be updated and clear while they are accessible by banks and funds. One of the problems which PTP's member companies are faced with, is having a great number of properties which are not known valid by banks and funds, thus, the other solution is helping to companies to have a wide range of properties accepted guaranty.

5. Protecting minority investors

In order to protect minority investors at PTP, the solutions was given by Delphi group as following:

PTP's member companies are assessed annually by PTP's managing office. There are some indicators at this assessment but the minority investor's right is always ignored. Since this indicator is closely related to creating a better doing business condition, it is suggested to add this indicator to the assessment. This indicator must be involved by questions about the manager's responsibility about the progress of the company and the clearness of contracts which are tied.

The problem solving council which is created at PTP, must have special attention to the minority investor's right.

6. Paying taxes

As this was mentioned before, PTP's member companies pay much less taxes rather than other companies in the country, by the way, some solutions was suggested to make the PTP a better place for companies.

Tax payment procedure is not online completely, while; this is one of the ways which will affect any of the doing business indicator and this one is not an exception either. The other suggestions which was accepted with almost all of the Delphi group, is making some regulations for differentiate the tax rate for big and small companies. They are under impression that, through this way, SME companies need to pay less than big companies, thus, since most of the knowledge based and PTP's member companies are one of the SMEs, it would help them to pay less taxes.

One of the problems which most of the PTP companies were faced with was dealing with tax office. Since this office is not aware of the PTP's companies' activities and their importance for country, it takes a long time to receive tax exemption acceptance from this office. Thus, it is suggested that it would better for this office to create a branch at PTP to make procedures faster and more accurate.

Finally, the last suggestion for this indicator is exchanging part of the tax exemption to the taxes which companies have to pay for PTPs' managing office. They believe this would help the managing office of the PTP to offer better services and infrastructure.

7. Trading across borders

After comparing the procedures of Iran and PTP, it was clear that there was no important difference. Thus, some suggestions were given by Delphi group which is mentioned in the following:

Paying tariff takes time and cost. Although is necessary for government to receive it; but, it would make condition tuff for knowledge based and PTP's member companies. It is suggested to give exemptions for these companies at importing necessary products or raw materials if it is proved by PTP's managing office.

The other step which takes time from companies is custom. The suggested solution was crating special custom for knowledge based and PTP's member companies, which would result in less procedures that they have to pass and short time. Moreover, it will have effect on inspection procedure too, because they do believe this procedure must be risk based and the materials which are being imported by knowledge based and PTP's member companies, must be categorized in the low risk materials.

Finally it is suggested that green path would be a complete solution for this indicator. Usually there are three paths for importing which are red, yellow and green path. The green path usually has no physical inspection and usually they need to offer less documents for importing.

8. Enforcing contracts

Some solutions were suggested for the judicial system of Iran by the Delphi group. First, creating special courts for commercial judiciary or knowledge-based companies. They believe this would make the procedure faster and more accurate. Because commercial judiciary would be solved in special courts and the judges would be experts at related subjects. The other solution is outsourcing part of the procedure to the private sector. They are under the impression that this would result in faster solution-solving processes.

By the way, PTP is able to make the process simple for its member companies through expert companies who are professional in the judicial field. Covering part of the cost is one of the ways too. The other tool which PTP can make it more practical is its Problem Solving Council. The result which this council gives could be a proved certificate for a judge.

Source:

Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises, Washington, DC: World Bank Group.