

A World Bank Group Flagship Report



# Doing Business 2018

## Enforcing Contracts



**WORLD BANK GROUP**

Maria Quesada  
Team Leader

Global Indicators Group

April 12, 2018

- I. **What does it measure – and what does it not?**
- II. **What are the main findings in Pakistan?**



**WORLD BANK GROUP**



# What does Enforcing Contracts measure?

Enforcing Contracts measures the time and cost to resolve a commercial dispute through a local first instance court. As of Doing Business 2016, it also measures a series of good practices in the areas of court structure and proceedings, case management, court automation and alternative dispute resolution (ADR).

FIGURE 13.19 What are the time and cost to resolve a commercial dispute through the courts?

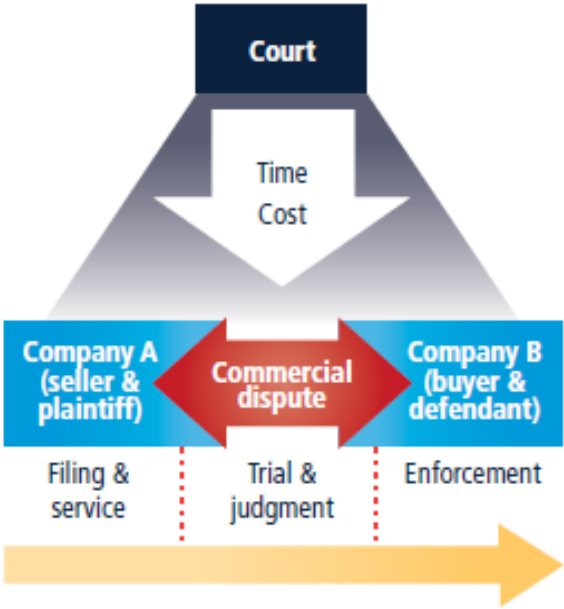
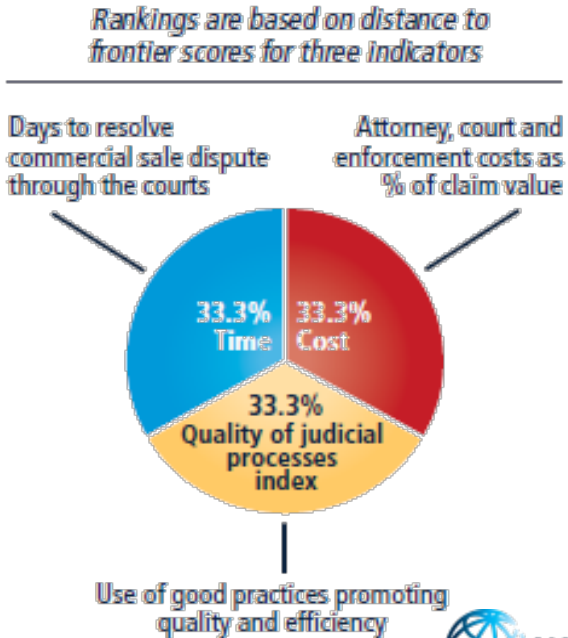


FIGURE 13.18 Enforcing contracts: efficiency and quality of commercial dispute resolution



## What does Enforcing Contracts **not** measure?

**What is  
not  
measured?**

Cases other than the standardized case study

Courts other than the competent court

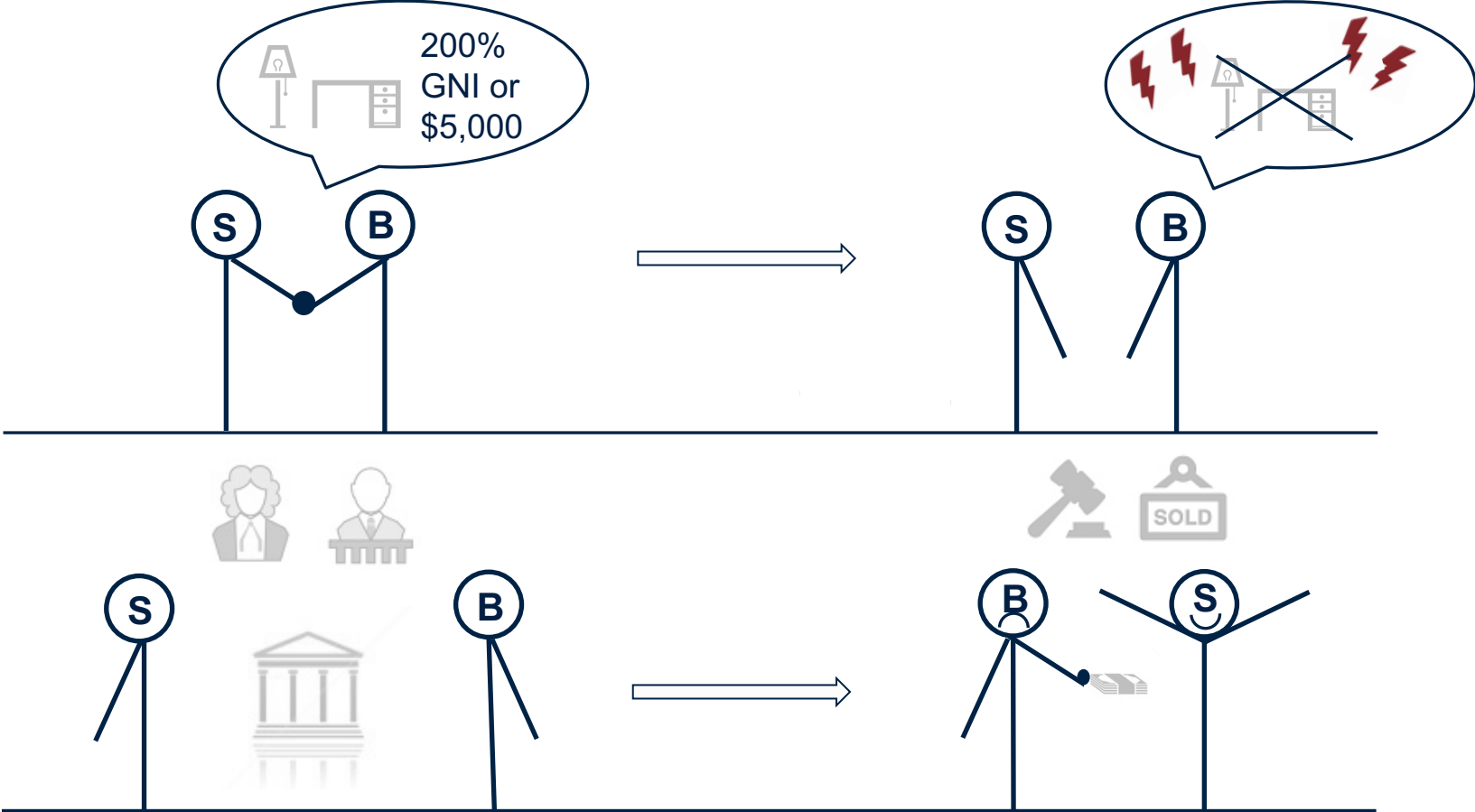
Due process standards

Appeal process

Procedures for resolving the standardized dispute

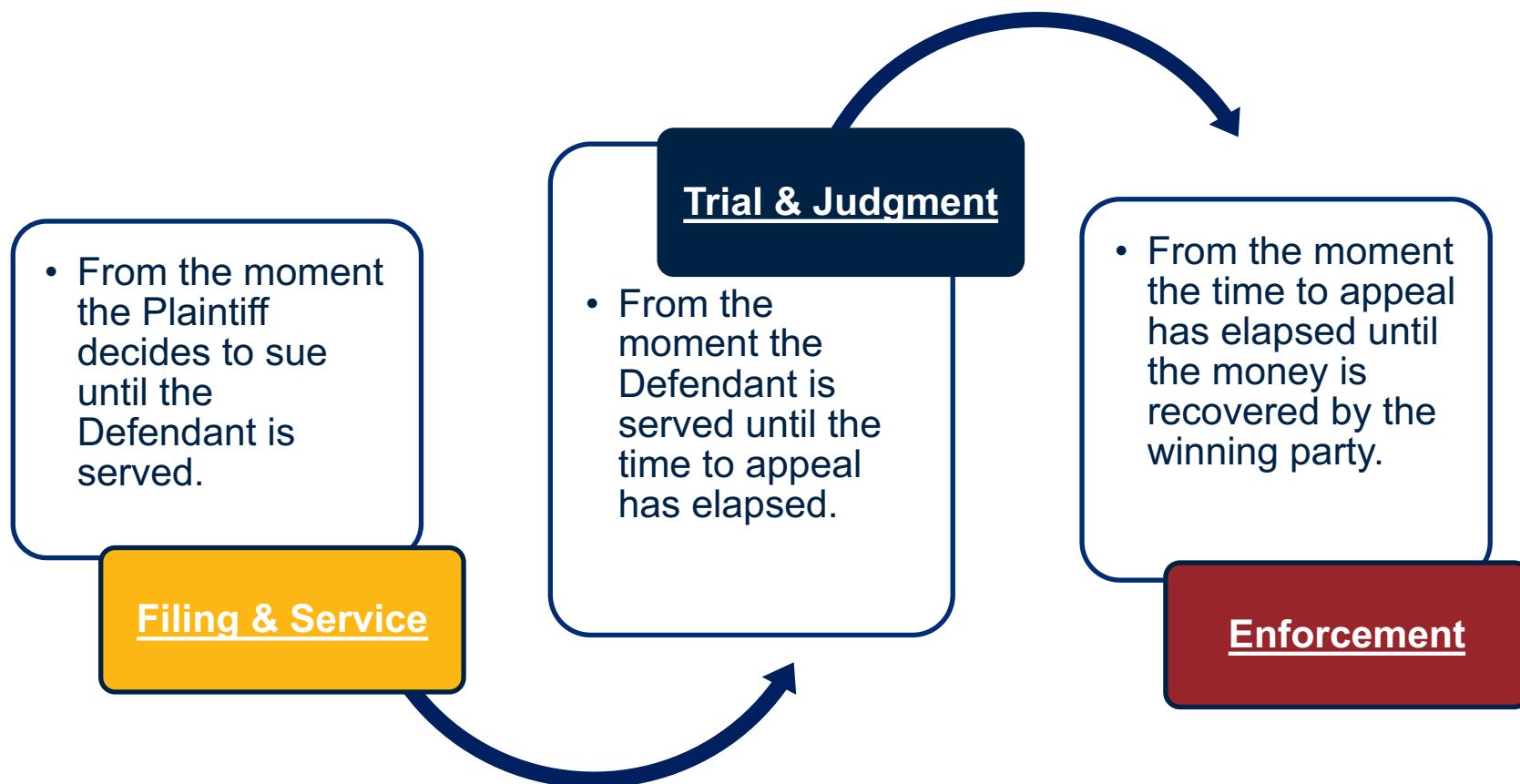
# Which are the case study assumptions?

What are the assumptions of the standardized case study used by **Enforcing Contracts**?



# How is **time** measured?

## 3 different phases, following the life cycle of a case



# How is **cost** measured?

Only actual fees that must be anticipated by the Plaintiff

## Attorney Fees (% of the value of the claim)

- Fees to be paid to a local attorney (including taxes, if applicable) from filing to enforcement, regardless of final reimbursement.

## Court Fees (% of the value of the claim)

- Filing fees.
- Expert fees.
- Fees for issuance and registration of judgment.

## Enforcement Fees (% of the value of the claim)

- All costs that the Plaintiff must advance to enforce the judgment through a public sale of the Defendant's movable assets. Such fees could relate to seizure of goods, advertisement, storage, etc.

# How is the **Quality of Judicial Processes index** measured?

## What is measured and...

### **Court structure and proceedings index (0–5)**

Availability of specialized commercial court, division or section

Availability of small claims court and/or simplified procedure for small claims

Availability of pretrial attachment

Criteria used to assign cases to judges

Evidentiary weight of woman's testimony

### **Case management index (0–6)**

Regulations setting time standards for key court events

Regulations on adjournments and continuances

Availability of performance measurement mechanisms

Availability of pretrial conference

Availability of electronic case management system for judges

Availability of electronic case management system for lawyers

### **Court automation index (0–4)**

Ability to file initial complaint electronically

Ability to serve initial complaint electronically

Ability to pay court fees electronically

Publication of judgments

### **Alternative dispute resolution index (0–3)**

Arbitration

Voluntary mediation and/or conciliation

## ...Why does it matter?



- ✓ Shorter resolution times, decrease backlog at the main trial court
- ✓ Increased consistency in case-law
- ✓ Increased access to justice



- ✓ Enhances record-keeping
- ✓ Reduced delays and case backlog
- ✓ Information to support strategic allocation of time and resources
- ✓ Improved predictability of court events which can ensure accountability, increase public trust, reduce opportunities for corruption and enhance transparency



- ✓ Speedier trials
- ✓ Better access to courts
- ✓ More reliable service of process
- ✓ Cost savings



- ✓ Reduced case backlogs and bottlenecks
- ✓ Reduced delays where these are caused by complex formal procedures or inadequate court resources
- ✓ Gives the parties more control, increasing satisfaction with outcomes



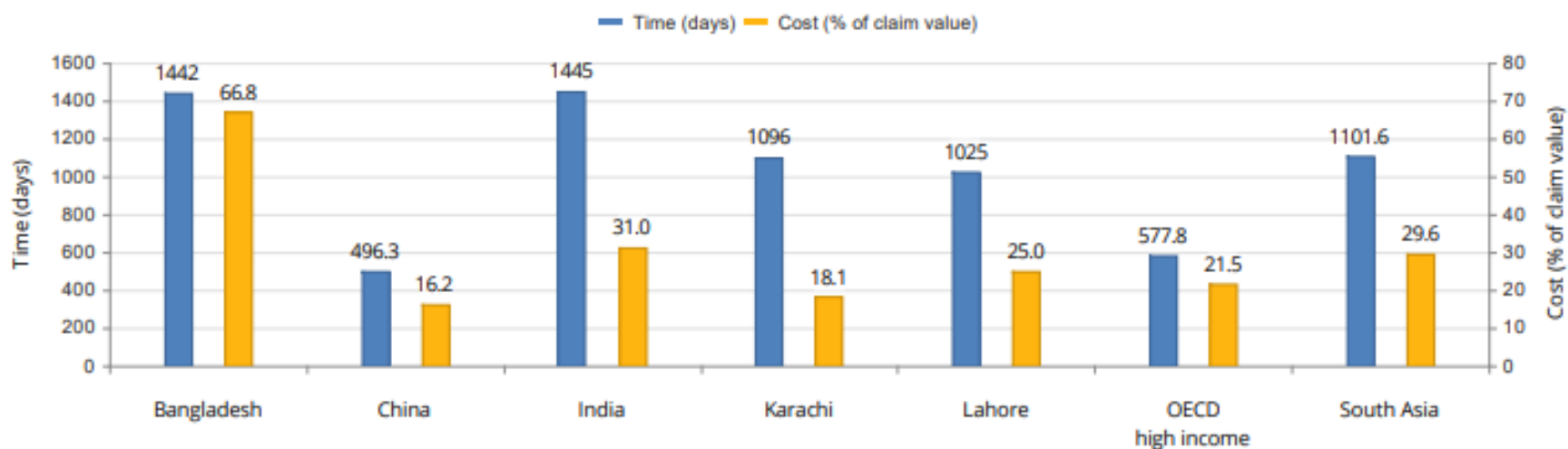
- I. What does it measure – and what does it not?
- II. What are the main findings in Pakistan?**



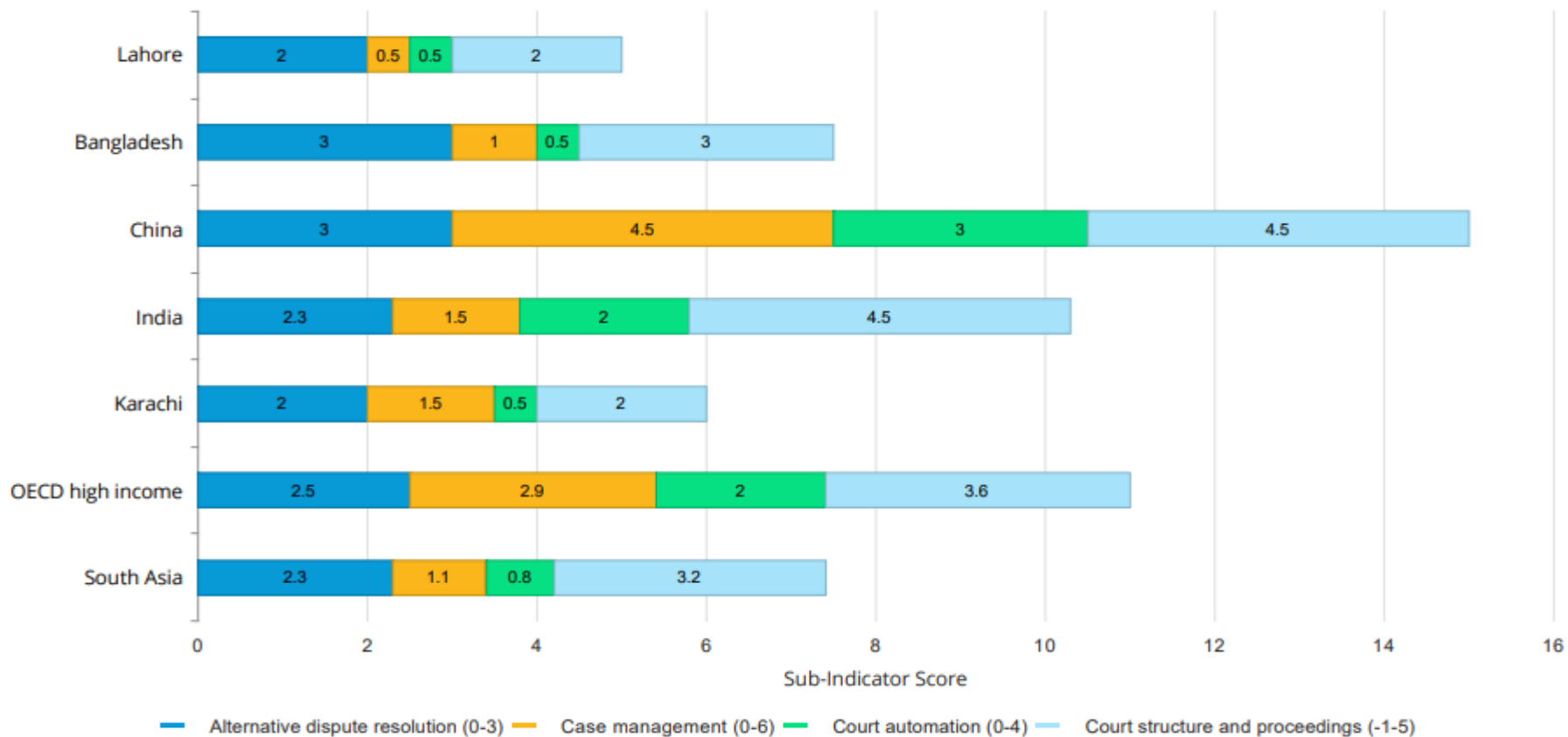
**WORLD BANK GROUP**



# Enforcing Contracts in Pakistan – time and cost



# Enforcing Contracts in Pakistan – quality of judicial processes



# THANK YOU!

[www.doingbusiness.org](http://www.doingbusiness.org)



**WORLD BANK GROUP**

**Doing Business**