

Doing Business in the European Union 2021: Austria, Belgium and the Netherlands



*Comparing Business Regulation for Domestic Firms
in 24 Cities in Austria, Belgium and the Netherlands
with Other European Union Member States*

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1818 H Street NW, Washington DC 20433
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Doing Business in **AUSTRIA**



- ◆ ***Doing Business in Austria* presents regional-level data and analyzes regulatory hurdles facing entrepreneurs in seven cities** (Bregenz, Graz, Innsbruck, Klagenfurt, Linz, Salzburg, and Vienna) across five *Doing Business* areas (starting a business, dealing with construction permits, getting electricity, registering property, and enforcing contracts through a local court).
- ◆ **Four of the seven cities lead in at least one of the measured areas. Linz is the only Austrian city that scores highest in two indicator areas.** Cities that score well in one area are at the bottom of the ranking for others, suggesting that each city has something to teach and something to learn from its neighbors.
- ◆ **Linz leads in getting electricity and registering property, Salzburg in starting a business, Bregenz in dealing with construction permits, and Vienna in enforcing contracts.** Innsbruck has the second-highest score in three of the five areas and is the only city that does not rank in the bottom three in any indicator.
- ◆ **Subnational score variations are most significant in the ease of dealing with construction permits, enforcing contracts, and getting electricity.** These disparities can help policy makers identify which cities have good practices that other cities can adopt and make improvements without major legislative overhaul.
- ◆ **Time is the dimension that varies the most across the five indicators. Bregenz registers the fastest turnaround times overall, and Klagenfurt the longest.** Entrepreneurs in Klagenfurt spend seven months longer than their peers in Bregenz complying with the bureaucratic requirements in the five areas measured. Nevertheless, even in Klagenfurt, the total time is 3.5 months faster than the EU average.
- ◆ **In the long run, Austrian cities can look for good practices outside the country to further improve their business regulations.** This would be particularly beneficial in the area of starting a business, the only indicator where all Austrian cities perform below the EU average.

Small and medium-sized enterprises (SMEs) play an essential role in the Austrian economy, representing 99.6% of all companies and employing approximately two-thirds of the working population.¹ In the recent past, Austria adopted a series of measures to improve the business environment for SMEs, thus enhancing job creation and economic growth. Austrian authorities invested in simplifying bureaucratic requirements through the use of electronic government services. For example, the government launched the Austrian Business Service Portal (Unternehmensserviceportal) in 2010. The portal, which began as an online information portal, has gradually evolved into a single sign-on transaction portal for businesses to complete a range of bureaucratic procedures and interact with public authorities. Existing technological solutions proved particularly useful during the pandemic-related lockdowns, allowing the authorities to continue delivering essential services to enterprises. The pandemic also accelerated the adoption of new digital tools in Austria (box 1).

Clear, simple, and coherent business regulations provide the stable and predictable rules that firms need to function effectively and encourage long-term growth and sustainable economic development. Conversely, excessive regulation can constrain the ability of firms to

reach the minimum size required to be competitive, undercutting their chances of becoming more productive, operating internationally, and attracting foreign investment.

This report focuses on the rules and regulations that govern business activity in Austria and the efficacy of local-level bureaucracy. This layer of administration is especially important in a federal country like Austria, where states and local authorities play a crucial role in determining business regulations and implementing them. The study presents regional-level data and analyzes regulatory hurdles facing entrepreneurs in seven cities: Bregenz, Graz, Innsbruck, Klagenfurt, Linz, Salzburg, and Vienna.²

Overall, Austria scores above the EU average for the ease of doing business.³ The country also performs well on the European Commission Small Business Act for Europe principles.⁴ Differences among the Austrian cities' performances on the five *Doing Business* indicators studied in this report highlight opportunities for local policy makers to adopt in-country examples of good practice to improve regulatory performance in their jurisdictions. The report also provides good practice examples from other EU member states as inspiration for the Austrian authorities.

MAIN FINDINGS

Bregenz, Linz, Salzburg, and Vienna top the rankings in the measured areas

Of the seven cities benchmarked, four score highest in at least one of the measured areas, with Linz having the highest score in two (table 1). Cities that score well in one area are at the bottom of the ranking for others, suggesting that Austrian entrepreneurs face differing regulatory hurdles depending on where they establish their businesses. It also indicates that each city has something to teach and something to learn from its neighbors. Starting a business is easiest in Salzburg, which scores lowest on the registering property indicator. Similarly, dealing with construction permits is easiest in Bregenz, the most challenging city in which to get a new electricity connection. Enforcing contracts is easiest in Vienna, but the city has the second to lowest score for starting a business. Although Linz leads in two areas—getting electricity and registering property—it lags on construction permitting. Innsbruck is one of three cities (together with Graz and Klagenfurt) that does not perform at the top of any area. However, it has the second-highest score in three of the five areas (starting a business, dealing with construction permits, and getting electricity). Innsbruck is also

TABLE 1 Linz is the only Austrian city that scores highest in two indicator areas

City	Starting a business		Dealing with construction permits		Getting electricity		Registering property		Enforcing contracts	
	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)	Rank (1–7)	Score (0–100)
Bregenz	2	82.21	1	83.64	7	86.38	5	77.74	2	71.00
Graz	7	80.95	3	77.16	6	86.62	3	80.18	7	67.04
Innsbruck	2	82.21	2	80.52	2	90.38	4	77.98	4	68.48
Klagenfurt	4	81.96	7	71.09	3	89.34	6	77.38	6	68.18
Linz	4	81.96	6	73.02	1	91.68	1	80.54	3	69.36
Salzburg	1	82.96	4	77.10	4	88.83	7	76.66	5	68.23
Vienna	6	81.71	5	75.31	5	88.43	2	80.30	1	72.73

Source: Subnational *Doing Business* and *Doing Business* databases.

Note: The indicator scores show how far a location is from the best performance achieved by any economy on each *Doing Business* indicator. The scores are normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

the only city that does not rank in the bottom three in any indicator.

Linz and Vienna have the highest number of top performances

Authorities can learn lessons from both the best-performing cities and those facing the most challenges. Linz is the city where transferring property and getting electricity are fastest, and obtaining construction permits the least expensive. Despite a heavy workload, Vienna is second in terms of the number of top performances on indicator categories. The capital has the most affordable contract enforcement process and the best score on the quality of judicial processes index. Overall, all seven cities studied excel in at least one indicator category (table 2).

Austrian cities score above the EU average in most areas, but not in starting a business

In three of the five areas measured, all Austrian cities outscore the EU average score for the ease of doing business (figure 1). In getting construction permits, six Austrian cities (all but Klagenfurt) perform above the EU average. The exception is starting a business: all seven benchmarked cities score below the EU average.

There is room for improvement, even in areas where Austrian cities perform

relatively well. For example, commercial litigation in Austria is faster—but more expensive—than the EU average. Getting electricity is more efficient across Austrian cities than the EU average in terms of steps, time, and cost. However, Austria lags behind its EU peers on the reliability of electricity supply. Construction permitting is less expensive and requires fewer procedural steps in Austria than the EU average. Still, on average Austrian developers spend more time getting building permits than most of their EU peers.

Score variations across Austria highlight opportunities for cities to learn from each other

Some areas—particularly starting a business and enforcing contracts—are regulated at the federal level, with local authorities and local branches of national agencies responsible for implementing national legislation. Construction permitting, getting electricity, and registering property are regulated partially at the federal level and partially at the state, regional, or municipal level. The cities' divergent scores on each indicator set underscore the difference in regulation and its local implementation. Performance differences can point policy makers to cities with tested good practices that other cities can adopt.

Subnational performance differences are particularly large in some areas. The greatest score disparities are in dealing with construction permits. This is not surprising—construction permitting is regulated at the state level, resulting in procedural, time, and cost differences between cities. Getting a construction permit is easiest in Bregenz, where the authorities recently streamlined the clearance process and reduced the legal timeframe (established by federal law) to issue building permits. It is most difficult in Klagenfurt owing to the city's relatively lengthy permitting process for delivering industrial operation permits and building permits. Bregenz performs better than all EU member states except Denmark, Lithuania, and Luxembourg, whereas Klagenfurt scores below most EU member states.

Significant performance disparities are also evident in enforcing contracts, where the role of local district courts is paramount. Resolving a commercial dispute is easiest in Vienna, the only Austrian city, together with Bregenz, performing among the top 10 EU member states. The capital is the only city with a specialized commercial court. Bregenz, the fastest for enforcing contracts, has the second-highest score. Graz brings up the rear (but ranks above the EU average) with a combination of

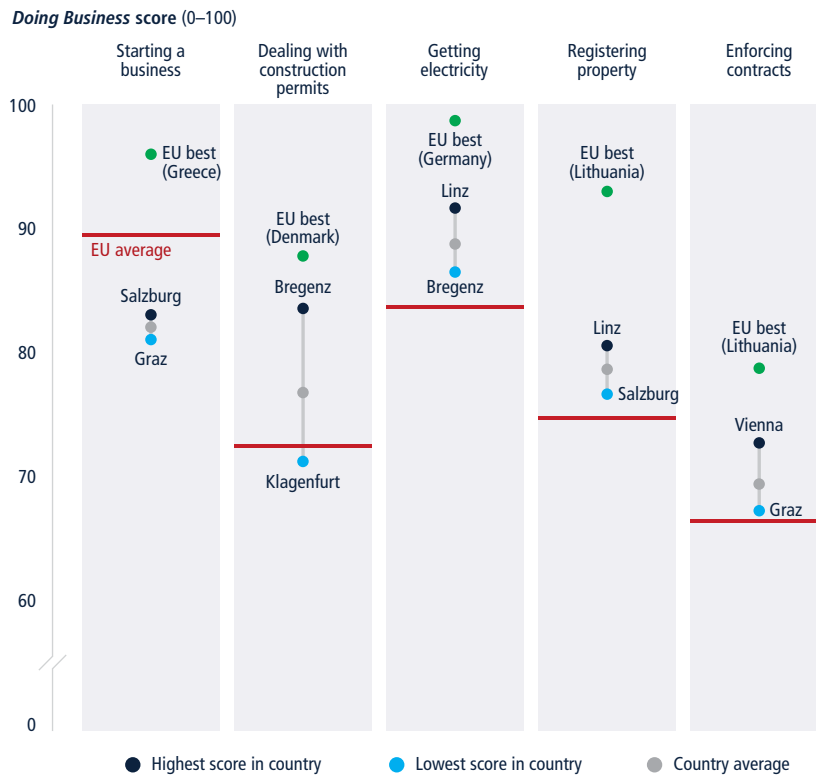
TABLE 2 All seven cities lead in at least one indicator category

	Number of top performances	Starting a business	Dealing with construction permits				Getting electricity			Registering property		Enforcing contracts		
		Shortest time	Fewest procedures	Shortest time	Least expensive	Fewest procedures	Shortest time	Least expensive	Fewest procedures	Shortest time	Shortest time	Least expensive	Best quality of judicial processes	
Linz	5				✓	✓	✓		✓	✓				
Vienna	4					✓			✓			✓	✓	
Bregenz	3		✓	✓							✓			
Graz	2							✓	✓					
Salzburg	2	✓				✓								
Innsbruck	1					✓								
Klagenfurt	1					✓								

Source: Subnational Doing Business and Doing Business databases.

Note: This table does not show indicator categories in which all cities register an equal result. These include the procedures, cost, and paid-in minimum capital required to start a business; the building quality control; the reliability of supply and transparency of tariffs; the cost to register a property and the reliability of infrastructure. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

FIGURE 1 Subnational score disparities are most significant in construction permitting



Source: Subnational Doing Business and Doing Business databases.

Note: The score indicates how far a location is from the best performance achieved by any economy on each *Doing Business* indicator. The score is normalized to range from 0 to 100 (the higher the score, the better). The averages for Austria are based on data for the seven cities benchmarked. The averages for the European Union are based on economy-level data for the 27 EU member states. Other EU member states are represented by their capital city, as measured by global *Doing Business*. For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna, EU averages, and EU best performances are not considered official until published in the *Doing Business 2021* report.

relatively high costs and time to resolve a commercial dispute.

Because a different electricity utility operates in each benchmarked city, the steps, time, and cost to obtain an electricity connection also vary significantly across Austria. Overall, getting electricity is easiest in Linz and Innsbruck and most difficult in Bregenz and Graz, where one additional procedure is required.

Registering property, a process completed primarily using national digital infrastructure, is relatively homogeneous across the benchmarked cities in Austria. Regional requirements add a procedure in Bregenz, Innsbruck, Klagenfurt, and Salzburg.

The Austrian cities perform most similarly in the area of starting a business as the process involves the same nine steps nationwide. However, local disparities exist in the time needed to register a company with the court and register for tax purposes with the local tax office. Company registration with the court takes three days in Salzburg, compared to six days in Vienna and seven days in Graz (the cities with the two largest commercial registries). And the time to obtain the value added tax (VAT) identification number and tax number varies from 10 days in Salzburg to 14 days in Graz.

Bregenz has the fastest turnaround times overall

Time is the dimension that varies the most across the five measured indicators. Contract enforcement takes 18 months in Graz, four months longer than in Bregenz. Dealing with construction permits varies from five months in Bregenz to over nine months in Klagenfurt. Getting electricity takes 25 days in Linz, less than half the time needed in Vienna. Property registration times range from 15.5 days in Linz to one month in Salzburg. And starting a business takes 16.5 days in Salzburg but 24.5 days in Graz (figure 2).

Overall, entrepreneurs in Klagenfurt spend seven months longer than their peers in Bregenz complying with the bureaucratic requirements in the five measured areas (figure 3). Nevertheless, even in Klagenfurt, the total time is 3.5 months faster than the EU average.

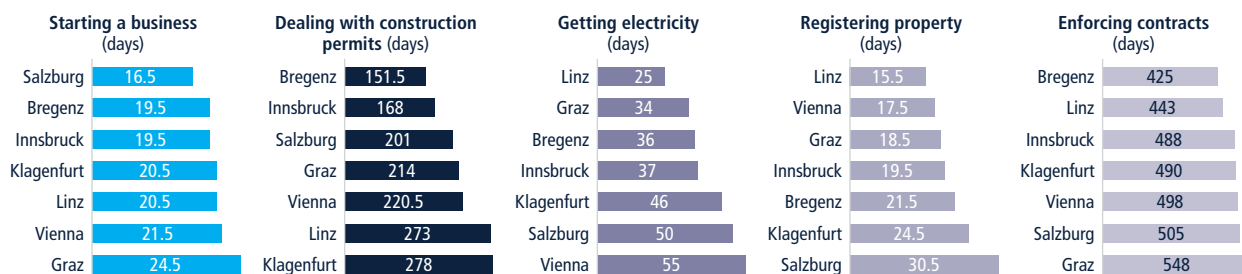
WHAT IS NEXT?

Austrian cities can improve their business environment by replicating existing domestic good practices

This report identifies existing local good practices that Austrian cities can adopt (table 3). However, this does not imply that all locations would automatically benefit from introducing each of these good practices. Several factors determine whether replicating a good practice is beneficial, including local economic priorities, resource allocations, and tradeoffs between how smooth a bureaucratic process is and its costs. Local authorities can determine which of the good practices in the report would help improve their cities' business environments and use them as a source of inspiration when planning reforms.

Austrian cities can improve their business environment by replicating existing good practices (figure 4). The potential for improvement is particularly striking in the area of dealing with construction permits. If Vienna were to issue construction-related permits as efficiently

FIGURE 2 Time is the dimension that varies the most across the five indicators



Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

as Bregenz (eight steps and 151.5 days) and make the process as inexpensive as in Linz (0.7% of the warehouse value), Austria would score 83.77 on this indicator—an improvement of over 8 points. For getting electricity, if Vienna were to adopt procedures as fast as those in Linz (25 days) and a cost structure like that in Graz (60.5% income per capita), Austria would improve its score by 3.33 points. By reducing the time to start a business to 16.5 days—as in Salzburg—Austria's score would improve by nearly 1.3 points. Finally, Austria's ease of enforcing contracts score would rise from 72.73 to 74.72 if Vienna were to reduce its time to

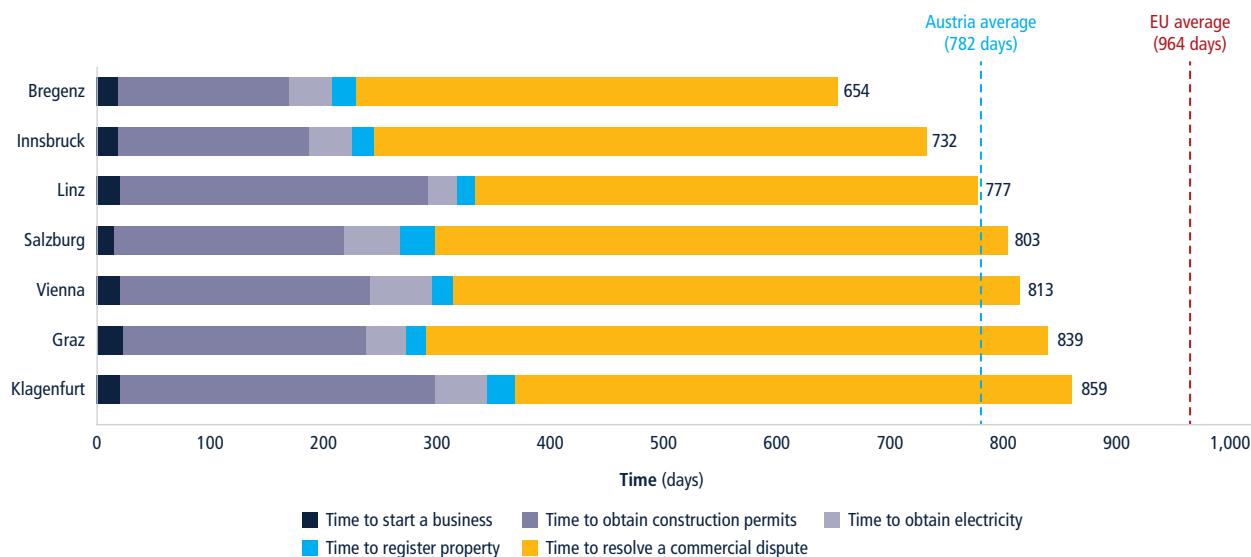
resolve a commercial dispute to that of Bregenz (425 days).

Austria can emulate good practices in other EU economies

Even adopting the good practices found within Austria in starting a business would leave the country lagging most other EU member states. In this area, Austria could seek good practice examples elsewhere in the European Union and beyond. Greater integration and coordination among agencies would make the business startup process more efficient in Austria. Policy makers could take inspiration from Estonia's online company registration

portal, which allows entrepreneurs to check the proposed company name, submit the registration application, and pay the share capital electronically in a single interaction. Merging procedures would also reduce the time it takes to start a business, which is relatively long in all Austrian cities compared to the EU average. In 12 EU economies, entrepreneurs complete Austria's most time-consuming procedure, tax registration, as part of the general company registration process. In one of these economies, Hungary—where, similar to Austria, legal professionals play an integral part in guiding company startup through the courts—tax

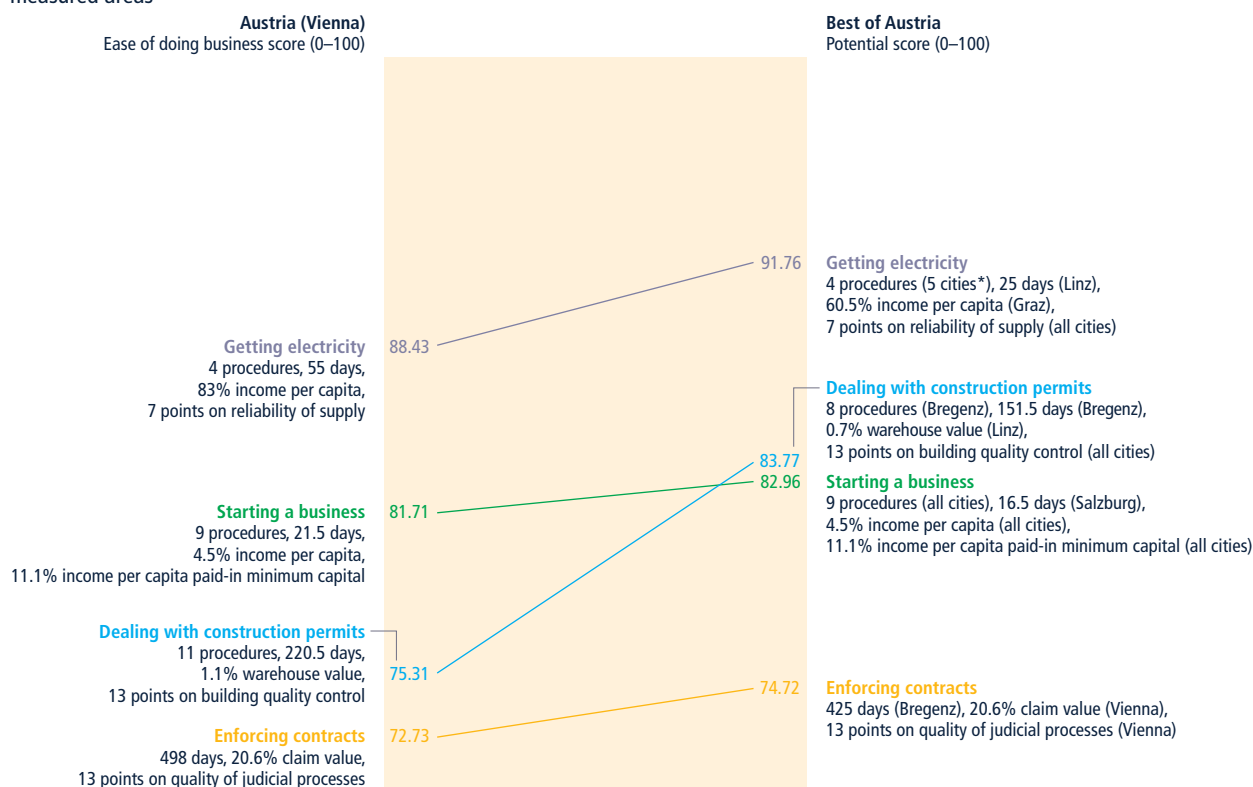
FIGURE 3 Entrepreneurs in Klagenfurt spend significantly longer time than their peers in Bregenz complying with bureaucratic requirements



Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

FIGURE 4 By learning from existing good practices, Austria could significantly improve its *Doing Business* score in four of the five measured areas



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: The registering property indicator is not represented in the figure because, given that Vienna already incorporates most domestic good practices, the potential improvement in the score is minor: from 80.30 to 80.54. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

* Linz, Innsbruck, Klagenfurt, Salzburg, and Vienna

registration (including VAT) is integrated with company registration. As a result, it takes just two days to complete.

The adoption of a fully electronic system to facilitate dealing with construction permits could benefit all Austrian cities. Bregenz and Vienna, which already have such systems in place, could share lessons learned. Authorities could review Denmark's fully electronic construction licensing process. Austria could benefit from streamlining its preconstruction permitting process by consolidating requirements, improving coordination between offices, and providing more detailed instructions for applicants. In Porto (Portugal), the city developed a comprehensive online manual to guide firms through the construction permitting process. Finally, Austrian cities

require developers to submit proof of land ownership in the construction permit process. Denmark and Sweden are among the many countries that have eliminated this requirement, accelerating the construction permitting process.

Austria performs relatively well in registering property, enforcing contracts, and getting electricity. In the area of getting electricity, a good practice adopted by economies worldwide is the electronic filing and tracking of applications. France offers good examples that Austrian cities could follow. Austria is one of only four EU member states with no financial deterrent to limit outages; authorities could revise the regulation to meet this EU good practice. Introducing fast-track property registration for an extra fee, like in Lithuania, would reduce the time for

property registration. Publishing regular statistics on land transfers and disputes could improve register transparency (the Netherlands and Romania publish monthly statistics). Moreover, Austria could introduce service delivery standards to improve land register service quality and facilitate monitoring and evaluation. In Europe, the Slovak Republic is one of many countries that publish service standards for various public services. Austria could introduce rules limiting adjournments to reduce the time to enforce contracts, as in nine other EU member states.⁵ The authorities could also establish a specialized commercial court or court section outside of the main business city to deal with contract enforcement, a good practice employed by more than half of the economies measured by *Doing Business*.

TABLE 3 Potential opportunities for regulatory improvements in Austrian cities

Regulatory area	Good practices	Relevant ministries and agencies*	
		National level	Local/regional level
Starting a business	Introduce an automated name verification system	<ul style="list-style-type: none"> Federal Ministry of Justice Federal Ministry of Finance Federal Ministry for Digital and Economic Affairs Austrian Federal Economic Chamber Austrian Health Insurance Fund Trade Authority Chamber of Austrian notaries (ÖNK) Austrian bar association (ÖRAK) Chamber of accountants and auditors 	<ul style="list-style-type: none"> Regional courts Local tax offices Regional Economic Chambers Local administrative authority (Bezirksverwaltungsbehörde)
	Make third-party involvement optional, expand document standardization, and provide public access to the business registration system		
	Streamline the business incorporation process by consolidating requirements		
	Reduce or eliminate the paid-in minimum capital requirement		
	Continue to streamline the tax registration process and merge business and tax registration		
Dealing with construction permits	Streamline the preconstruction process by consolidating requirements and improving coordination among offices	<ul style="list-style-type: none"> Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology Federal Ministry of Constitutional Affairs, Reforms, Deregulation and Justice Land registry Federal Chamber of Architects and Chartered Engineering Consultants Austrian Institute of Construction Engineering (OIB) Austrian Association of Cities and Towns (Städtebund) 	<ul style="list-style-type: none"> Federal provinces Municipalities Water companies Sewage companies
	Continue to implement digital building permit platforms		
	Shorten statutory time limits and expand use of simplified application procedures		
	Consider harmonizing construction permitting legislation		
Getting electricity	Improve online platforms to allow electronic requesting and tracking of applications	<ul style="list-style-type: none"> Regulator for electricity and natural gas markets (E-Control) Federal Chamber of Architects and Chartered Engineering Consultants Austrian Association of Cities and Towns (Städtebund) 	<ul style="list-style-type: none"> Electricity distribution utilities Electricity suppliers Federal provinces Municipalities
	Establish financial deterrents to limit outages		
	Introduce varying legal time limits based on connection complexity		
	Assess the possibility of lowering the cost of getting an electricity connection		
	Allow electrical suppliers to submit new connection applications		
Registering property	Consider exempting commercial property transfers from the requirement to obtain a property use certificate in some cities	<ul style="list-style-type: none"> Federal Ministry of Justice Office of Metrology and Surveying 	<ul style="list-style-type: none"> Local district courts Federal provinces Municipalities
	Consider introducing a fast-track alternative for property registration for an extra fee		
	Increase land register transparency by publishing regular statistics on land transfers and disputes		
	Introduce service delivery standards at the land register and cadaster, and ensure that they are public and binding		
	Strengthen complaints mechanisms by setting up separate procedures at the land register and cadaster		
	Establish a compensation mechanism to cover losses incurred owing to erroneous registry information		
Enforcing contracts	Consider making measures allowing for virtual hearings permanent	<ul style="list-style-type: none"> Federal Ministry of Justice Austrian bar association (ÖRAK) 	<ul style="list-style-type: none"> Local district courts
	Consider expanding e-features in courts for commercial litigation and small claims		
	Consider expanding the jurisdiction of the Vienna Commercial Court		
	Set legal limits on the granting of adjournments		
	Incentivize alternative dispute resolution (ADR)		
	Improve the management of the expert witness pool		

* The list includes the main ministries and agencies relevant to each regulatory area, but other might also be implicated.

Note: All good practices are detailed at the end of the respective indicator section.

BOX 1 Austria's investment in digital solutions paid off during the pandemic

Even before the COVID-19 global pandemic, Austrian entrepreneurs could complete several of the procedures analyzed in this study remotely. For example, the business startup registration process at the court was already fully electronic, and most entrepreneurs deposited the company startup capital electronically. The inability of citizens to visit agencies in person during pandemic-related lockdowns underscored the need for additional online services. Instead of visiting the local office of the Economic Chamber, entrepreneurs obtained advice remotely and received email confirmation that their company complied with registration fee exemption requirements. Although few entrepreneurs used videoconferencing to notarize incorporation documents remotely before the crisis, its use is now widespread.

Municipalities also increased their use of electronic platforms to respond to the pandemic, particularly for construction permitting. During the initial lockdown in March 2020, some cities stopped processing building permit applications almost entirely. By the summer, local governments had updated their IT systems, allowing many public servants to work remotely and building authorities to return to operational levels. In Vienna, developers can now use the Mein Wien e-government portal^a to submit permit applications and relevant attachments online, as well as construction commencement and completion notifications. The system also allows entrepreneurs to track their application status.

For property registration, the existing digital infrastructure proved resilient to the unprecedented challenges posed by COVID-19. Interviewees for this study indicated that the Land Registry recorded no major service delivery disruptions. The Ministry of Justice quickly adapted to the new circumstances, providing laptop computers to its employees so that they could continue performing their duties remotely. For those internal operations requiring in-person action, having one person at a time in the office on a rotational basis was sufficient to maintain business operations without disruption.

The use of videoconferencing in oral contract enforcement hearings in Austria was widespread before the pandemic. However, the technology had not been available to conduct the entire oral hearing via videoconference. The First COVID-19 Act and Accompanying Legislation for Justice of May 5, 2020, changed this by allowing video technology to be used in civil court hearings, provided that the involved parties in the proceedings agree and have access to the appropriate equipment. Although the use of technology in the courtroom may have its challenges, most lawyers interviewed for this study agreed that the shift to remote litigation in Austria has proceeded remarkably smoothly and given judges and attorneys more flexibility to schedule hearings.

a. For more information, see the Mein Wien website at <http://mein.wien.gv.at>.

Starting a Business

Starting a business is eight days faster in Salzburg than in Graz

Among the Austrian cities benchmarked, starting a business is fastest in Salzburg. An entrepreneur in Salzburg can complete all nine procedures in just over two weeks. In Graz, the same process takes more than a week longer. The fees for starting a business are the same across Austria (table 4).

Entrepreneurs in Austria must follow the same steps to start a business. The time to complete these steps varies depending on how long it takes to register a company with the court and local tax office. Company registration with the court takes three days in Salzburg, compared to six days in Vienna and seven days in Graz (the cities with the two largest commercial registries). Lower wait times in Salzburg are mainly the result of efficient internal processes. Similarly, the time to obtain the VAT identification number and tax number varies from 10 days in Salzburg to 14 days in Graz. The local tax office in Graz is responsible for assigning VAT identification numbers for foreign companies in Austria (in addition to handling local tax registration applications).

Entrepreneurs spend more than half the total time to start a business waiting to complete tax registration with the local tax office (figure 5). Despite efforts to make this process more efficient, it still takes 12 days on average to obtain the VAT and tax numbers. Applicants submit several forms and supporting documents to the local tax office in person or by post. Upon receipt, the local tax office sends the documents via postal mail to a central scanner in Vienna, where they are scanned and uploaded to the Ministry of Finance's company incorporation system (Neugründungsverfahren). Once uploaded, the local tax office is informed through an internal system and continues processing the tax registration application. The local officer reviews the application and completes the company's entry into the incorporation system. The information is then reviewed by a risk assessment tool based on a traffic light system and, within seconds, the company is assigned a color, indicating its risk level.⁶ The electronic risk assessment system was introduced in 2018 to minimize the need for manual control processes. Even in the low-risk "green" scenario—the

local tax office immediately issues the tax and VAT numbers⁷ and mails them to the applicant—the entire process takes almost two weeks on average. Tax offices spend more than half of this time uploading the paper files to an electronic system and exchanging the required information between stakeholders.

Once tax registration is complete, and the company has obtained the login credentials by post, tax-relevant expenses can be recorded electronically through the FinanzOnline service and all tax returns can be submitted online.⁸

Incorporation costs are the same in all seven Austrian cities. There are no court registration fees for new companies that comply with the requirements outlined in the Startup Promotion Law. As such, the total cost to start a business is the cost to notarize the articles of association and prepare and review the incorporation documents.

Starting a business in Austria is relatively cumbersome and time-consuming

Government initiatives have moved to simplify formal business incorporation requirements in Austria, but entrepreneurs still face more cumbersome processes than their neighbors in the European Union.⁹ They must comply with nine procedures to start a business, three more on average than their EU counterparts. Austria is among the three EU member states (together with the Czech Republic and Germany) with the highest number of procedures to start a business (figure 6). In contrast, entrepreneurs in Estonia, Finland, Greece, and Slovenia can start a business in just three procedures. Furthermore, the average time to start a business in Austria (20.4 days) is almost twice the EU average and five times that of its best

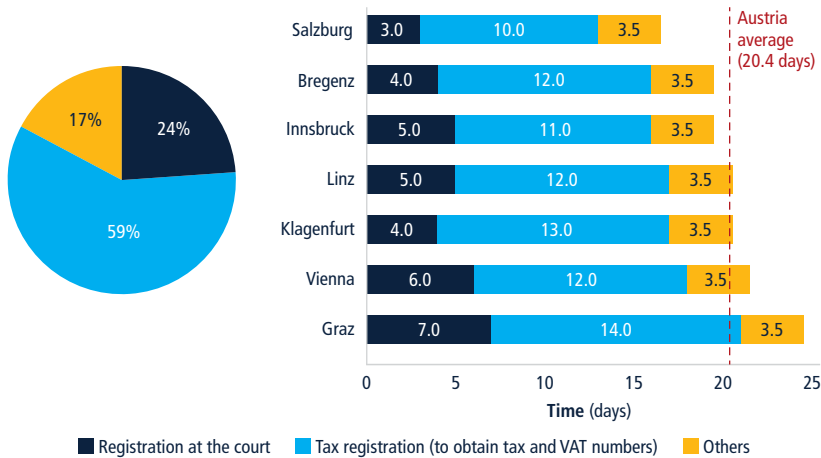
TABLE 4 Starting a business is easiest in Salzburg and most difficult in Graz

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of income per capita)	Paid-in minimum capital requirement (% of income per capita)
Salzburg	1	82.96	9	16.5	4.5	11.1
Bregenz	2	82.21	9	19.5	4.5	11.1
Innsbruck	2	82.21	9	19.5	4.5	11.1
Klagenfurt	4	81.96	9	20.5	4.5	11.1
Linz	4	81.96	9	20.5	4.5	11.1
Vienna	6	81.71	9	21.5	4.5	11.1
Graz	7	80.95	9	24.5	4.5	11.1

Source: Subnational Doing Business and Doing Business databases.

Note: Rankings are based on the average scores for the procedures, time, cost, and paid-in minimum capital associated with starting a business. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About Doing Business and Doing Business in the European Union 2021: Austria, Belgium and the Netherlands." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

FIGURE 5 Registration with the local tax office takes more than half of the total time to start a business



Source: Subnational Doing Business and Doing Business databases.

Note: Other procedures include (1) obtaining confirmation of starting a new company from the Economic Chamber, (2) verifying the company name, (3) notarizing the articles of association, (4) depositing the minimum capital requirement, and registering the company with the (5) trade authority, (6) social security, and (7) the municipality. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

performers, France and Greece, where it takes just four days. Austrian entrepreneurs pay the equivalent of 4.5% of income per capita to start a business, higher than the

EU average of 3.1% but almost one-third of the cost paid in Italy (the most costly location to start a business in the EU). In Slovenia, Ireland, and Denmark—all among

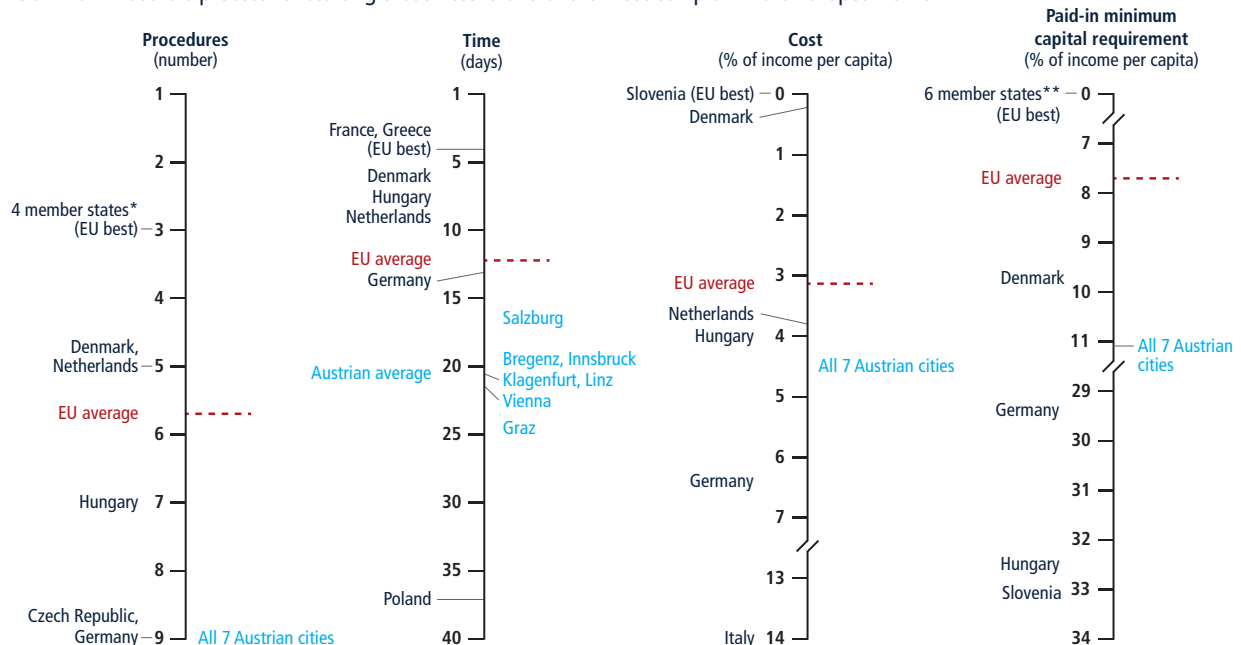
the EU's top performers on cost—starting a business costs less than 0.2% of income per capita. Entrepreneurs in Austria are required to deposit cash as paid-in capital before incorporation, representing 11.1% of income per capita. In contrast, 12 EU member states have no such requirement or a paid-in minimum capital requirement of less than 0.1% of income per capita.¹⁰

Entrepreneurs complete nine procedures and wait more than 14 days on average to start a business

Starting a business in Austria is a lengthy process that involves multiple agencies and intermediaries—the Economic Chamber, notaries, commercial banks, courts, tax office, trade authority, the Austrian Health Insurance Fund, and municipalities. All Austrian cities benchmarked require the same nine procedures (figure 7).

The first step—obtaining confirmation from the Economic Chamber that the startup is

FIGURE 6 Austria's process for starting a business is one of the most complex in the European Union



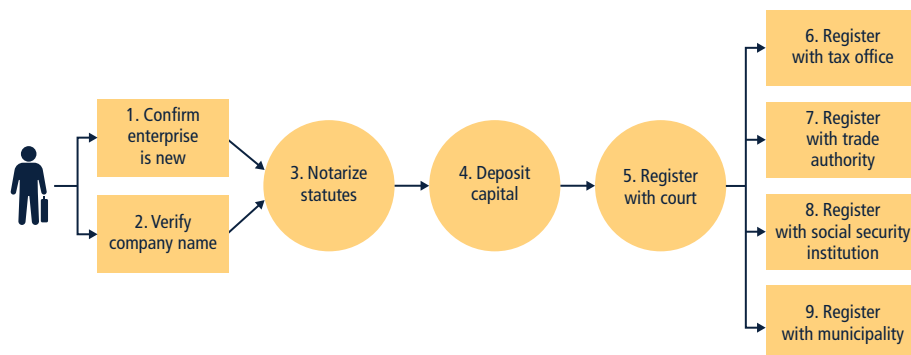
Source: Subnational Doing Business and Doing Business databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

* Estonia, Finland, Greece, Slovenia.

** Belgium, Cyprus, Finland, Ireland, the Netherlands, Portugal.

FIGURE 7 Starting a business involves the same nine steps across cities in Austria



Source: Subnational Doing Business and Doing Business databases.

a new enterprise—is not obligatory. Still, by doing so, firms become exempt from paying certain publicly-levied fees and taxes. After filling out a form (NeuFö2) and obtaining confirmation from their local Economic Chamber, entrepreneurs enjoy the benefits of the Startup Promotion Law (Neugründungs-Förderungsgesetz), including having registration charges waived at the commercial registry.

Before notarizing the document of incorporation, a notary assists the entrepreneur to check the availability of the proposed company name, ensuring compliance with legal requirements.

A limited liability company (LLC, Gesellschaft mit beschränkter Haftung, commonly known as GmbH) with more than one shareholder must be incorporated by notarizing the articles of association (Gesellschaftsvertrag) before a notary.¹¹ Since 2019 notarial deeds (Notariatsaktform) can be drawn up electronically via video conference with the notary.¹² However, most entrepreneurs in Austria still prefer to do this in person and get advice on establishing a new company.¹³ The electronic alternative has proven useful during COVID-19-related restrictions and for incorporating companies with partners located abroad.

After notarizing the documents and depositing the minimum capital at a bank or in an escrow account held by the notary,

the notary or lawyer must submit the application electronically to the local court in whose jurisdiction the company has its head office.¹⁴ Since 2007, notaries or lawyers in Austria can submit the notarial deed electronically to the local court using the electronic legal correspondence system (Elektronischer Rechtsverkehr, ERV). The judge reviews the incorporation documents and validates the proposed company name to ensure it meets legal standards before registering the company in the commercial registry.¹⁵ The court decision on the registration (Beschluss) is sent via the ERV to the notary or lawyer, who then shares the document with the entrepreneur electronically. Once the company data are recorded in the commercial registry, information regarding the beneficial owner for a company like the one in the *Doing Business* case study—in which all partners are natural persons—is transferred automatically to the ultimate beneficial owner (UBO) register, reducing the entrepreneur's administrative burden.¹⁶ In contrast, nine European member states require entrepreneurs, their representatives, or a third party to actively register or report their beneficial owners to the UBO register as a separate interaction.¹⁷

Once the company is legally established, Austrian entrepreneurs perform four postregistration procedures. First, entrepreneurs register for tax purposes and obtain the tax number (Steuernummer) and the VAT identification number

(Umsatzsteuer-Identifikationsnummer, UID) from the local tax office. The responsible local tax office automatically issues a VAT number when a tax number is assigned for businesses with a turnover of at least EUR 35,000 in the assessment period. Second, firms register their commercial activity with the local administrative authority (Bezirksverwaltungsbehörde) online¹⁸ through a centralized electronic platform administered by the trade authority.

Third, companies register their employees for social security with the Austrian Health Insurance Fund (Österreichische Gesundheitskasse) using its electronic interface, ELDA (Elektronischer Datenaustausch mit den österreichischen Sozialversicherungsträgern). Finally, in accordance with the Law on Local Taxes (Kommunalsteuergesetz), entrepreneurs register the company with the municipality to obtain a local tax account number. Registration methods vary by municipality. In some cities, including Vienna and Innsbruck, entrepreneurs can submit the form electronically through the city's online portal; in other cities, they submit the information by email, post, or in person.

Of the nine steps required to start a business, seven can be completed relatively quickly, within a day or less. The two steps that typically take the longest are registering the company with the local

court (five days on average) and the local tax office (12 days).

Electronic platforms and the widespread use of electronic communication tools (such as email and videoconferencing) helped maintain a smooth business startup process during the COVID-19 lockdown (box 2). Efforts are ongoing to meet the demand for increased digitalization and further expand the electronic founding of companies, eliminating the need for entrepreneurs to visit the different public administrations involved in the process (box 3).

WHAT CAN BE IMPROVED?

Introduce an automated name verification system

Until the end of 2020, Austrian entrepreneurs did not have free online access to the commercial registry to verify the availability of the proposed company name. Instead, entrepreneurs consulted a startup advisor at the Economic Chamber to check (for free) whether the company name complied with the provisions of the Corporate Code. Alternatively, they hired a private provider commissioned by the Federal Ministry of Justice to obtain up-to-date information from

the commercial registry or sought the assistance of a notary or the local court. Although Austria recently made this information publicly available online,¹⁹ in practice, most Austrian entrepreneurs continue to seek the assistance of a notary to ascertain whether the proposed company name is available and compliant with the minimum legal requirements.

Currently, each court decides whether to enter a company name into the commercial register. The company name must be unique and nonmisleading.²⁰ However, this determination is made with a margin of discretion on the part of each court. Consequently, the same company name could be rejected in one court and accepted in another. By providing clear rules and standardizing the decision-making process across the country, entrepreneurs could verify for themselves that the proposed company name complies with the legal requirements for commercial court registration.

Economies have redesigned their processes to automatically verify the proposed company name at the time of company registration application. In the early 2000s, Australia, Canada, and the United States introduced clear rules to determine whether proposed company names were

identical or similar to existing companies or required specific consent. This approach allows for automatic name rejection or acceptance at the time of registration, increasing both the transparency and efficiency of the name clearance process and company registration. Other economies allow entrepreneurs to choose from a list of preapproved company names. In Portugal, entrepreneurs can choose from a list on the business registry's website²¹ and go to a single online contact point, Empresa na Hora (On the Spot Firm), to register the company.²² In Estonia, entrepreneurs can check proposed names online through an e-business register.²³ This service incorporates the databases of county court registry departments and displays real-time data of all legal persons registered in Estonia. In the United Kingdom, the online registration website alerts entrepreneurs if the desired company name cannot be used and provides guidance for choosing another company name.²⁴

Make third-party involvement optional, expand document standardization, and provide public access to the business registration system

Austrian entrepreneurs pay the equivalent of 4.5% of income per capita to start a business. This percentage is higher in only seven other EU member states—Belgium,

BOX 2 Starting a business during COVID-19

In-person visits to government agencies were restricted during the COVID-19 pandemic, boosting demand for online alternatives. Instead of visiting the local office of the Economic Chamber, entrepreneurs obtained advice over the phone or by Skype and received confirmation by email that the company complied with registration fee exemption requirements.

Many banks and notary offices remained open during the lockdown, but some restricted opening hours and relied more heavily on digital services. Most entrepreneurs in Austria deposited the company capital electronically before the health crisis, but few used electronic communication tools to notarize incorporation documents.^a COVID-19 served as a trigger to increase the use of such tools.

Austria's court registration process for company incorporation was already fully electronic. As a result, the pandemic-related closures had no impact. More than 4,000 GmbH were created in 2020, slightly more than in 2019.^b

A limited number of employees from the tax authority—those responsible for receiving, organizing, and scanning documents—were physically present at the workplace; the rest worked remotely. Entrepreneurs could also submit registration forms to obtain the local tax account number by email in all municipalities.

a. The Electronic Notarial Form Foundation Act (Elektronische Notariatsform-Gründungsgesetz, or ENG).

b. Preliminary data from the Austrian Federal Economic Chamber (WKO) indicate the creation of 4,185 GmbH in 2019 versus 4,467 in 2020 (<https://www.wko.at/service/zahlen-daten-fakten/daten-unternehmen.html>).

BOX 3 Austria's business services portal: digitalizing services for business

Over the past decade, Austria has worked to reduce the administrative burden for aspiring entrepreneurs. Austria's business services portal, the Unternehmensserviceportal (USP),^a was launched in 2010 as a publicly accessible information portal to provide businesses with immediate access to regulations and policy. The USP was later expanded to allow businesses to complete bureaucratic procedures with a single sign-on. For example, the portal integrates applications such as FinanzOnline,^b which allows the electronic filing of tax returns, and ELDA, the Austrian Health Insurance Fund's data transmission interface, allowing employers to transmit all social security reports online.^c To access these and other applications, entrepreneurs register using their mobile phone signature or citizen card.

Since 2017, USP can also be used to establish sole proprietorships. And in 2018, the electronic startup process was extended to founders of one-person GmbH using a standardized establishment declaration. Recently, the authorities have made establishing these types of companies easier by allowing information to be exchanged in the back office, thus eliminating the need for entrepreneurs to submit the company register excerpt for tax registration separately.^d During 2020, 2,124 sole proprietorships and 675 one-person GmbH were incorporated using the USP.^e

However, this simplified electronic end-to-end process has not yet been extended to other legal forms. Entrepreneurs cannot complete the startup process for a GmbH with more than one shareholder without the assistance of a notary. And the process still requires the submission of different electronic forms and separate interactions with all agencies involved. However, as of November 2019 notaries can conduct these separate interactions electronically on behalf of entrepreneurs. For example, notaries can request the tax and VAT numbers from the tax authority or use the USP portal to register the company's business activity.

Moreover, a pilot program since November 2020 allows a small group of tax advisors to use the USP portal to assist entrepreneurs with requesting tax and VAT numbers.^f The impact of these recent changes is yet to be seen in practice. Because many applicants (notaries, accountants, and entrepreneurs) are not fully aware of the new digital options, they continue to interact separately with each authority. In response, the government has launched training sessions to help familiarize notaries with the new system.

a. For more information on the USP, see the website at <https://www.usp.gv.at/>.

b. For more information on the FinanzOnline platform, see the website at <https://finanzonline.bmf.gv.at>.

c. The list of applications integrated into Austria's USP is available at <https://www.usp.gv.at/online-verfahren.html#Singlesignon>.

d. Austria, Federal Ministry for Digital and Economic Affairs. 2021. "BMDW: Foundation. Simply Online." https://www.ots.at/presseaussendung/OTS_20210110_OTS0013/bmdw-gruendung-einfach-online.

e. Figures provided by the Federal Ministry for Digital and Economic Affairs in March 2021.

f. According to interviews with the Federal Ministry for Digital and Economic Affairs by the *Subnational Doing Business* team, November 2020 to April 2021.

Croatia, Cyprus, Germany, Italy, Malta, and Poland. The cost of starting a business in Austria stems from the requirement to hire a notary to create the company deed, prepare other founding documents, and certify the founders' signatures (Musterzeichnungserklärung). Notarization costs to start a business depend on the length and complexity of the articles of association, the company's corporate structure, the amount of the company's authorized capital, and the number of required signatures. Although notaries play a central role in the business startup process in other EU member states, notary fees there are a fraction of those in Austria. For example, in the Czech Republic, entrepreneurs starting a simple LLC pay a flat fee of CZK 2,000

(approximately EUR 77) to draft and notarize the articles of association.

Austrian authorities could reduce the cost of starting a business by expanding the use of standardized articles of association to include a GmbH established by more than one person. For simpler corporate structures, standardization could make it possible for registry officials to verify accuracy, signatures, and compliance with the law. Larger companies with more complex structures and special requirements could still solicit the services of third-party professionals and use customized incorporation documents. Allowing entrepreneurs to file the incorporation documents electronically—through the ERV registration system or

USP portal—would also facilitate GmbH creation by reducing the need for legal intermediaries and cutting costs.

Fewer than half of economies measured by *Doing Business* require entrepreneurs to hire a third-party agent when starting a business.²⁵ Increasingly, economies are making it optional to use intermediaries when incorporating a new LLC. Third-party agents are not required in the 10 EU countries with the lowest cost to start a business.²⁶ Slovenia, for example, does not charge any fees when companies use the one-stop shop (SPOT point) to create a simple LLC. This procedure makes use of standardized electronic articles of association²⁷ and can be used by both single- and multi-member LLCs. Portugal

eliminated the legal requirement to use third-party agents for company incorporation. Most entrepreneurs in Portugal register a company using preapproved standardized articles of association, which are available from Empresa na Hora.²⁸ Through this initiative, entrepreneurs can instantly establish a “one-man” company, a private limited company, or a public LLC at just one desk.

Streamline the business incorporation process by consolidating requirements

Starting a business in Austria is complex, involving various interactions spread out across eight different agencies. Greater integration and coordination among agencies at the district, municipal, and federal levels could benefit business startup efficiency.

Several countries have created a single physical or virtual interface for business incorporation offering entrepreneurs, in a single step, at least one service in addition to business registration, thus reducing the administrative burden. Estonia’s online company registration portal allows entrepreneurs to check the company name, submit the registration application, and pay the share capital electronically in a single interaction.²⁹ Slovenia’s electronic single window connects various government agencies, allowing entrepreneurs to register with the court, statistical office, tax authority, and health institute in one step. In Hungary, the Registration Court also registers companies through an online system with the tax authority—for VAT and income tax purposes—and with the statistical office. These countries have modernized their court registries by implementing online systems or consolidating registration formalities within administrative one-stop shops.

In Austria, entrepreneurs must register with the municipality to obtain a local tax account. This requirement could be streamlined by allowing the tax authority to exchange information between the national tax authority and the

municipalities, thus eliminating the need for a separate procedure. Hungary is the only other EU member state that requires entrepreneurs to register for municipal business tax as a separate interaction. Streamlining business startup procedures could reduce unnecessary duplication and paperwork.

Authorities in Austria could also make legal amendments to eliminate outdated requirements to set up a small and medium-size enterprise. All companies submit a form to the trade authority to register and some companies—depending on the business activity—must obtain a trade license. For a company like the one in the *Doing Business* case study, this procedure only requires entrepreneurs to notify the authority by submitting an electronic form. If the company’s activities fall into those regulated by the Trade Act (Gewerbeordnung), an authorization is required, and the company cannot start operations until it has obtained this authorization.

According to *Doing Business* data, only a handful of EU member states³⁰ require entrepreneurs to apply for a business license or notify the relevant local authority to commence general commercial activity. Legal reforms could eliminate trade authority registration for all firms except those in regulated or strategic industries and companies of a certain size. Additionally, the authorities could reform the law to allow entrepreneurs to self-certify that they have deposited the minimum capital. Currently, government authorities must verify that the deposit has been made.

Reduce or eliminate the paid-in minimum capital requirement

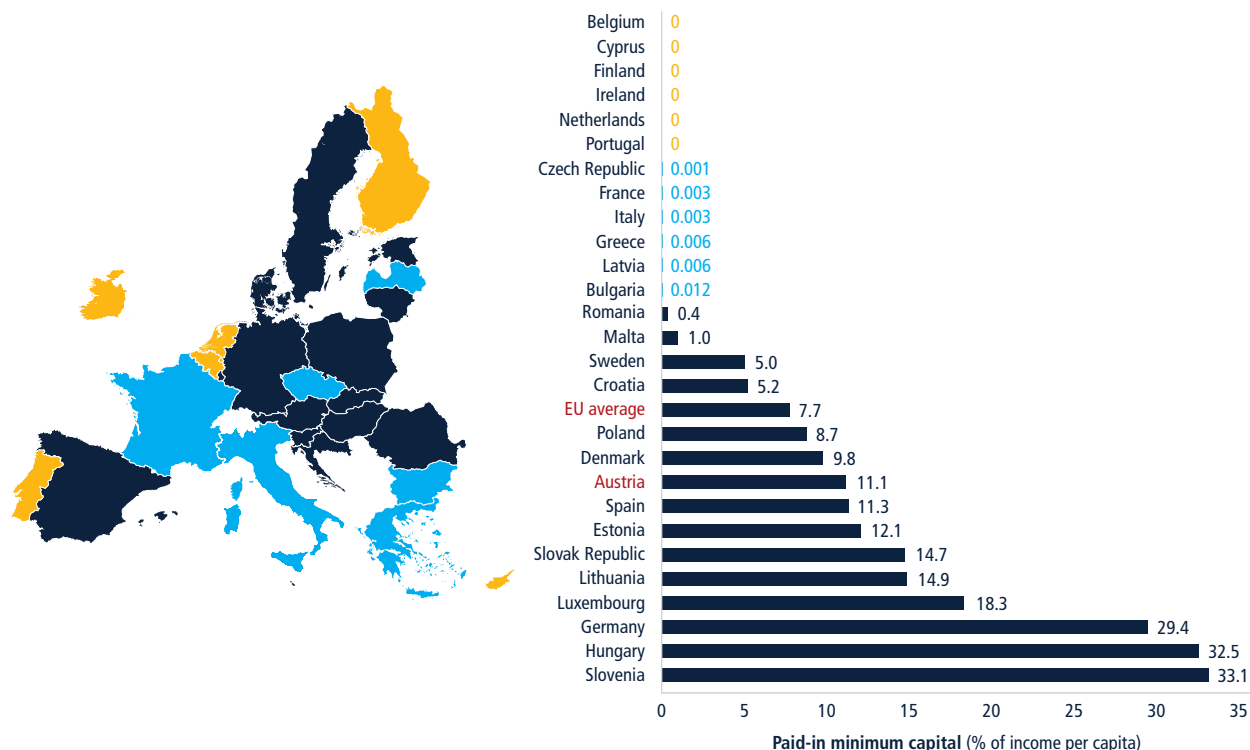
The paid-in minimum capital requirement in Austria is higher than in most other economies in the European Union. Austrian entrepreneurs establishing a GmbH must have a share capital of at least EUR 35,000, half of which must be paid in cash upon incorporation. Entrepreneurs taking advantage of the

foundation privilege are only liable for cash contributions totaling EUR 10,000 in the first 10 years.³¹ In this case, shareholders must pay a minimum of EUR 5,000 in cash upon incorporation. Still, entrepreneurs opting for this privilege face a paid-in minimum capital requirement (11.1% of income per capita) higher than the EU average (7.7%) (figure 8).

Studies have shown that higher paid-in minimum capital requirements do not necessarily help creditors recover their investments.³² Other factors—poor cash management, low employee retention, and competition—influence insolvency. When reducing or eliminating the paid-in minimum capital requirement to start a business, it is possible to provide security to creditors using other mechanisms such as evaluating firms’ income statements, business plans, and other representative indicators. Moreover, a high paid-in minimum capital requirement can act as a financial barrier for small and medium-size enterprises seeking to formalize. *Doing Business* data show that economies with a higher paid-in minimum capital requirement tend to have a lower new business entry rate on average.³³

Economies worldwide have reduced or eliminated paid-in minimum capital requirements. As of May 2020, entrepreneurs in 121 economies worldwide could start a business without any paid-in minimum capital requirement.³⁴ In 12 EU member states, the paid-in minimum capital requirement is very low (less than 0.1% of income per capita) or zero. In Belgium, the Code of Companies and Associations, which entered into force on May 1, 2019, eliminated the minimum capital requirement. Instead of minimum capital, entrepreneurs are required to have sufficient initial equity to carry out their projected activities over a two-year period and file the financial plan with the notary at the time of incorporation.³⁵ Croatia has reduced by half the minimum amount of capital that must be paid prior to LLC incorporation, from 50% of

FIGURE 8 Entrepreneurs in Austria face a higher paid-in minimum capital requirement than the EU average



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

a company's capital to 25%. Similarly, Denmark recently reduced the paid-in minimum capital requirement by 20% for domestic LLCs.

Continue to streamline the tax registration process and merge business and tax registration

The Austrian government has initiated reforms to streamline the tax registration process by incorporating an electronic risk review of applications. These reforms aim to minimize the need for manual control and increase efficiency in auditing and combating fraud. These improvements may show their effects in the coming years once the entire tax registration process is performed electronically. Austria could monitor improvements in tax registration processes through a national monitoring and evaluation system and share regular reports with local tax authorities to identify administrative strengths and weaknesses and ensure

efficient tax registration processes and turnaround times.

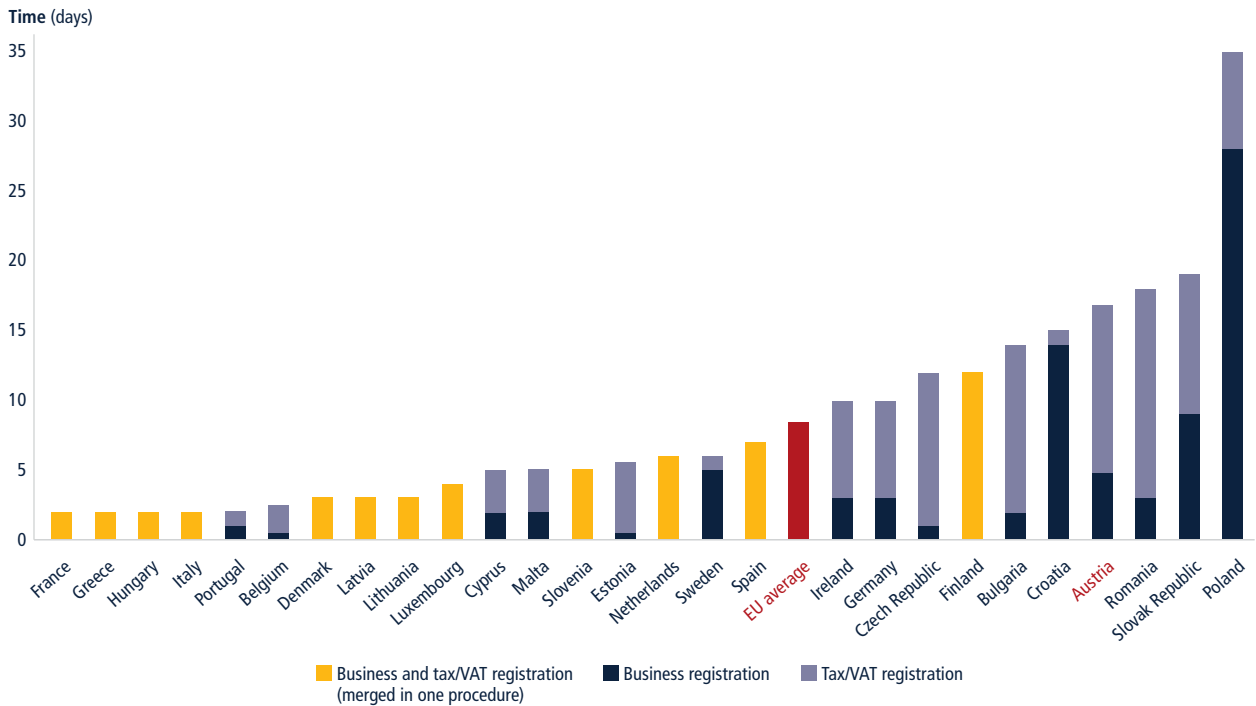
Efforts to accelerate and streamline tax registration could also focus on integrating it into the company incorporation process. In 12 EU economies, tax registration is completed as part of the general company registration process. In these economies, completing combined business and tax registration in a single step takes just 4 days on average (figure 9).

Although the commercial registry automatically notifies the tax authorities of new company registrations, entrepreneurs in Austria still must file and submit forms and supporting documents by post or in person and interact with the tax authorities to obtain the VAT and tax numbers.

Reforms could merge this step into the overall process of starting a business. Greece and Hungary fully integrate tax

registration (including VAT) in the company registration process. In both countries, there is no need to follow up with the tax agency separately. In Hungary, once the application for registration is submitted, the Registration Court registers the company with the State Tax Authority (for VAT and income tax purposes) and the statistical office through an online system. In Italy, limited liability companies electronically file a single notice (Comunicazione Unica) with the Register of Enterprises, which automatically registers the company with the Revenue Agency (to obtain the TIN and VAT number), Social Security Administration (INPS), and Accident Insurance Office (INAIL). Similarly, in France, entrepreneurs file a joint application for company incorporation that allows entrepreneurs to fulfill the formalities required by the various competent authorities, including the tax authorities. In all of these EU economies, registration takes just two days.

FIGURE 9 Twelve EU economies have merged business and tax registration



Source: Subnational Doing Business and Doing Business databases.

Note: In Malta, the entrepreneur obtains the tax identification number (TIN) at the time of business registration but there is a separate procedure to obtain the VAT number. Values for Austria are based on data for the seven benchmarked cities; other EU member states are represented by their capital city as measured by Doing Business. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the Doing Business 2021 report.

Dealing with Construction Permits

Building regulations in Austria are spread across multiple levels of legislation. Although federal regulatory elements exist—mainly setting construction standards³⁶ and energy efficiency requirements—construction permitting is primarily regulated at the state level³⁷ and implemented by city councils and their respective construction departments.

Permit processing times drive differences across cities

The seven Austrian cities benchmarked show notable differences in the efficiency of the construction permitting process. Complying with all formalities to build a warehouse is easiest and fastest in Bregenz, where the process takes eight procedures and 151.5 days, at a cost of 0.8% of the warehouse value (table 5). It is most difficult in Klagenfurt, where entrepreneurs must complete three additional procedures (the same as in Vienna³⁸ and Salzburg) and the process takes 278 days. Klagenfurt is also among the most expensive cities in Austria (together with Vienna) in which to get a construction permit: for the same project,

developers in Klagenfurt spend 31% more than in Bregenz.

On average, developers in Austria spend more time dealing with construction permits than their EU peers

To get a construction permit in the Austrian cities measured, entrepreneurs complete on average 10 procedures over 215 days at a cost of 0.9% of the warehouse value. The process entails four fewer steps at half the EU's average cost (1.9%), but takes longer (figure 10). In the European Union's best performer, Denmark, obtaining a construction permit takes one-third of the time it does in Austria and requires only seven procedures; preconstruction clearances are not required and builders can complete the permit application online.

Together, the Austrian cities benchmarked score 13 out of 15 points on the *Doing Business* building quality control index, among the highest scores in the European Union, where the average is 11.6 points.

The construction permitting process varies from city to city

Entrepreneurs in the seven Austrian cities benchmarked share seven common procedures to obtain a construction permit. The remaining steps differ by location, mainly due to differences in state regulation (figure 11).

In all cities except Vienna, the developer holds a preplanning meeting with the municipal building authority before construction to discuss the project details and associated requirements. The purpose of this meeting is to identify possible issues with the project and discuss areas of concern at an early stage to limit potential delays later.

After the preplanning meeting, the developer initiates the process of obtaining an industrial operations permit, which is required by Austria's commercial code (*Gewerbeordnung*)³⁹ for all commercial buildings that could impact their surroundings with emissions of noise, heat, or pollutants. This permit is also required to commence commercial operations once construction is complete. The municipal building authority issues industrial operations permits in all cities except Vienna, where the local district office is responsible for processing the application.⁴⁰ Simultaneously, the developer contracts private experts to obtain the geotechnical and topographical surveys and request an energy performance certificate, or "energy pass."⁴¹ Once these documents and survey results are ready, the developer applies to the municipality for the building permit. This application includes detailed construction plans with descriptions of the building's purpose (compiled by a certified architect), a list of the owners of the adjacent properties, and plans for water and sewage connections. In parallel to the building

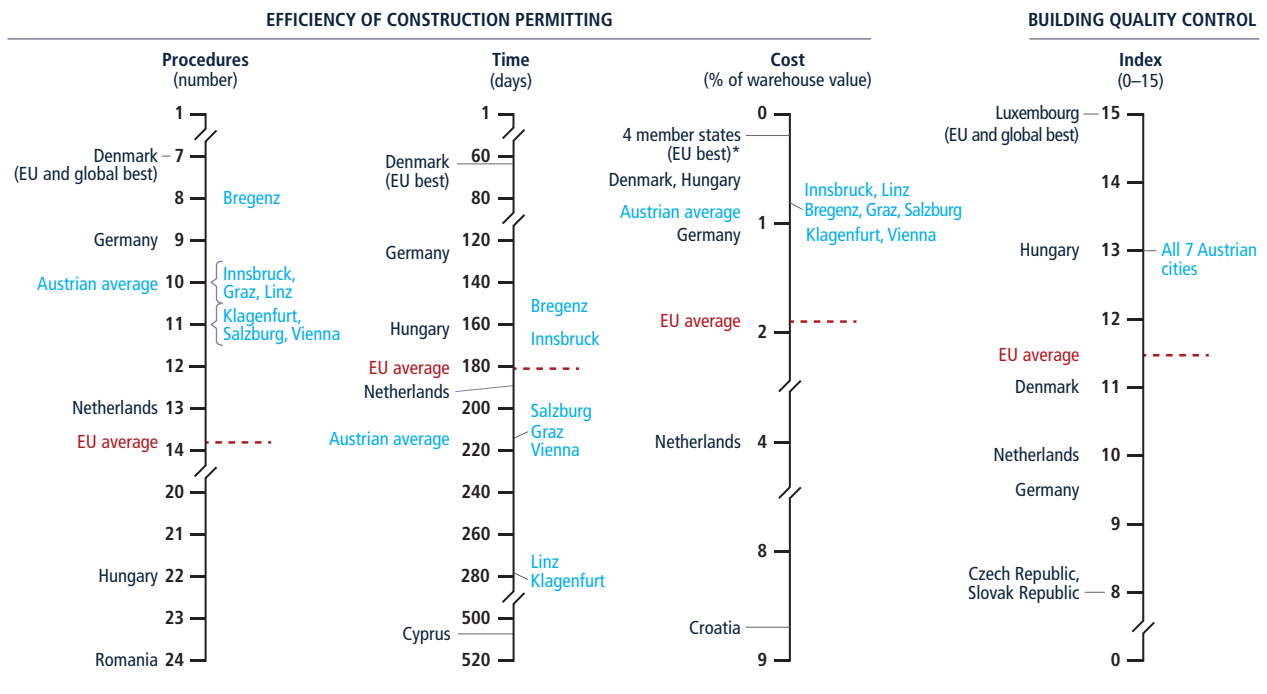
TABLE 5 Dealing with construction permits is significantly easier in Bregenz than in Klagenfurt

City	Rank	Score (0–100)	Procedures (number)	Time (days)	Cost (% of warehouse value)	Building quality control index (0–15)
Bregenz	1	83.64	8	151.5	0.8	13
Innsbruck	2	80.52	10	168	0.7	13
Graz	3	77.16	10	214	0.8	13
Salzburg	4	77.10	11	201	0.8	13
Vienna	5	75.31	11	220.5	1.1	13
Linz	6	73.02	10	273	0.7	13
Klagenfurt	7	71.09	11	278	1.1	13

Source: *Subnational Doing Business* and *Doing Business* databases.

Note: Rankings are based on the average scores for the procedures, time, and cost associated with dealing with construction permits, as well as for the building quality control index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

FIGURE 10 Construction permitting in Austria is less costly and requires fewer procedures than the EU average, but is relatively slow



Source: Subnational Doing Business and Doing Business databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by Doing Business. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the Doing Business 2021 report.

* Czech Republic, Estonia, Poland and Slovak Republic.

permit application, the developer applies for water and sewage connections with the public utility companies.⁴² After the municipality grants the building permit—and once the builder has submitted the notice of construction commencement (including the appointment of a construction supervisor)—construction can begin.

Upon finalizing construction works, the developer notifies the municipality of the completion of construction. This notification must include a statement by the construction supervisor that the building complies with all regulations governing materials, height limitations, structural integrity, and fire protection.

Variations in the number of procedures are the result of different administrative requirements

Depending on the location, it takes between eight and 11 procedures to

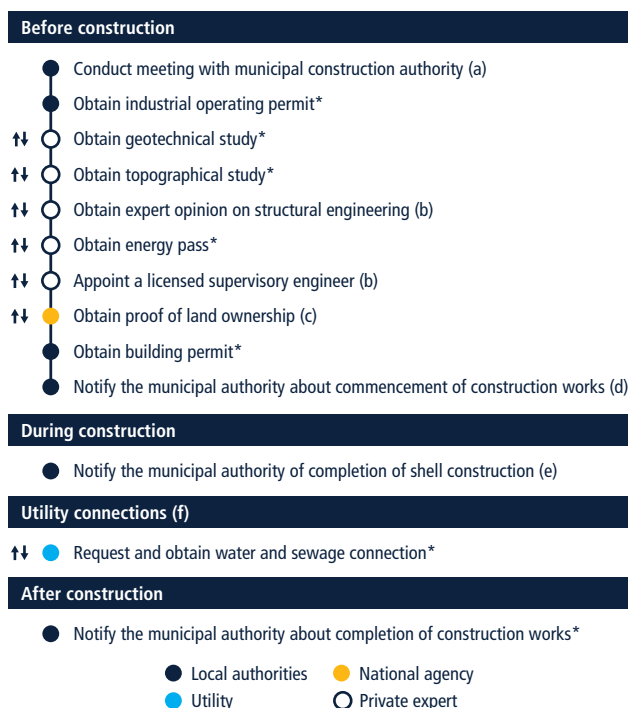
get a construction permit in Austria. Differences among cities stem largely from municipal requirements before construction begins and different water and sewage connection applications.

On average, preconstruction approvals account for more than three-quarters of the total steps required to deal with construction permits (figure 12). In all cities except Vienna, it is common practice for developers to hold a meeting with the municipality before applying for a building permit. However, the capital requires developers to go through two additional procedures. While the expert opinion on structural engineering is carried out by a licensed employee working for the developer in all cities except Vienna, an independent expert must issue this opinion in Vienna.⁴³ Similarly, developers in the capital must appoint a qualified supervisory engineer from a list provided by the building authority to oversee the entire construction process.⁴⁴ In all other

cities, the developer can designate an in-house construction supervisor to perform this task.

In Bregenz, where entrepreneurs need to complete only six procedures before the start of construction, the law does not require the builder to provide a notification of commencement of construction works. In Bregenz and Graz, developers no longer need to prove land ownership, as municipal authorities can verify ownership directly with the Land Registry. In all other benchmarked cities, the developer is responsible for providing proof of land ownership. In Bregenz, this change resulted from a review of construction permitting procedures done in preparation for the e-submission system for building permit applications.⁴⁵ In Graz, the change was made as part of the city’s push to streamline bureaucratic processes in response to the COVID-19 pandemic (box 4). However, Graz is also the only city that requires all builders to

FIGURE 11 Procedural requirements in the construction permitting process vary across cities

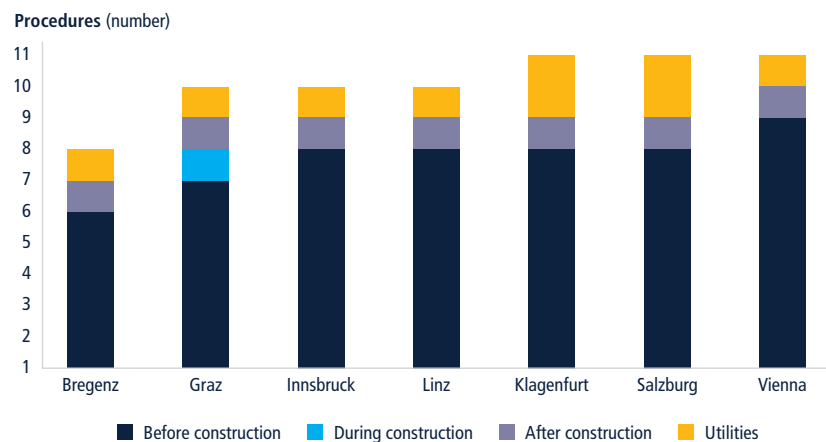


- (a) Procedure does not apply in Vienna
- (b) Procedure only applies in Vienna
- (c) Procedure does not apply in Bregenz and Graz
- (d) Procedure does not apply in Bregenz
- (e) Procedure only applies in Graz
- (f) Water and sewage services in Klagenfurt and Salzburg require separate applications because they are managed by different agencies
- ↕ Procedure is completed simultaneously with the previous one
- * Procedure applies to all cities

Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not consider official until published in the Doing Business 2021 report.

FIGURE 12 Most procedures to deal with construction permits are in the preconstruction phase



Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not consider official until published in the Doing Business 2021 report.

notify the local municipality upon completion of the building’s structural frame (shell construction).⁴⁶ All other cities require notifications once construction has been completed.

In most Austrian cities, the developer can request and obtain water and sewage connections from a single public or partially privatized utility company in one procedure. Klagenfurt and Salzburg require an additional step. In these cities, sewage connections are handled by the city’s municipal sewer authority, while water connections are managed by a public utility company, resulting in parallel application processes and an additional procedure when compared with other cities. This split between separate entities has historical reasons (for cities with ancient buildings) but reduces the efficiency of the application process.

Bregenz and Innsbruck complete construction permitting fastest; Linz and Klagenfurt are slowest

The time to deal with construction permits ranges from five months in Bregenz to over nine months in Klagenfurt, mainly owing to differences in efficiency at the municipal level when obtaining the building permit. It can take anywhere from 75 days in Bregenz to 180 days in Linz to get a building permit (figure 13). Although all cities are in line with the federal statutory time limit of six months,⁴⁷ Bregenz, Innsbruck, and Salzburg are subject to a lower time limit of three months as stipulated by their respective state construction codes.⁴⁸

Time variations also stem from differences in municipalities’ operational capacities. For example, in Linz, the slowest city for obtaining building permits and industrial operations permits, the building authority is also tasked with local administrative functions at the district level,⁴⁹ resulting in a higher workload and significantly longer processing times. Onerous bureaucratic rules—a requirement to submit permit applications in multiple copies, for example—contribute to logistical challenges and delays in

BOX 4 Construction permitting during COVID-19: how the pandemic encouraged digitalization

During the COVID-19 pandemic, locations across Austria expanded their use of e-government electronic platforms as in-person interactions became more challenging. In some Austrian cities, such as Innsbruck, Linz, and Klagenfurt, the initial lockdown in March 2020 slowed the processing of new applications significantly. By midyear, following local government efforts to update IT systems and distribute laptops to public servants working remotely, the building authorities managed to return to operational levels.

Local authorities across Austria took various approaches to maintain the most necessary services. For example, after reviewing its procedures, the city of Graz stopped requesting proof of land ownership from builders as part of the building permit application process. In Vienna, the pandemic and the need for e-based solutions accelerated the implementation of the city's fully digital building permit application platform on the "Mein.Wien" e-government portal. Developers can now submit permit applications, including all required attachments, and provide notifications about the commencement and completion of construction works online. They can also use the platform to track the authorities' processing of these applications and notifications.

The building authority in Bregenz has been developing an online platform for building permit applications since late 2018 as part of its comprehensive smart government program. The platform, which is being implemented in cooperation with the University of St. Gallen in Switzerland and nine cities near Lake Constance in Austria, Germany, and Switzerland, allows builders to submit all relevant forms and documents and moves all communication with the applicant online. The integration into the existing "V-Dok" administrative e-government platform of the state of Vorarlberg should ensure interoperability with existing systems and allow for easier implementation across the state. The platform entered its trial phase in 2020 and will become fully operational in 2021.

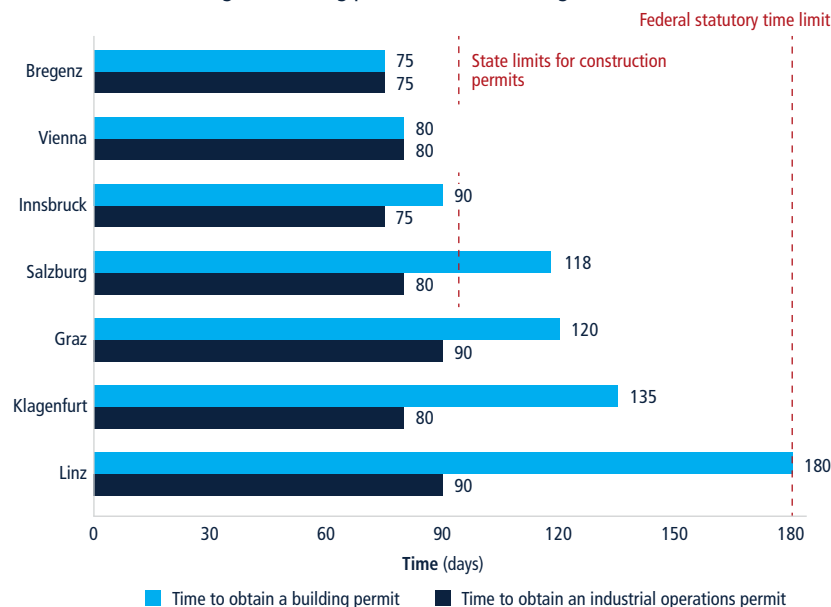
The cases of Vienna and Bregenz highlight how local building authorities can harness the momentum created by the coronavirus pandemic to expand their digital services to remain accessible to the public while at the same time streamlining their processes and improving their operational capacity.

processing at building authorities in cities such as Linz and Salzburg.⁵⁰ Incomplete applications and requests for additional documents drive longer processing times in Graz, Linz, and Klagenfurt. In contrast,

efforts are ongoing in Bregenz and Vienna to digitalize the permitting process to eliminate redundant paperwork and allow multiple offices with different responsibilities to review the same application

simultaneously. The authorities in Vienna, which is over 6.5 times the size of Graz, Austria's second-largest city, issue building permits faster than most other cities despite a higher workload. In the capital, the digital platform for building permit applications has entered the full beta-testing phase and was made available to the public in February 2021.⁵¹

FIGURE 13 Obtaining the building permit is fastest in Bregenz



Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not consider official until published in the *Doing Business 2021* report.

How builders notify the building authorities is another factor accounting for variations among Austrian cities. All cities make the necessary notification forms available online for download, but Vienna goes further. To notify the authority about the commencement of construction, applicants do not need to print the form, fill it out, and then send it to the building authority either electronically or by traditional mail. They can enter information directly into the form on the "Mein.Wien" portal—the documents are filled out and immediately submitted online. Bregenz is the only city that allows users to notify the completion of construction online. Salzburg is the only city that processes the energy pass through an online database (ZEUS), a free online database

operated by the state government.⁵² Obtaining the energy pass takes 10 days in the other benchmarked cities.

Lastly, another source of variation is the time to obtain water and sewage connections, which ranges from 21 days in Linz to 95 days in Klagenfurt. Klagenfurt and Salzburg require applications with separate entities for both types of connections as opposed to one utility company in all other cities. A utility company's efficiency and internal processes also play a role in accounting for the variations among cities.

Building authority fees and utility connection drive cost variations across cities

The average cost of dealing with construction permits across Austrian cities is 0.9% of the warehouse value ranging from 0.7% in Innsbruck and Linz to 1.1% in Klagenfurt and Vienna. Building authority fees and utility connection fees comprise nearly two-thirds of the total cost on average and are the main drivers of this variation (figure 14). Each city council determines the fees for the municipal building permit and industrial operations permit independently. These fees can range from EUR 622 in Vienna

to EUR 3,000 in Bregenz. In Bregenz, the municipality uses a formula to calculate building permit fees as a percentage of the construction's estimated total cost. In all other cities, building permit fees are calculated as a mix of administrative fees (based on the type and complexity of the application) and fees for expert opinions commissioned by the building authority, when necessary. Differences in utility connection fees result from local connection and network contribution fees set by municipal authorities or local public utility companies. Connecting to water and sewage can cost from almost EUR 8,500 in Vienna to to around EUR 19,500 in Klagenfurt.

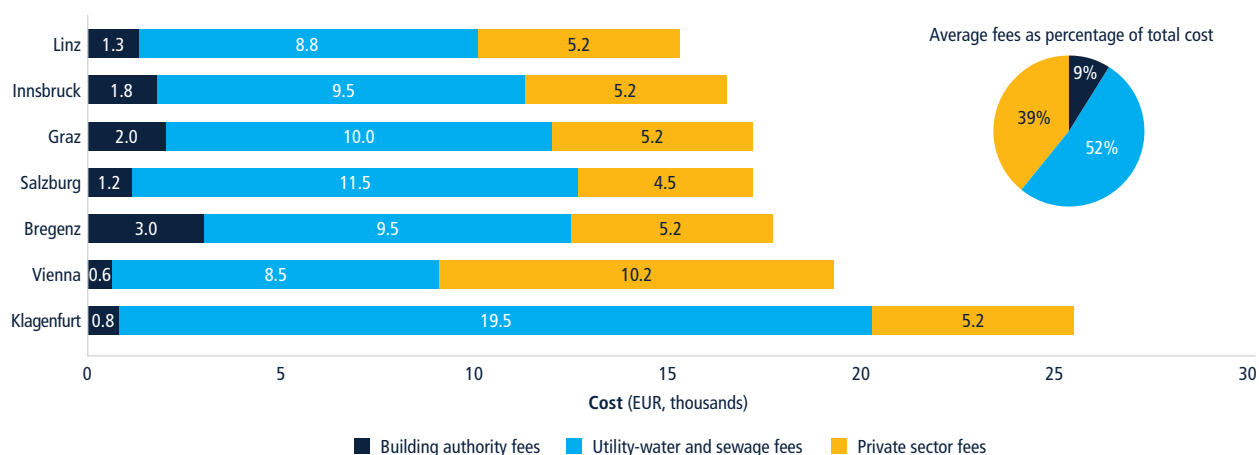
Private sector fees account for 39% on average of the total cost of dealing with construction permits in Austria. The cost of contracting a private firm to obtain geotechnical and topographical surveys of the land plot averages roughly EUR 4,500 nationwide. In Vienna, local regulation requires builders to pay for a structural engineer's opinion (from an external engineer) and the appointment of an independent supervisory engineer during construction, resulting in additional expenses of EUR 9,800 to contract external practitioners.⁵³ Lastly, while in all

other cities obtaining an energy pass from an independent expert costs EUR 700, it is free of charge in Salzburg. There, the planning architect calculates the energy efficiency coefficients outlining the building's expected energy performance and submits this information through the ZEUS platform. The local building authority then accesses the database and verifies the energy pass as part of the building permit application process.

On the *Doing Business* building quality control index, all seven Austrian cities benchmarked score 13 out of 15 points and benefit from strong quality control mechanisms (table 6). Despite its strength in most quality control aspects, Austria does not get full points for quality control before and during construction.

Before construction, public servants review building plans at the municipality, but there is no formal requirement that they are licensed architects or engineers. During construction, the regulation mandates that a licensed supervisor must oversee the construction works throughout the process. However, neither the construction supervisor nor the public building authorities are required to carry out risk-based inspections.

FIGURE 14 Building authority fees and utility connection fees comprise nearly two-thirds of the cost of dealing with construction permits



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

TABLE 6 Austrian cities have robust quality control mechanisms

		All seven Austrian cities (score)
BUILDING QUALITY CONTROL INDEX (0–15)		13
Quality of building regulations (0–2)	Are building regulations easily accessible?	1
	Are the requirements for obtaining a building permit clearly specified?	1
Quality control before construction (0–1)	Which entity(ies) is/are required by law to verify the compliance of the building plans with existing building regulations?	0
Quality control during construction (0–3)	Are inspections mandated by law during the construction process?	1
	Are inspections during construction implemented in practice?	1
Quality control after construction (0–3)	Is a final inspection mandated by law?	2
	Is a final inspection implemented in practice?	1
Liability and insurance regimes (0–2)	Is any party involved in the construction process held legally liable for latent defects once the building is in use?	1
	Is any party involved in the construction process legally required to obtain a latent defect liability—or decennial (10-year) liability—insurance policy to cover possible structural flaws or problems in the building once it is in use?	1
Professional certifications (0–4)	Are there qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with the building regulations?	2
	Are there qualification requirements for the professional who conducts the technical inspections during construction?	2

Maximum points obtained

Source: Subnational Doing Business and Doing Business databases.

Note: For details on the scoring of each question, see the data notes. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

WHAT CAN BE IMPROVED?

Streamline the preconstruction process by consolidating requirements and improving coordination among offices

Streamlining preconstruction clearances is a key factor in making the construction permitting process more efficient. In Austria, builders must complete two more steps than the EU average before starting construction, and six more than the European Union's best performing economies, like Denmark or Germany.

Austria could make substantial improvements by consolidating procedures related to building plan approval. Before applying for a building permit, most builders in Austria undertake two steps with the municipality: a preliminary meeting and getting an industrial operating permit to verify commercial code compliance. During the data collection process for this report, it emerged that most private sector practitioners opt to go through

this multistep system because it gives them an early confirmation that there is nothing wrong with their plans and they are in compliance with all local rules and requirements.

Austrian cities could look at the example of Porto (Portugal), which has developed a detailed online manual for its construction permitting process, including process maps that cover various possible scenarios.⁵⁴ A first step that Austria could take is developing specific checklists and guidance documents, clearly laying out all the plan requirements to comply with the commercial code, and providing a complete building permit application. Moreover, the authorities could combine a simplified industrial operations permit application with the building permit application review process, merging the two longest procedures (that currently take 81 days on average).

A review of required procedures could also result in greater procedural efficiency. Only Bregenz and Graz do not

require the builder to submit proof of land ownership; the municipal authorities provide this service there. Other cities should follow suit. Doing so would require minimal changes—municipal authorities already have access to the Land Registry database—and increase the efficiency of the preconstruction process. In making this transition, Austrian cities could also emulate the construction permit processes in Denmark or Sweden, where there is no requirement to submit proof of land ownership.

Continue implementing digital building permit platforms

Leveraging technology is associated with a more efficient construction permitting process; it significantly reduces the time to deal with construction permits.⁵⁵ The average time an entrepreneur spends dealing with construction permits in Austria (215 days) is faster than only five other EU economies.⁵⁶

For those that have not already, Austrian cities should consider introducing

e-application platforms for the submission of applications and building plans online and connecting various agencies such as the utility companies and sewer authorities. Such platforms provide benefits like faster application submission, easier transfer of documents between different construction authority offices or with experts involved in the evaluation process, and easier tracking of documentation. The ability to track which offices have already reviewed the file, identifying any missing documents, and allowing revisions to be made would give applicants more control over the process. Implementing building information modeling (BIM) software in the new platforms would also enable the incorporation of building regulation parameters in the design phase, allowing for easier and faster design evaluation and further streamlining the information flow between the authorities and private construction professionals.

Across Europe, there is a broader movement toward e-application systems following the European Commission's designation of construction permits as one of the 20 primary e-government services.⁵⁷ Austrian cities can find successful examples of implementing these changes in the Netherlands' one-stop-shop counter system,⁵⁸ Hungary's building regulatory support documentation system (ÉTDR),⁵⁹ or in German cities like Hamburg.⁶⁰ Austrian cities like Klagenfurt and Linz could also learn from their better-performing peers (Bregenz and Vienna) about their experience of creating IT systems under a similar regulatory environment (see box 4 for further details on these systems).

Austrian cities could also learn from their experiences in implementing geographical information systems (GIS) within their broader digitalization strategies. Austria is already a leader in implementing the INSPIRE directive,⁶¹ which provides construction-relevant information such as zoning, topographic, and geological maps to the public.⁶²

Shorten statutory time limits and expand the use of simplified application procedures

Austria has a federal statutory time limit of six months for public authorities to issue industrial operating permits and building permits.⁶³ However, if the authorities reject an application or request further information, the process becomes even longer. In Bregenz, Innsbruck, and Salzburg, state law sets a time limit of three months.

For a project like the *Doing Business* case study in Austria, all benchmarked cities except Salzburg deliver the building permits within the official time limits. Bregenz and Innsbruck issue these permits in less than half the official time limits. Shortening the statutory time limits—following the examples of states including Vorarlberg, Salzburg, and Tyrol—could push cities to deliver building permits faster, even when there are delays in the application. Given that cities including Bregenz and Vienna are already moving toward a more efficient digital system to process building permit applications, shortening the time limits would not place an undue burden on local authorities. It could improve efficiency without compromising safety and control mechanisms.

Austrian cities could realize further efficiency gains by implementing simplified, fast-track building permit processes like Vienna's Article 70a model for common, low-risk construction.⁶⁴ This process allows a developer to begin construction one month after submitting the application if the building authority has not indicated that the standard permit processing procedures apply—an example of a “silence-is-consent” rule, a common tool used to streamline permitting in France and Italy, among other economies.⁶⁵

Consider harmonizing construction permitting legislation

Building codes provide a set of uniform regulations and standards for acceptable

health and safety conditions in the construction industry. In the absence of standard references, building professionals, developers, and investors experience regulatory uncertainty, complicating the permitting process.

The lack of national building regulation harmonizing construction permit requirements in Austria makes operating across cities difficult for developers and building professionals. Although the Austrian Institute of Construction Engineering (OIB) has issued standard guidelines to harmonize technical requirements in construction, it does not provide construction permitting guidelines.⁶⁶

Austria could look to Canada and New Zealand, where clear building codes and regulations are at the core of well-designed construction permitting systems. Some economies centralize the relevant documents for getting a construction permit on a single website, providing users with targeted and comprehensive information. In Finland, for example, the “Lupapiste” platform, which is used for 95% of the nation's 100,000 annual building permit applications, provides detailed information on requirements and the process surrounding permit applications.⁶⁷ The Hungarian “e-epites” online platform has a similar function, allowing developers to review requirements and legislation governing different aspects of construction permitting.⁶⁸ Authorities in the United Kingdom offer an online portal where users can access all relevant legislation and information on good practices in addition to guidelines for obtaining building project approval.

Getting Electricity

The Ordinance on the Quality of Electricity Systems regulates the process of obtaining an electricity connection in Austria, and E-Control, an independent regulatory body, monitors utility performance.⁶⁹ Although the process is nationally regulated, local variations exist in the procedures, duration, and cost of obtaining a new electricity connection. Overall, obtaining a connection is easiest in Linz and Innsbruck and most difficult in Graz and Bregenz (table 7).

Obtaining electricity is more efficient in Austria than in most EU countries

The process of obtaining a new electricity connection across the seven Austrian cities benchmarked takes nearly six weeks on average, placing it among the fastest countries in the European Union.⁷⁰

TABLE 7 Getting electricity is easiest in Innsbruck and Linz and most difficult in Bregenz and Graz

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of income per capita)	Reliability of supply and transparency of tariffs index (0–8)
Linz	1	91.68	4	25	88.3	7
Innsbruck	2	90.38	4	37	85.2	7
Klagenfurt	3	89.34	4	46	104.2	7
Salzburg	4	88.83	4	50	131.2	7
Vienna	5	88.43	4	55	83.0	7
Graz	6	86.62	5	34	60.5	7
Bregenz	7	86.38	5	36	67.8	7

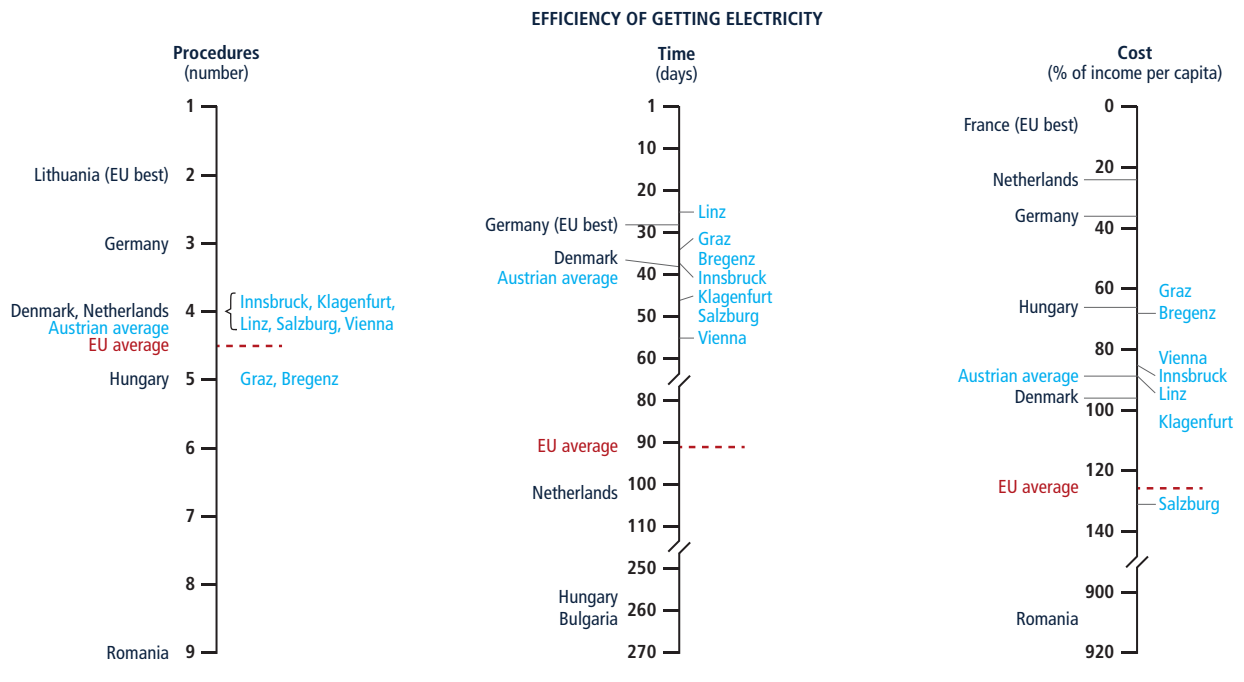
Source: Subnational Doing Business and Doing Business databases.

Note: Rankings are based on the average scores for the procedures, time, and cost associated with getting electricity and the reliability of supply and transparency of tariffs index. The score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About Doing Business and Doing Business in the European Union 2021: Austria, Belgium and the Netherlands." Data for Vienna are not considered official until published in the Doing Business 2021 report.

The cost of getting electricity averages 88.6% of income per capita, nearly 40% less than the EU average. Entrepreneurs

complete 4.3 procedural steps on average to obtain a connection, on par with the EU average of 4.5 (figure 15).

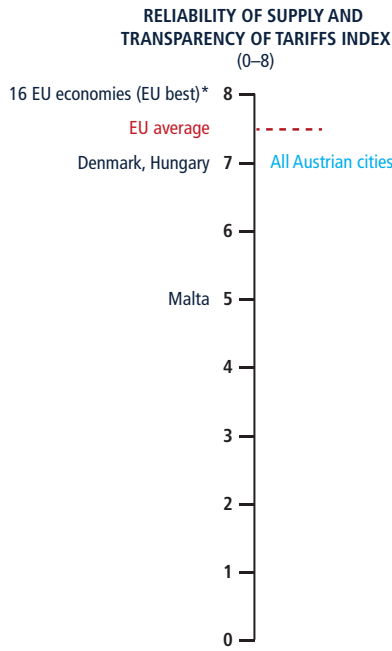
FIGURE 15 Austrian cities are competitive in procedural steps, time, and cost to obtain electricity



Source: Subnational Doing Business and Doing Business databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by Doing Business. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the Doing Business 2021 report.

FIGURE 16 Austrian cities lag their EU peers for the reliability of electricity supply



Source: Subnational Doing Business and Doing Business databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by Doing Business. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the Doing Business 2021 report.

* Belgium, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Ireland, Latvia, Lithuania, the Netherlands, Poland, Slovak Republic, Slovenia, Spain, Sweden.

Despite the overall efficiency of the process, the reliability of Austria’s electricity supply has room for improvement. On the Doing Business reliability of supply and transparency of tariffs index, 16 EU member states score the maximum of 8 points, whereas Austrian cities score 7 points (figure 16).⁷¹

The steps, time, and cost to obtain electricity vary substantially across locations

Several distribution utilities operate in each of the Austrian cities benchmarked and are responsible for expanding and maintaining the electrical grid (map 1).⁷² Distribution system operators (DSOs)—also referred to as “electricity distributors” and “distribution utilities”

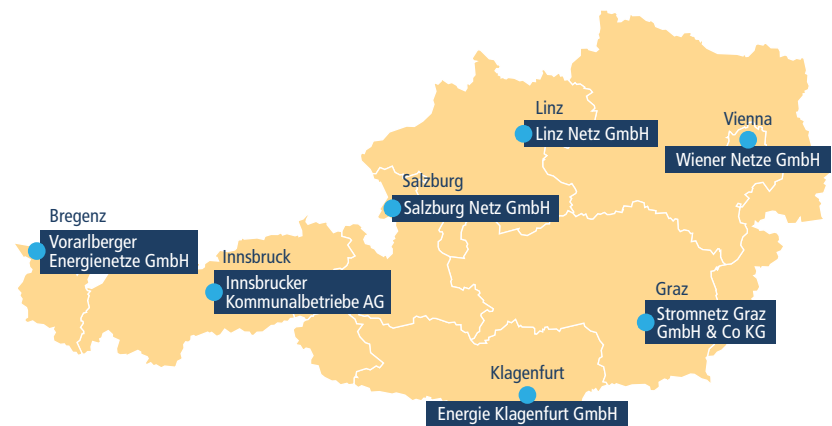
in this chapter—are key players in the connection process. The time and cost to get an electricity connection depend on the availability of both low- and medium-voltage infrastructure. Doing Business uses the hypothetical case of a local firm that needs a 140 kilovolt-ampere (kVA) electricity connection for a newly built warehouse located in a commercial area outside a city’s historical center. At a power demand of 140 kVA, clients in Austria are legally eligible to be connected to medium-voltage (at grid level 6) or low-voltage (at grid level 7) underground connections. In the first case, the connection would require an existing or newly installed transformer station to convert medium voltage to low voltage. The connection decision depends on the availability of infrastructure for a low-voltage connection, the client’s preference, and the DSO’s grid development priorities. In most Austrian cities, new warehouses are connected to the medium-voltage underground network (grid level 6). In Innsbruck and Linz, a new warehouse would most likely be connected to the low-voltage (grid level 7) underground network.

In Bregenz and Graz, the process to connect a warehouse to the electrical grid requires five steps; it requires four steps in the other benchmarked cities (figure 17). Customers initiate the process by

submitting an application form, a warehouse site plan, details on the capacity requested, and the desired date for the connection to be completed to the distribution utility. The utility provides a cost estimate, a contact person, and the expected time to establish the connection based on this information. Upon accepting the utility’s offer, the client signs the grid connection contract. Customers pay the connection fees to the distribution utility in installments in all cities except Bregenz, Linz, and Salzburg, where the payment is made upon completion of the external connection.

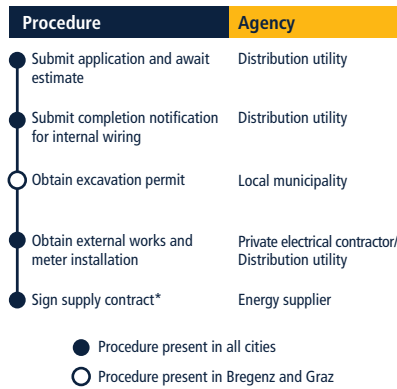
Once the warehouse internal wiring is completed, the customer notifies the utility that the internal wiring complies with established safety standards. An excavation permit must also be obtained from the local municipality before the start of connection works.⁷³ In most cities, a DSO contractor obtains this permit and carries out the external connection works. The exceptions are Bregenz and Graz, where the customer hires a contractor to secure the excavation permit and carry out the excavation works. This adds a procedural step for the client in these two cities.⁷⁴ In Vienna, in addition to the excavation permit, the utility must obtain a heavy current permit required for installing a new transformer on the client’s premises; in the other cities, transformers

MAP 1 Austria’s electricity distribution utilities operate in designated geographic zones



Source: Subnational Doing Business and Doing Business databases.

FIGURE 17 Getting electricity requires five steps in Bregenz and Graz, and four in the other cities



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: Data for Vienna is not considered official until published in the *Doing Business 2021* report.

* Procedure occurs simultaneously with the previous one

are available in the public domain.⁷⁵ At any time in the process, the customer can choose an energy supplier from the market. The regulator, E-Control, offers an online tariff calculator with sample bills to help customers choose from among the available suppliers.⁷⁶ Once the connection works are complete and the meter installed, the connection is electrified without any further action required by the customer.

The main determinants of time variations are the time for application processing and external connection works

In Linz, obtaining a connection takes less than a month. In Vienna, the Austrian city with the slowest time for getting electricity, the process takes nearly two months. Vienna’s DSO receives significantly more connection requests than any other utility: in 2019, connections performed in Vienna were more than seven times those in Salzburg, the city with the second-most new connections.⁷⁷ Furthermore, in Vienna, the utility must obtain a heavy current permit before installing a new transformer (on private land due to limited space in the public domain), resulting in further delays. The other cities do not require a heavy current permit

because transformers are available in the public domain.

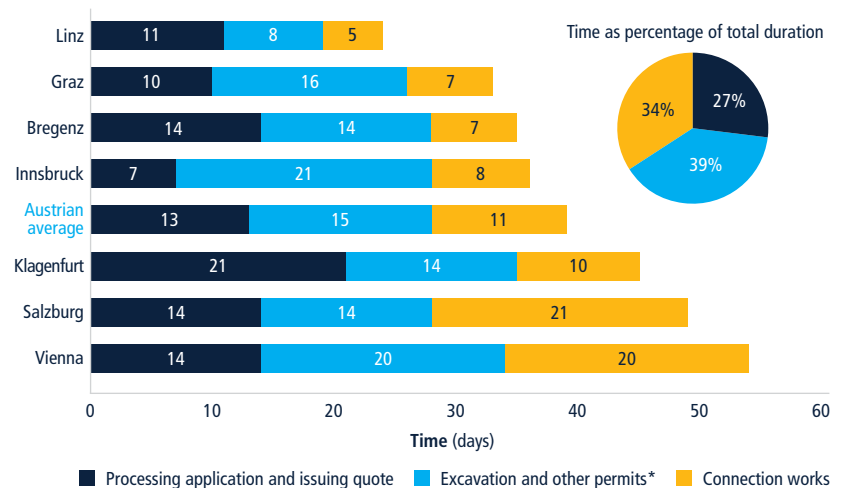
Subnational variations in the time to obtain a new electricity connection stem from two main factors: the time to process the application request and the time to complete the connection works, which can vary depending on the time to obtain the excavation permit and complete the external connection works.

Under national regulations, distribution utilities have 14 days to process an application request for low-voltage connections and a month for medium-voltage connections.⁷⁸ In practice, DSOs process applications in a shorter time. In Innsbruck, the utility provides a quote for low-voltage connections in seven days of receiving a request; in Linz, the quote is ready in 11 days. In Graz, processing an application for medium-voltage connections takes 10 days, faster than the other benchmarked cities with that grid level. Like in Linz, the distribution utilities in Graz are at the forefront of the digitalization of the application process—customers can only apply for a new connection through the DSO’s online platform.

National regulation establishes a six-month deadline for the municipality to issue the excavation permit.⁷⁹ In practice, Austrian municipalities are more efficient than the prescribed time. For a scenario like the *Doing Business* case study, the municipality issues the excavation permit in two weeks on average. The widespread use of advanced geospatial information systems and up-to-date zoning maps support this level of efficiency.⁸⁰ Obtaining the excavation permit takes anywhere from eight days (Linz) to three weeks (Innsbruck) (figure 18). A general framework agreement between the municipality and the utility in Linz simplifies the excavation permit approval process.⁸¹ There is also substantial variation in the time for the DSO to complete the material connection works: customers in Linz wait just five days, while those in Salzburg wait three weeks.

Connection fees consist of two components: (i) grid connection charges (including all costs associated with materials and labor) set by the contractor in charge of the connection and (ii) system charges (calculated based on the subscribed capacity) set by the

FIGURE 18 Getting the excavation permit takes anywhere from eight to 21 days



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: See the data notes for the full list of procedural steps. Procedures such as “submit completion notification for internal wiring” and “signing a supply contract” take the same time across cities (one day and two days, respectively) and are not represented in the graph. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

* “Other permits” refers to the heavy current permit to install a transformer (required in Vienna only).

regulator.⁸² Variations in cost are mainly the result of different charges for low- and medium-voltage grid connections. In Salzburg, the grid connection charge is almost five times higher than that in Graz and Linz, the Austrian cities with the lowest grid connection charges (figure 19). Overall, the total cost of getting electricity is lowest in Graz (EUR 27,138)—EUR 12,613 lower than the Austrian average. In Salzburg, where getting electricity is most expensive (EUR 58,877), the total cost is one and half times more than the average of the other cities.

Bregenz and Klagenfurt have the most reliable electricity supply

The *Doing Business* reliability of supply and transparency of tariffs index scores cities on a scale of 0 to 8 points. All benchmarked cities have an automated system to monitor power outages and restore services. The independent regulator, E-Control, monitors utility performance on service disruptions. Utilities efficiently communicate tariffs and tariff changes to customers, and these are available online. However, Austrian regulation does not establish financial deterrents to limit outages, and customers are not compensated in the event of outages, unlike utilities in nearly all other

EU member states face financial deterrents (figure 20).

Variations exist in the frequency and duration of electricity outages across the Austrian cities benchmarked. Overall, Austrian cities enjoy a reliable electricity network. According to 2019 data, the electricity network is most reliable in Bregenz and Klagenfurt, where customers experienced an average of 0.18 service interruptions lasting a total of 5 minutes and 40 seconds. Outages were most frequent in Salzburg, where in 2019 customers experienced, on average, one service interruption, lasting 49 minutes. However, the electricity supply is more reliable in all Austrian cities benchmarked than the EU average (figure 21).

WHAT CAN BE IMPROVED?

Improve online platforms to allow electronic requesting and tracking of applications

The introduction of IT systems has already simplified the process of getting electricity in most Austrian cities. The distribution utilities in Graz and Linz introduced a fully digitalized application process, eliminating request submissions

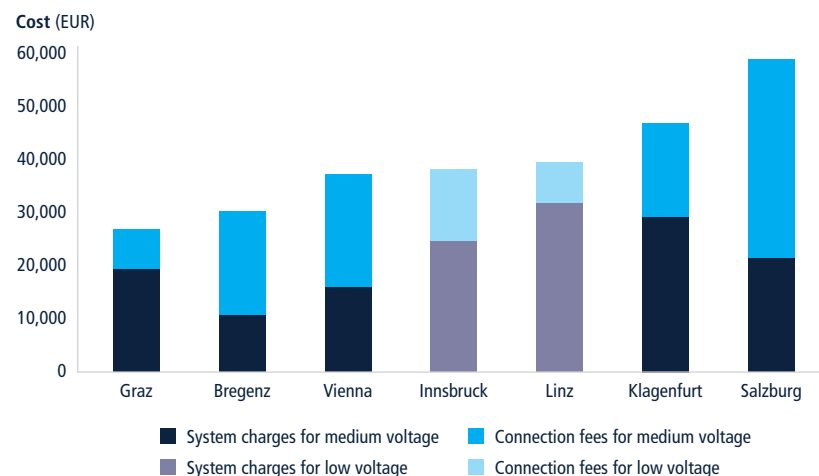
by mail and in person. Distribution utilities in Salzburg and Vienna also use online platforms but still permit email, postal mail, and in-person applications. In Bregenz, Innsbruck, and Klagenfurt, customers download a PDF application form and email it to the distribution utility.

Technological solutions are among the most effective for reducing delays, but only when accompanied by an awareness campaign for users and a dedicated troubleshooting mechanism to address issues or technical glitches in real-time. These solutions can also help to collect data to diagnose the cause of delays. Austria could consider allowing new connection requests to be submitted fully electronically and eliminating mail, email, and in-person submissions like in Linz and Graz.

Introducing a tracking system for applications is equally important. The Austrian authorities and utilities could set up a platform similar to that of the French distribution utility, Enedis, to streamline the process of getting electricity. Since Enedis adopted both externally and internally facing platforms, the time to obtain a connection has fallen by nearly three weeks. Externally, customers use the online portal to submit connection requests along with all supporting documentation. Internally, Enedis implemented a unified data management solution, Teradata's Unified Data Architecture (UDA), allowing both the customer service department and the new connection department to receive and process new connection requests. The UDA facilitates the internal tracking of applications, speeding the electrical engineer's analysis and allowing them to respond to clients faster. It also allows the connection department to assign the external works to engineers in a more efficient manner.

Good practices can also be found outside the European Union. In the United Arab Emirates, the Dubai Electricity and Water Authority introduced a one-window, one-step application process that allows

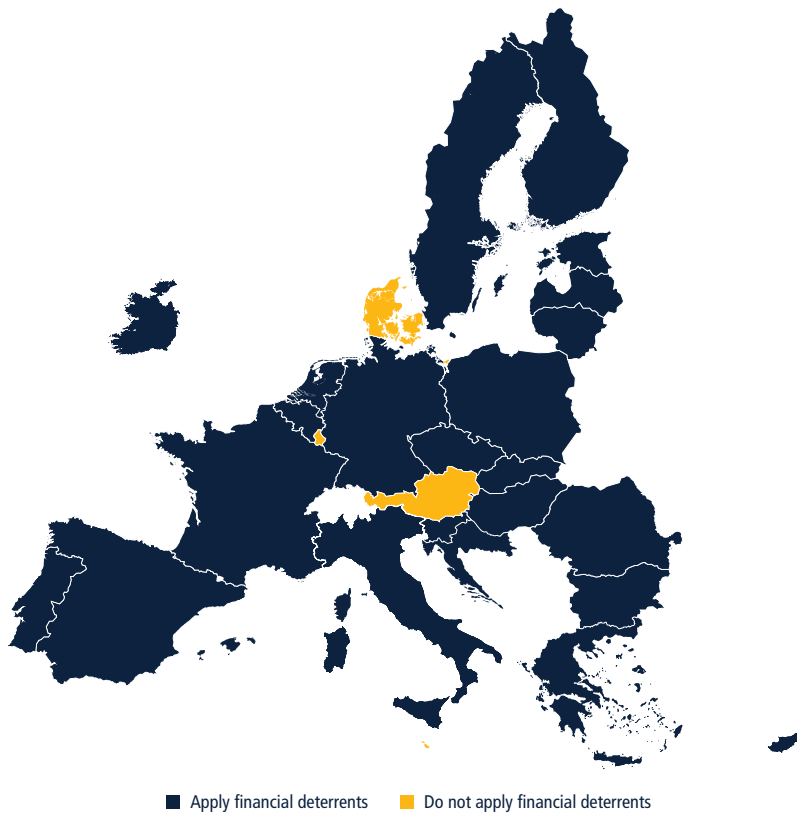
FIGURE 19 Getting electricity costs twice as much in Salzburg as in Graz



Source: Subnational *Doing Business* and *Doing Business* databases.

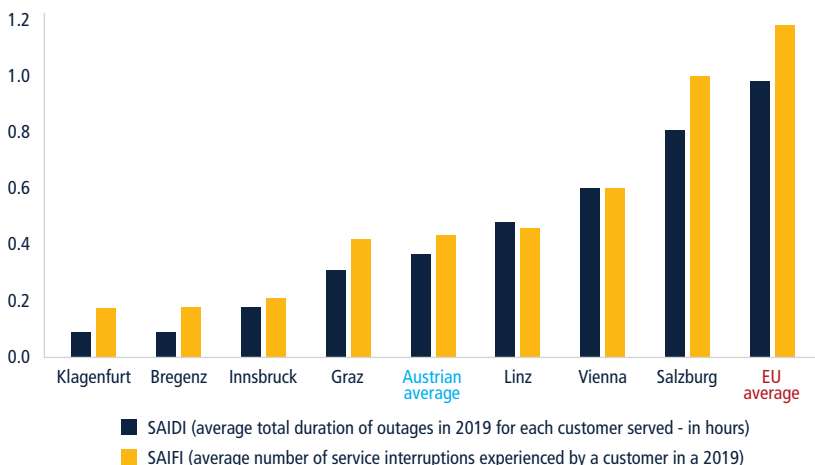
Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

FIGURE 20 Twenty-three EU member states establish financial deterrents to limit outages



Source: Subnational Doing Business and Doing Business databases.
 Note: Data for EU countries are not considered official until published in the Doing Business 2021 report.

FIGURE 21 In all Austrian cities the supply of electricity is more reliable than the EU average



Source: Subnational Doing Business and Doing Business databases.
 Note: Data for Vienna and EU average are not considered official until published in the Doing Business 2021 report.

customers to submit and track their applications online and schedule site surveys. New features have been added over the years, including an e-payment portal and an option to schedule the internal wiring inspection. These changes improved processing times significantly; today, it takes just seven days to obtain an electricity connection in the United Arab Emirates.

Establish financial deterrents to limit outages

Twenty-three EU member states impose financial penalties on distribution utilities if they fail to provide their customers with a reliable electricity supply. Although Austrian customers enjoy a reliable supply, the country could benefit from establishing a legal framework governing compensation for customers and fines for DSOs when outages exceed an established cap. Financial penalties are equally important and a useful tool to incentivize distribution utilities to maintain supply reliability throughout the year and across their entire zone of operation. However, financial sanctions alone are insufficient. Minimizing the number and duration of power outages is critical to the national economy. Understanding why some cities have a higher outage duration and frequency is valuable information that can be used to improve the reliability of electricity supply. The distribution utility is the final link in the supply chain for electricity; many actors play key roles in generation, transmission, and distribution. Moreover, multiple interdependent factors affect supply reliability, including investment in generation, tariff levels and bill collection rates, the utilities’ operational efficiency, and the economy’s overarching regulatory framework.⁸³

Introduce varying legal time limits based on connection complexity

Municipal authorities in Austria require an excavation permit to begin external connection works. Obtaining this permit constitutes roughly 40% of the total time to get electricity across the benchmarked cities. Lawmakers could reduce this time by defining requirements and legal time

limits based on project complexity. In Linz, the municipality and utility have a general framework agreement, which contains an overview of all works allowed on public land (for example, laying cables) and establishes a time-efficient system. Under a framework agreement, the utility still needs to submit the excavation permit request; however, all general terms and conditions of specific permits are clarified in the agreement. Therefore, the permit is issued faster. Modern regulations establish different levels of scrutiny—and therefore different timeframes—for different levels of complexity. This approach allows fast-track for simple connections, freeing public authorities to focus on riskier projects. Effective risk-based approaches include a comprehensive classification of risks. In the Netherlands, the municipality of Utrecht established a two-day time limit for excavation permit decisions.⁸⁴ Municipal authorities in Enschede went a step further, establishing two categories of works in the public domain.⁸⁵ Works of less than 25 meters do not require a municipal excavation permit.

There is no legal time limit in Austria for distribution utilities to complete external connection works. Most EU member states establish such a deadline at the national level, and the regulator fines utilities if they fail to complete the connection within the established limit. The lack of legally prescribed deadlines and automatic penalties for failure to comply means few incentives for the utilities to provide timely service.

Assess the possibility of lowering the cost of getting an electricity connection

The cost of getting an electricity connection in Austria is below the EU average. However, in 14 EU cities, the cost is cheaper than in the Austrian cities benchmarked. Some EU countries subsidize a portion of the connection process. In France, for example, the connection costs 5.8% per income per capita, the lowest in the European Union. The cost in

France is significantly lower because the federal government requires municipalities to finance a portion of the connection costs.⁸⁶

Allow electrical suppliers to submit new connection applications

One way to reduce the number of procedures to obtain an electricity connection is by allowing customers to apply for a connection through an electrical supplier instead of directly through the distribution utility. Doing so would combine two procedures—the new connection application and the supply contract signing. In Italy, customers can apply through their chosen supplier. The supplier serves as an interface between the client and the utility throughout the process, eliminating customer involvement. Austrian utilities and suppliers already share an internal platform, Wechselpattform, to communicate about connection and supply requests.⁸⁷ This platform could be expanded to allow suppliers to notify utilities of a new connection request without customers having to contact the utility. Alternatively, the current platform for suppliers and utilities could be integrated once an advanced IT platform is in place.

Registering Property

Austria's Civil Code, dating back to 1812, regulates property rights at the federal level. The land register (Grundbuch), established in 1871, operates under the provisions of the General Land Register Act of 1955. The country's 115 district courts manage the land register.⁸⁸ Austria is one of only five EU member states with a court-managed land register (the others are Croatia, Denmark, Poland, and Slovenia) (figure 22).

Austria's land register system follows an "intabulation principle", whereby title registration with the land register establishes its legal acquisition. The country's first digital database became operational with the Land Register Conversion Act of 1980 (box 5). Austria's Federal Office of Metrology and Surveying (Bundesamt für Eich- und Vermessungswesen, BEV) is responsible for cadastral records and services.⁸⁹

Property transfers take twice as long in Salzburg as in Linz

Among Austrian cities, registering property is easiest in Linz and Vienna⁹⁰ and most difficult in Klagenfurt and Salzburg (table 8). The time to register a property transfer ranges from 15.5 days in Linz to 30.5 days in Salzburg. Time variations are mainly due to regional procedures (for example, obtaining a property use certificate), which takes between seven and 14 days, where required. The time to register property also varies depending on the final processing time at the district court, which can range from nine days in Bregenz to 15 days in Graz and Salzburg. The time needed for this final step depends on various factors, including the number of transfers requiring processing and each district court's internal working arrangements (some take longer than others).

The cost variation across Austrian cities is small. The cost for the three

FIGURE 22 Five EU member states have court-based land registers



Source: Subnational Doing Business and Doing Business databases.

Note: Data for EU countries are not considered official until published in the *Doing Business 2021* report.

TABLE 8 Registering property is easiest in Linz and most difficult in Salzburg

City	Rank	Score (0–100)	Procedures (number)	Time (day)	Cost (% of property value)	Quality of land administration index (0–30)
Linz	1	80.54	3	15.5	4.6	23
Vienna	2	80.30	3	17.5	4.6	23
Graz	3	80.18	3	18.5	4.6	23
Innsbruck	4	77.98	4	19.5	4.6	23
Bregenz	5	77.74	4	21.5	4.6	23
Klagenfurt	6	77.38	4	24.5	4.6	23
Salzburg	7	76.66	4	30.5	4.6	23

Source: Subnational Doing Business and Doing Business databases.

Note: Rankings are based on the average ease of doing business score for the procedures, time, and cost associated with registering property, and the quality of land administration index. The ease of registering property score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About Doing Business and Doing Business in the European Union 2021: Austria, Belgium and the Netherlands." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

federal procedures is the same (EUR 103,506). It includes the real estate transfer tax of 3.5% of the property value (EUR 78,524), registration tax of 1.1% of the property value (EUR 24,679), EUR 202.35 for signature authentication, EUR 14.30 for signature authentication stamp duty (Staatliche Gebühr für Beglaubigungsklausel), EUR 58.40 for the land register extract (Grundbuchauszug), and registration application fee, EUR 28.80 for the extracts on the seller and buyer companies from the commercial register (to prove the representatives' signing authorization). Municipal and regional land commission fees for the additional local procedures are EUR 100 in Klagenfurt, EUR 56 in Salzburg, and EUR 50 in Bregenz and Innsbruck.

Notary fees for signature authentication are set by law in Austria. In practice, notaries typically provide more extensive assistance to the parties and charge

a lump sum between EUR 500 and EUR 1,000, including the fees they pay on behalf of the parties. There are no differences based on the city of operation; instead, various overlapping factors determine the negotiated fee, including the extent of notary involvement, size of the office, seniority of the notary, and market segment.

Registering property in Austria is faster than the EU average

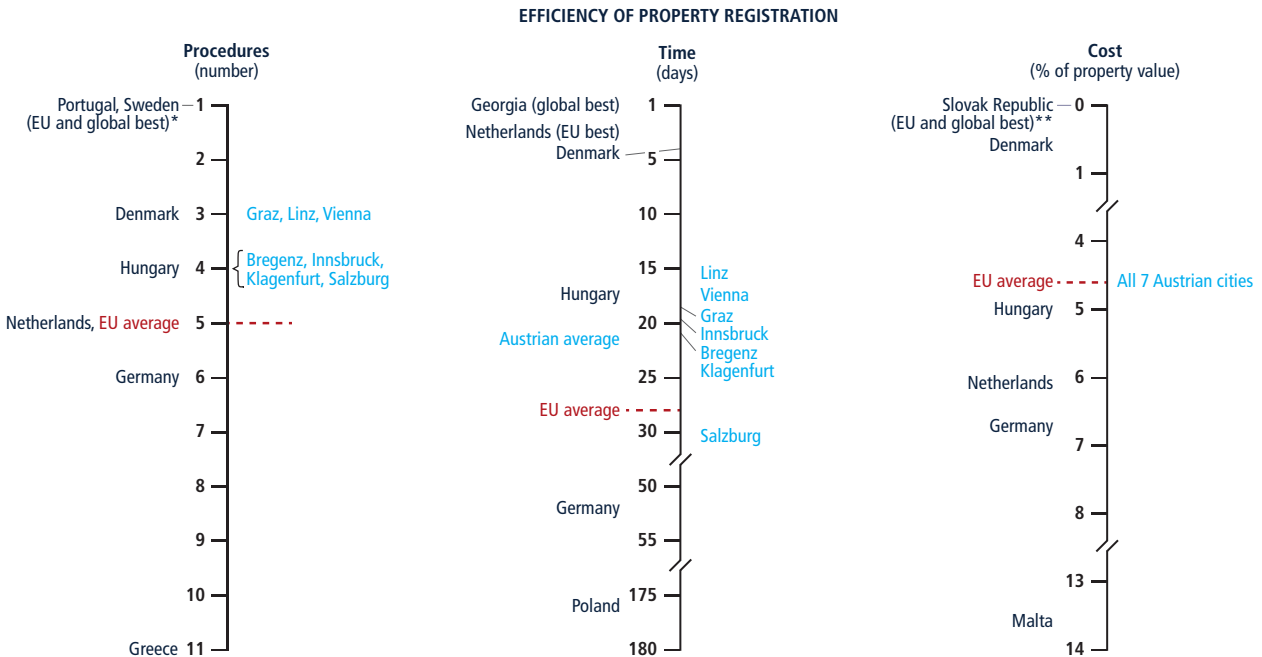
The process of registering property is relatively efficient in Austria. A property transfer between domestic private companies requires, on average, 3.6 procedures over three weeks at a cost of about EUR 104,000 (4.6% of the property value). Entrepreneurs registering property in Austria complete fewer procedures in less time than the EU average (figure 23); the cost is on par with the EU average. With 23 points out of 30, Austria scores slightly higher than the EU

average (22.9 points) for the quality of land administration (figure 24).

Registering property in Austria is mostly regulated at the federal level, but regional laws also apply

The property transfer process starts with the buyer obtaining a land register extract from the competent district court. This extract lists all legal requirements, rights, and restrictions, including the seller's ownership title, mortgages, liens, preemption rights, rights of way, canals, lines, and brooks. Only notaries and lawyers can directly access the land register online; the transaction parties would need to go in person to the district court during regular business hours to obtain the extract. For this reason, in practice, most buyers have their legal representative complete this process on their behalf.⁹¹

FIGURE 23 Registering property is easier in Austria than in the EU



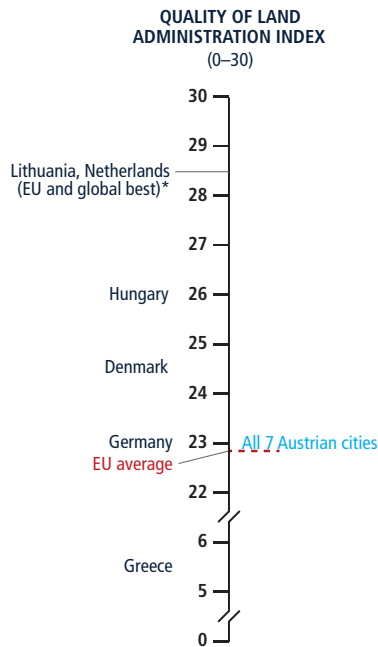
Source: Subnational Doing Business and Doing Business databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by Doing Business. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the Doing Business 2021 report.

* Norway and Georgia also have one procedure.

** Belarus, Georgia, Kazakhstan, Kiribati, and Saudi Arabia also record a cost of 0.0% of the property value.

FIGURE 24 Austrian cities score on par with their EU peers on the quality of land administration



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

* Rwanda and Taiwan (China) also score 28.5

Next, the parties, their lawyers, or a notary drafts the sales agreement. A notary then verifies the representatives' signatory powers and authenticates the signatures on the sales agreement. The parties pay

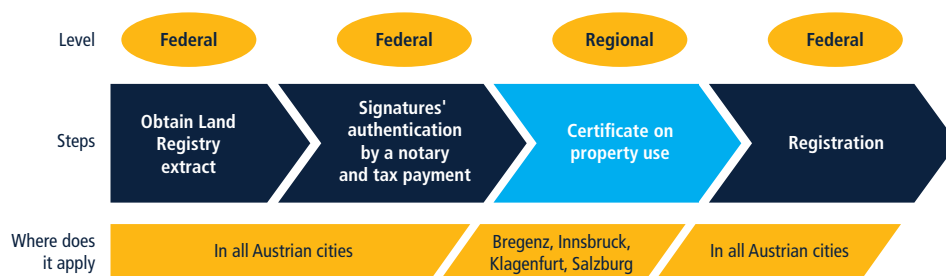
the real estate acquisition or transfer tax (Grunderwerbssteuer), charged at 3.5% of the property value, and a registration fee (Eintragungsgebühr) equal to 1.1% of the property value. The registration request must include proof of payment of these fees, either in the form of a clearance certificate from the Ministry of Finance—obtained from the court (Unbedenklichkeitsbescheinigung)—or a self-assessment declaration by a lawyer or notary (Selbstberechnungserklärung). The latter takes significantly less time and therefore is the most common procedure. The buyer deposits payment into a fiduciary account; the notary then sends the payment to the fiscal authorities from that account. Upon receiving the buyer's payment, the notary can complete the tax self-assessment online.

In the last step of the process, the notary files the property registration application at the competent district court using the Elektronischer Rechtsverkehr (ERV) electronic system, a specialized platform through which lawyers and notaries interface with the courts (box 5). The registrar reviews the documents, updates the records, and effectively transfers the property to the buyer and constitutes the property rights.

The procedures mentioned above are mandated at the federal level and are identical across all measured cities, with small variations in the time needed to complete them. In four cities—Bregenz,

Innsbruck, Klagenfurt, and Salzburg—an additional step is required before the notary can submit the registration request to the competent district court (figure 25).⁹² In these cities, the buyer must obtain a property use certificate from the land transfer authority (Gundverkehrsbehördliche Genehmigung). This certificate aims to ensure sufficient and affordable housing stock for the local population and control the number of vacation properties owned by non-locals. Because local or regional authorities determine these procedures, they often vary by location. For example, under the *Doing Business* case study, entrepreneurs in Bregenz and Klagenfurt would need to obtain a "negative certificate" (Negativbescheinigung) confirming that no additional approval is needed to purchase the warehouse. In Bregenz, the buyer obtains the certificate from the regional land transfer office (Grundverkehrslandeskommission); in Klagenfurt, the municipality issues this certificate. In Salzburg, the buyer must submit a "declaration of use" (Nutzungserklärung) to the Mayor's office stating that the property will not be used as a secondary residence and then wait for the declaration to be certified. The buyer must present this certification when registering property transfer at the land register. When applying for registration at the property register in Innsbruck, the buyer must present a zoning certificate from the municipality. These procedures take from seven days in Innsbruck to 14 days in Salzburg. The related fees range

FIGURE 25 Registering property in Austria takes three to four steps, depending on the location



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

BOX 5 Austria's land administration system is based on a reliable infrastructure developed early and upgraded constantly*The first digital database*

Projects aiming to automate data processing began at BEV in the 1960s. Between 1973 and 1978, BEV and the Ministry of Justice jointly developed the digital real estate database (Grundstücksdatenbank), containing both land register and cadaster data. Electronic data submissions to the database were made possible in 1987, and internet-based submissions were added in 1998.^a

The current digital database

The agencies charged with property registration and mapping have updated and digitized their records through several initiatives. BEV digitalized cadastral maps of the entire country between 1989 and 2003. In 2006, the Ministry of Justice launched the ERV electronic communication system. In the 2000s, BEV and the Ministry of Justice converted their common database into two separate but interconnected databases. Migration to this new land register system, which allows for the synchronized exchange of data, was completed in 2012. Currently, when land register or cadaster staff update one database, the new information is reflected automatically in the other, allowing each institution to accommodate non-overlapping business needs and activity areas.^b

The electronic communication platform

Notaries, lawyers, and financial and insurance agents connect to various government systems to conduct queries, submit requests, and receive feedback in an integrated manner through software developed by private companies accredited by the Ministry of Justice. The Ministry of Justice also maintains ERV, the electronic tool for communication between courts, notaries, and lawyers. These actors use ERV to submit claims, briefs, and applications and the delivery of court transcripts, orders, and decisions. Using ERV for these interactions is mandatory for legal professionals and optional for citizens.

Austria's existing digital infrastructure allowed its property registration system to remain operational during the COVID-19 pandemic. Experts interviewed for this study indicated that the land register recorded no serious disruptions to service delivery during lockdown. The Ministry of Justice quickly adapted to the new circumstances, providing laptops to its employees so they could work remotely. For those internal operations requiring a physical presence, having only one person in office on a rotational basis was sufficient to maintain business continuity.

- a. Auer, Helmut, Günther Auer, and Volker Sturm. "Grundbuch und Kataster - Der Weg zur Grundstücksdatenbank." In *Österreichisches Kulturgut 200 Jahre Kataster*. Vienna: Bundesamt für Eich- und Vermessungswesen.
- b. Schneider, Martin, and Manfred Buric. "Grundbuch - Vorläufer in die digitale Aktenwelt der Justiz - Projekt Grundbuch Neu." In *Österreichisches Kulturgut 200 Jahre Kataster*. Vienna: Bundesamt für Eich- und Vermessungswesen; Feucht, Rainer, Rupert Kugler, and Franz Schönweiler. "Von der Messtischmappe zur digitalen Katastralmappe." In *Österreichisches Kulturgut 200 Jahre Kataster*. Vienna: Bundesamt für Eich- und Vermessungswesen.

from EUR 50 in Bregenz and Innsbruck to EUR 100 in Klagenfurt.

The quality of land administration is consistent across the country

The quality of land administration index measures a location's performance in five areas: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights.⁹³ All Austrian cities score 23 points (out of 30) on the index. The reliability of infrastructure component measures whether the land register and mapping system (or cadaster) have adequate infrastructure to guarantee high standards and minimize errors. Austrian cities score 7 points (out of 8) for the reliability of infrastructure. The majority of titles are only scanned,

whereas all maps are kept in a fully digital format by the Federal Office for Metrology and Surveying; therefore, 1 point is deducted from the score.

The transparency of information component measures whether and how the land administration system makes land-related information available to the public. Austrian cities all obtain the same score—3 points out of a maximum of 6—on this component. Austria does not attain the full score owing to its lack of binding delivery standards for the land register and cadaster, the absence of specific and independent mechanisms to file complaints at the land register and cadaster, and because the authorities do not publish public statistics on property transfers.

The geographic component measures the extent to which the land register and cadaster provide complete geographic coverage of privately-held land. Land registers and cadastral offices in all Austrian cities have 100% territorial coverage and are, therefore, awarded the maximum of 8 points on this component.

The land dispute resolution index measures the accessibility of conflict resolution mechanisms and the extent of liability for entities or agents recording land transactions. The index also measures how efficiently the courts—as a last resort—handle disputes. All Austrian cities score 5 points out of 8. At 1-2 years, obtaining a court decision for a standard property rights dispute is relatively fast. However, it could be faster.

In the Netherlands, such decisions are obtained in less than a year. Additional opportunities exist for improvement in this component—for example, establishing a compensation mechanism to cover losses caused by mistakes in the land register information and publishing statistics on land disputes.

WHAT CAN BE IMPROVED?

Consider exempting commercial property transfers from the requirement to obtain a property use certificate in some cities

Bregenz, Innsbruck, Klagenfurt, and Salzburg are highly attractive locations for Austrians and foreigners to buy vacation homes. However, this reduces the available property stock for local residents, boosting prices. Local and regional authorities have intervened to protect access to housing for locals. But these interventions place an additional burden on local businesses. By exempting commercial properties from obtaining the property use certificate, these four cities could follow the example of Linz, where authorities have successfully protected the local housing stock while exempting commercial properties.

Consider introducing a fast-track alternative for property registration for an extra fee

Registration, the last step of the process, is the longest procedure in all Austrian cities, ranging from nine to 15 days. The district courts could consider offering formal, fast-track registration application processing for an extra fee. Doing so would allow businesses the flexibility to choose between cost and time to complete registration. In Lithuania, entrepreneurs can choose to complete the registration via the standard process (taking 10 business days) or choose from three other options: pay 30% more for registration in three days, 50% more for registration in two days, or 100% more for registration in one day. Some cities in Portugal offer a similar arrangement.

Increase land register transparency by publishing regular statistics on land transfers and disputes

Statistics on property transactions (the number, type, and value) would allow third parties to determine property ownership and obtain information on real estate market status and trends. As the register is electronic, such a reform would be simple to implement. Examples of public statistics on property transfers can be found in Europe—land registers in Lithuania, Norway, the Netherlands, and Romania publish statistics monthly. In Croatia, Ireland, Slovenia, and the United Kingdom, land registers publish statistics on property disputes.

Introduce service delivery standards at the land register and cadaster, and ensure that they are public and binding

Service delivery standards allow the beneficiaries of public services to know what they can expect in terms of timeframes and accuracy. Publishing this information—including clear definitions of services, timetables, and the names of the officers in charge—would increase land register service quality, facilitate monitoring and evaluation, and increase the public's confidence in the institution. In Europe, countries including the Netherlands, the Slovak Republic, and Sweden currently publish service standards for various public services. In the Netherlands, the quality charter is publicly available on the Cadaster, Land Registry and Mapping Agency's website.⁹⁴

Strengthen complaints mechanisms by setting up separate procedures at the land register and cadaster

A fully developed complaints system facilitates the correction of mistakes and increases the land system's reliability. A specific mechanism allows better monitoring of land register and cadaster activity, potentially revealing patterns of mistakes and systemic issues that might be addressed through corrective action. The United Kingdom has a specialized

complaints mechanism that provides detailed information to the public on how their complaints will be received, processed, and resolved. Besides having detailed complaint procedures that can be addressed to the HM Land Registry, the United Kingdom also allows people to file a complaint with the Independent Complaints Reviewer (ICR).⁹⁵ The ICR handles complaints related to the HM Land Registry only. The ICR is neither a civil servant nor an employee of the HM Land Registry. The ICR office funding and staff come from the HM Land Registry but are managed independently by the ICR.

Establish a compensation mechanism to cover losses incurred owing to erroneous registry information

In Austria, property rights duly recorded in the land register confer a guarantee of ownership to their holders. However, there are no specific out-of-court compensation mechanisms to cover losses by parties engaged in good faith in property transactions based on erroneous information provided by the land register. Without such mechanisms, the matter is usually settled by the courts, which can be a costly and lengthy process. Some countries create funds to indemnify parties that have suffered losses, especially when those mistakes cannot be corrected without affecting bona fide title holders. The United Kingdom has a statutory compensation scheme under which indemnity claims are made directly to the Land Registry. Claims can be submitted for mistakes in the register or other reasons, such as loss or destruction of records. Similarly, Ireland's Property Registration Authority allows indemnity claims to be filed with them directly, and the Land Code of Sweden provides that the state will compensate the claimant for losses in case of a mistake committed by the property registry.

Enforcing Contracts

The COVID-19 pandemic could mark a turning point in how commercial justice is rendered. In the first half of 2020, courts worldwide suspended regular operations as social distancing measures prevented in-person hearings. Such restrictions highlighted the benefits of more efficient, automated courts. In a handful of countries like Canada and the Republic of Korea—where e-court features, videoconferencing, and court automation were already in use—the disruption caused by the global health crisis was minimal.⁹⁶ But in most countries, courts had to adjust how they functioned dramatically and quickly.⁹⁷ In March 2020, the Lord Chief Justice of the United Kingdom predicted that technology would be used from then on to conduct court business in a way that would have been unthinkable just a few months before.⁹⁸

The use of videoconferencing in oral hearings is not new in Austria. However, before the pandemic, the technology to conduct the entire oral hearing via videoconference was not widely available.⁹⁹ Legislation enacted in May 2020¹⁰⁰ allowed the use of video technology in civil court hearings, provided that the parties agree and have access to the appropriate equipment.

In the aftermath of the pandemic, economic growth will be a priority. Strong and efficient judicial institutions will play an important role. Efficient courts matter for economic activity because they increase firm and investor participation and confidence in the market.¹⁰¹ Courts are essential on the path to economic recovery.

Commercial litigation in Austria is efficient but expensive compared to the EU average¹⁰²

Court performance is homogeneous across Austria, mainly due to court automation, but variations at the local

level still exist. Contract enforcement is easiest in Vienna,¹⁰³ the only city with a commercial court, but fastest in Bregenz (table 9). Resolving a standardized commercial dispute like the *Doing Business* case study takes 485 days on average across the Austrian cities benchmarked, nearly six months less than the EU average of 653 days (figure 26).¹⁰⁴ Contract enforcement in all Austrian courts is faster than the EU average. Courts in Bregenz (425 days) and Linz (443 days) are faster than those in 25 EU member states. Only Luxembourg (321 days) and Lithuania (370 days) have faster courts.

On the quality of judicial processes index, Austria's average score of 11.7 out of 18 possible points is higher than the EU's 11.5-point average. With 13 points, Vienna is 2 points behind Lithuania, the country with the highest score in the European Union, 1 point behind Denmark, and 0.5 points behind Hungary. With 11.5 points, the other six Austrian cities lag Germany (12.5 points).

At 24.4% of the claim value, contract enforcement is expensive in Austria. The cost is higher in only five EU member states.¹⁰⁵ Much of the cost is attributable

to attorney fees (14.4% of the claim value), which are in line with what lawyers charge in peers like the Netherlands (13.7%), but higher than the EU average (11.7%). However, at 6.5% of the claim value, Austrian court fees stand out. They are almost 2 percentage points higher than the EU average (4.7%), placing Austria among the countries with the highest court fees in the European Union (with Romania, Hungary, and Estonia). Notably, Austria is the only European jurisdiction where court fees generate a surplus for the state treasury.¹⁰⁶

Contract disputes follow a similar process throughout Austria, but they are decided by specialized judges in Vienna

Except in Vienna, regional courts (Landesgerichte) have jurisdiction over the *Doing Business* case—a breach of contract dispute between two companies valued at 200% of income per capita (EUR 89,741).¹⁰⁷ With no dedicated commercial case sections, regional courts do not distinguish commercial contract claims from ordinary civil cases in their caseload.

In Vienna, the situation is different. A specialized commercial court

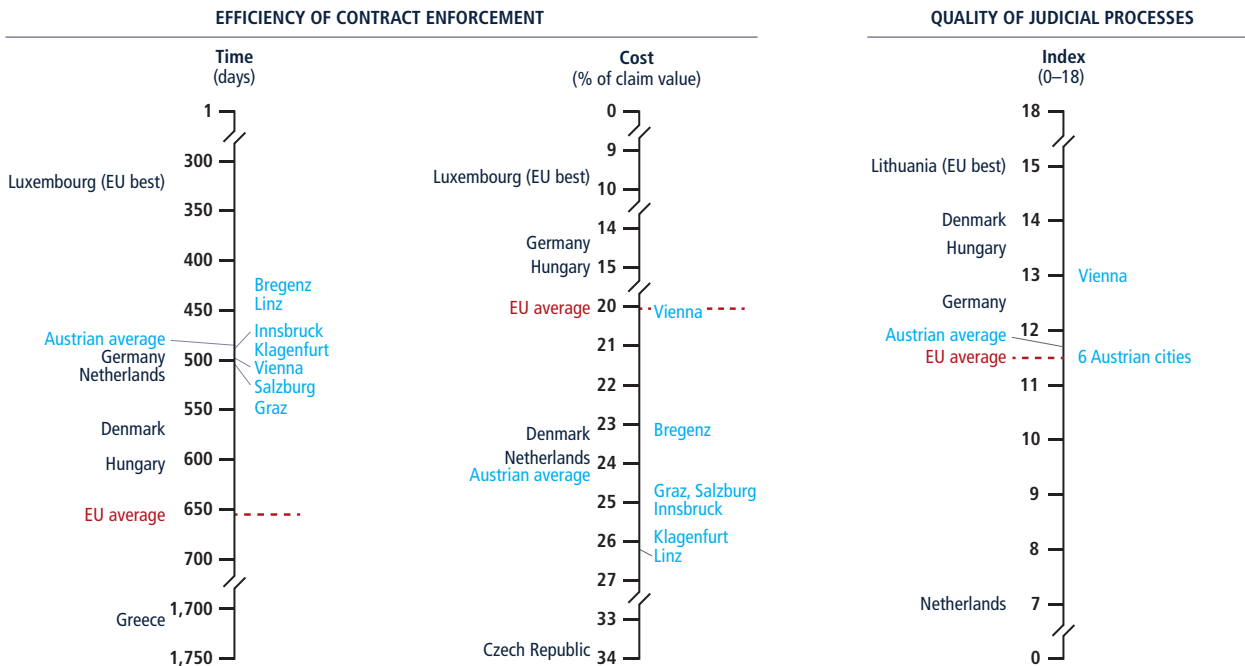
TABLE 9 Enforcing contracts in Austria: where is it easiest?

City	Rank	Score (0–100)	Time (day)	Cost (% of claim)	Quality of judicial processes index (0–18)
Vienna	1	72.73	498	20.6	13.0
Bregenz	2	71.00	425	23.1	11.5
Linz	3	69.36	443	26.2	11.5
Innsbruck	4	68.48	488	25.2	11.5
Salzburg	5	68.23	505	24.7	11.5
Klagenfurt	6	68.18	490	25.9	11.5
Graz	7	67.04	548	24.7	11.5

Source: Subnational *Doing Business* and *Doing Business* databases.

Note: Rankings are based on the average enforcing contracts score for time and cost associated with enforcing a contract and the quality of judicial processes index. The enforcing contracts score is normalized to range from 0 to 100 (the higher the score, the better). For more details, see the chapter "About *Doing Business* and *Doing Business in the European Union 2021: Austria, Belgium and the Netherlands*." Data for Vienna are not considered official until published in the *Doing Business 2021* report.

FIGURE 26 Resolving a commercial dispute is faster than the EU average in all seven Austrian courts measured



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: EU average uses economy-level data for the 27 member states of the European Union. Data for individual economies are for their capital city as measured by *Doing Business*. Data for Vienna, EU averages, and EU comparators countries are not considered official until published in the *Doing Business 2021* report.

(Handelsgerichte) deals with contractual claims between firms. Specialized judges and elected lay judges (Schöffen) with specific experience in commercial matters preside over this commercial court—Austria's only. The court is highly regarded for its level of expertise in complex cases; many companies in Austria designate this court in their business agreement forum selection clause.¹⁰⁸

The Code of Civil Procedure (Zivilprozessordnung, or ZPO) governs litigation in Austria. The plaintiff initiates the litigation process by filing the lawsuit before the competent court and paying the flat fee specified in the Court Fees Law (Gerichtsgebührengesetz). Alternatively, the plaintiff can file the claim online through the Austrian e-Justice platform (Elektronischer Rechtsverkehr, or ERV), an electronic communication system linking the courts and law offices. If the claim is valid, the judge sends it to the defendant by postal mail. The document is deemed

served on the date that the document is physically delivered to the recipient.¹⁰⁹

The defendant has four weeks to respond to the claim.¹¹⁰ Once the court receives the statement of defense, a preparatory meeting for the oral dispute negotiation is arranged.¹¹¹ If ordered by the judge, the parties provide preparatory briefs, which should reach the court at least seven days before the hearing.¹¹²

The initial hearing's main purpose is to organize the litigation process. An attempt to settle the dispute can be made at this hearing. The judge manages the trial and decides what type of evidence the parties should produce and in what order, and whether to appoint an expert witness and the scope of their tasks. The judge can opt to begin hearing testimony at the first hearing. Given the judge's discretion in managing the trial, the number of hearings required to decide the *Doing Business* case study varies from two to four.

Local practices impact the dynamics of judicial procedures. In some cities, like Bregenz and Vienna, the initial hearing is an opportunity to gather evidence; in others, like Klagenfurt and Innsbruck, it is used to organize case proceedings. The parties gather complementary evidence during the first trial hearing. As per the *Doing Business* case—a dispute about customized goods delivered by the seller but refused by the buyer—the court appoints an expert witness to assess the quality of the goods.

The second trial hearing is often the last. At this hearing, the parties discuss the evidence, including the expert's report, and submit their concluding arguments. The judge renders the judgment immediately with an explanation or in writing within four weeks of the hearing.¹¹³

In all benchmarked cities, enforcement is a separate judicial process that takes place before the local district court (Bezirksgerichte). The final judgment

generates an execution title that becomes fully enforceable after four weeks (upon approval by the execution court).¹¹⁴ The court then issues an execution order.

The district court appoints a bailiff (Gerichtsvollzieher)—a civil servant on the staff of the regional court—to enforce the execution order within four weeks of its receipt.¹¹⁵ Creditors may not contact the bailiff directly. If the defendant does not comply with the execution order, the bailiff can organize the seizure and sale of the defendant's tangible property.¹¹⁶ The seized items are sold at a public auction¹¹⁷ after a three-week waiting period.¹¹⁸

Enforcing contracts is fastest in Bregenz but least expensive in Vienna

Court automation means performance is homogeneous across Austria, but variations exist at the local level. Litigating a commercial contract dispute is fastest in Bregenz, where the trial time is almost four months shorter than in Graz, where contract enforcement takes the longest. In Bregenz, the court is adequately staffed, and judges deal with a smaller caseload of disputes. Adjournments are not granted easily. In addition to the pre-trial hearing, judges in Bregenz typically do not need more than one hearing to decide the case. Lawyers interviewed for this study explain that judges in Bregenz value efficiency and are more open to innovations than judges elsewhere.¹¹⁹ Bregenz was one of the first Austrian cities to participate in the e-justice strategic initiative Justiz 3.0, adopting electronic filing systems and automatic case management features at an early stage.

Litigants across the country have the option to file the lawsuit either in writing or electronically. Low-value cases can also be filed verbally.¹²⁰ In practice, it takes between 20 and 30 days for Austrian lawyers to prepare the complaint, register the claim with the court, and serve the defendant (figure 27). This filing and service period, which includes the time for the courts to assess its

competence, takes half as long in Austria as the EU average (41 days).

The time to complete the trial and judgment phase of the dispute, which drives the overall performance of courts across the country, varies mainly depending on the local courts' approach to adjournments and hearing availability in the court schedule. This phase, covering the period between the moment the bailiff serves the defendant until the time to appeal has elapsed, can be as short as 300 days (Bregenz) and as long as 408 days (Graz). Across Austria, the trial and judgment phase lasts 360 days on average, three months less than the EU average (469 days).

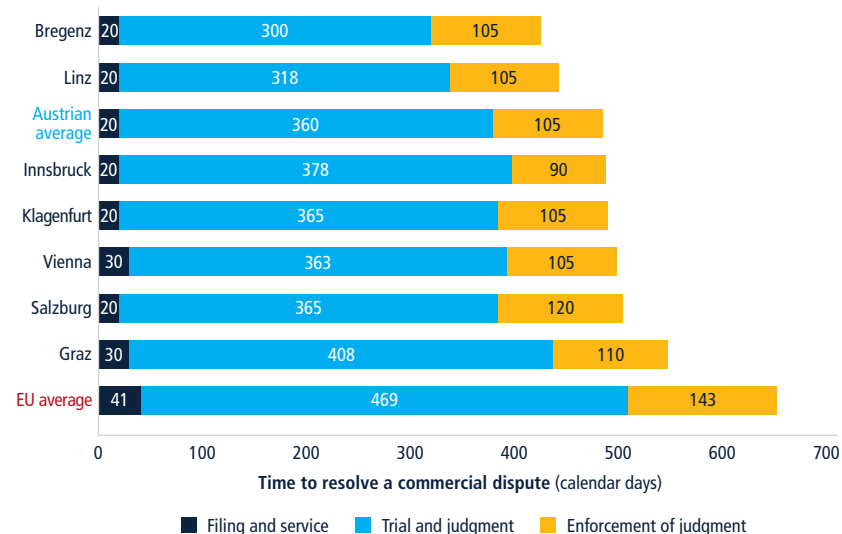
Courts in Austria face structural challenges that may also influence trial time, such as staffing gaps and delays in appointing technical experts. Graz has just 13 hearing rooms available for 43 sitting judges. Scheduling challenges increase the backlog of cases, including contract claims; the COVID-19 pandemic worsened the situation.

In Vienna, where specialized judges and lay judges decide commercial cases, commercial disputes are resolved within a year despite a much higher volume of cases than other Austrian courts. In 2019, the Vienna commercial court disposed of almost 50% of Austria's first instance contractual claims.¹²¹ Only courts in Bregenz and Linz resolve commercial disputes significantly faster than in Vienna.

After submitting the statement of defense, it takes one month to arrange a preparatory hearing in Bregenz, but three times longer in Graz and Innsbruck. In Innsbruck, although there are 13 judges allocated to civil matters, they do not work on commercial matters full-time, and some split their time between the first instance and appeals sections.

The first trial hearing typically occurs 4-12 weeks after the preparatory hearing (16 weeks in Graz). In Klagenfurt and Innsbruck, where the trial and judgment phase takes eight weeks longer than in Bregenz, requests for adjournments are granted more frequently due to staff shortages (for

FIGURE 27 Contract enforcement is faster in Austria than the EU average across the three phases of a commercial dispute



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for Vienna and EU average are not considered official until published in the *Doing Business 2021* report.

example, rescheduling of hearings and time extensions for technical opinions).

The judge uses the trial hearing to gather evidence, including from expert witnesses. Delivery of an expert opinion is not straightforward in many courts in Austria and can take up to four months. A shortage of qualified experts in Graz, Innsbruck, Klagenfurt, and Linz complicates their appointment, impacting the trial timetable. In addition, available experts receive requests for opinions from different Austrian courts, increasing their workload and, in turn, leading them to request extensions.

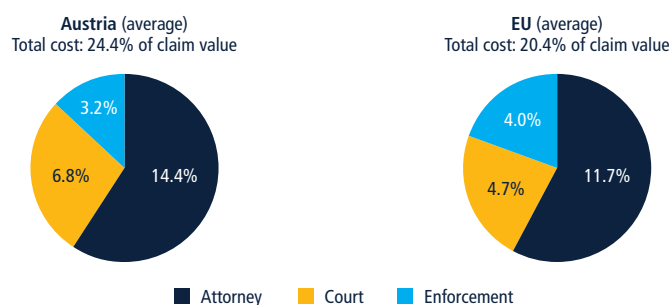
Enforcement procedures take 105 days on average in the Austrian cities benchmarked; Innsbruck is the fastest (three months), and Salzburg is the slowest (four months). Lawyers point to a shortage of storage and auction rooms as reasons for the variations across cities. They also highlight the lack of experts supporting bailiffs in Salzburg in the appraisal of seized goods.

Contract enforcement is consistently expensive across Austria. The Attorney Fees Law (Rechtsanwaltstarifgesetz, or RATG) regulates attorney fees, which make up the bulk of the cost of enforcing contracts (figure 28). In practice, lawyers across the country refer to this scale to calculate their fees, although they can apply different rates.¹²² Judges also apply the RATG scale when awarding legal fees to the prevailing party.

The Court Fees Law (Gerichtsgebührengesetz) sets the administrative fees applicable nationwide.¹²³ The law does not regulate the expert witness fees (the judge sets these). Expert fees are slightly higher in cities where fewer experts are available, like Salzburg (court costs equal 7.2% of the claim value) and, to a lesser extent, Bregenz (6.8%). In Vienna, where many experts are available, such fees do not exceed 6.5%.

The Execution Fees Act (Vollzugsgebührengesetz) regulates enforcement costs nationally.¹²⁴ The main charges are the execution fee (Vollzugsgebühr) that the applicant

FIGURE 28 Attorney fees and court costs in Austria are higher than the EU average



Source: Subnational *Doing Business* and *Doing Business* databases.

Note: The average for the European Union is based on economy-level data for 27 EU member states. Data for Vienna are not considered official until published in the *Doing Business 2021* report.

creditor pays when submitting the application for execution and a flat fee (Pauschalgebühr) specified in the Court Fees Law. Costs related to identifying seizable assets, storing the seized goods, and organizing the public sale determine cost variations across cities. Lawyers in Linz, Klagenfurt, and Innsbruck point to a shortage of expert witnesses in their cities as a reason for the higher fees charged by experts to appraise auction items. In Linz, fees can reach 5.2% of the claim value; at 4.2%, they are also high in Klagenfurt and Innsbruck.

With a legal framework applied consistently across the country, the same judicial good practices—as measured by *Doing Business*—are found in all Austrian courts.¹²⁵ Vienna receives extra points on the quality of judicial processes index for having a specialized commercial court; therefore, it performs slightly better (13 of 18 possible points) than the other Austrian cities and the EU average (11.5 points) (figure 29).

Regarding court structure and proceedings, all cities have small claims courts, with a fast-track procedure that allows self-representation. The law also provides for pretrial attachment of the defendant's movable assets if creditors fear the assets may be moved out of the jurisdiction or otherwise disposed of. Courts also exhibit good governance by randomly assigning cases to judges (Zufallsprinzip), with no

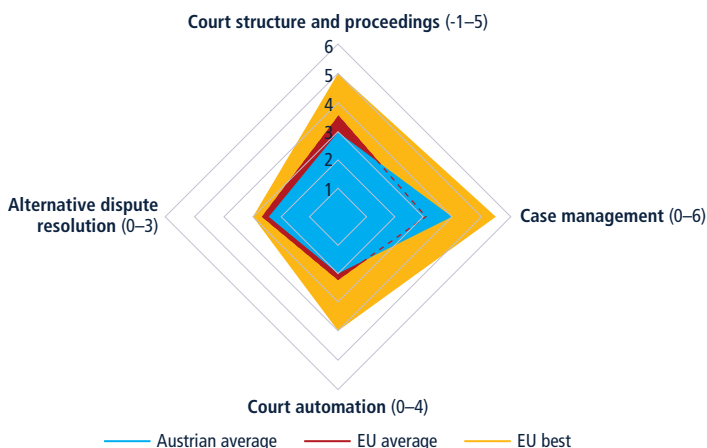
chance of external influence and taking into account judge workloads. Cases are randomly assigned, but they fall short of the gold standard of automated case assignment. There is also no dedicated specialized commercial court or division outside of Vienna.

The Austrian courts employ good case management techniques and a high level of automation. The Austrian Ministry of Justice—in close collaboration with judges, prosecutors, and other internal and external users—developed Austria's court management system. Many case types and processes (such as summary proceedings) are fully automated.

The pretrial conference for commercial litigation is well established in Austria. Paper files have been phased out as the integrated electronic case management system has become available to lawyers and judges. Many types of court reports and statistics are readily available. Austrian law sets time standards for various court events and pretrial conferences. However, the Code of Civil Procedure does not strictly regulate adjournments, which contributors cite as one of the main factors of delay.

Court automation in Austria relies on electronic processes such as the e-filing of the initial complaint and the payment of fees through a dedicated platform within the competent court. However, Austria does not obtain a full score for

FIGURE 29 Austrian courts stand out for the quality of their case management systems



Source: Subnational Doing Business and Doing Business databases.

Note: The average for the European Union is based on economy-level data for the 27 EU member states. Among EU member states, Croatia, Poland, and Romania have the highest score on the court structure and proceedings index. Latvia has the highest score on the case management index. Estonia, Lithuania, and the Slovak Republic have the highest score on the court automation index. Germany, Hungary, Italy, Lithuania, Latvia, Poland, Romania, and Spain have the highest score on the alternative dispute resolution index. Data for Vienna, EU averages, and EU comparator countries are not considered official until published in the *Doing Business 2021* report.

court automation because the courts do not publish all Supreme Court judgments or commercial case judgments at any other level of the court system, which may impede the parties across the country from fully assessing their rights.

Lastly, while Austria permits voluntary mediation and regulates commercial arbitration—and in practice, enforces valid arbitration clauses—there are no financial incentives to encourage mediation or conciliation.¹²⁶

WHAT CAN BE IMPROVED?

Consider making measures allowing for virtual hearings permanent

Before the COVID-19 pandemic, the use of videoconferencing in Austrian legal proceedings was limited to cases where it was justified by procedural efficiency.¹²⁷ The Federal Act on Accompanying Measures for COVID-19 in the Judicial System (Federal Law Gazette I 30/2020) provided the legal basis to expand the use of video technology and conferencing in oral hearings. Hearings may be conducted virtually, but the parties must

cite a justification.¹²⁸ Under this framework, the judge has broad discretion to grant or deny the use of videoconferencing technology. Although the use of technology in the courtroom may come with its challenges—technology malfunction, miscommunication between hearing participants, or poor internet service—most lawyers interviewed for the study agree that the shift to remote litigation in Austria has proceeded remarkably smoothly, giving both judges and attorneys more flexibility to schedule hearings.¹²⁹

Initially slated to remain in place until December 31, 2020, the act is now set to expire on June 30, 2021.¹³⁰ Making virtual hearings a permanent option to litigants would provide more flexibility in organizing litigation. Doing so could make it easier to agree on a suitable hearing date and eliminate commuting time to court. Furthermore, virtual hearings could reduce the impact of common circumstances that warrant a hearing adjournment (such as the unavailability of hearing rooms or minor health condition of one of the parties). Austria would not be the only country to extend remote

litigation measures. In Estonia, users can complete all steps in a dispute remotely, from initiating the case to the publication of the decision. During the 2020 COVID-19 lockdown period, around 61% of the hearings were held online in Estonia, keeping constant the number of cases decided from the previous quarter (when there was no lockdown).¹³¹ In Singapore, the Chief Justice of the Supreme Court cited time and cost efficiencies as the justification to resume cases virtually (and continue virtually on a permanent basis).¹³²

Consider expanding e-features in courts for commercial litigation and small claims

In the aftermath of the COVID-19 pandemic, the shift toward virtual justice is gaining momentum and improving court efficiency in many jurisdictions, including Austria. The Commercial Court of Vienna adopted a pilot project, the Electronic Integration Portal (eIP), and judges are updated on the latest innovations to avoid potential IT knowledge gaps.¹³³

The European Bank for Reconstruction and Development makes the case that “commercial disputes, and disputes based on small claims, in particular, seem a good terrain for transitioning to an online medium.”¹³⁴ This transition can be gradual. The United Kingdom has sped up its transition to an online court system over the past five years,¹³⁵ with the British government investing over £1 billion (EUR 1.2 billion) in the project.¹³⁶ More subjects will become eligible for online court litigation as the initiative gains traction.

Expanding online litigation—particularly in small claims cases—may be met with skepticism and resistance from legal professionals. Private lawyers may fear that small claims would be easily resolved without any representation, like in Canada.¹³⁷ Judges may find it difficult to transition from paper-based proceedings to online courts. Engaging with stakeholders as early as possible, and providing appropriate, ongoing training

throughout the transition process would be critical to the success of such a reform.

Consider expanding the jurisdiction of the Vienna Commercial Court

Vienna is the only city in Austria with a standalone commercial court staffed with specialized judges hearing solely commercial cases. Having courts or divisions with general commercial jurisdiction, whose judges exclusively hear commercial cases, is an internationally recognized good practice. Such courts or divisions, when properly established, translate into efficiency gains.¹³⁸ *Doing Business* data show that the 101 economies with such courts or divisions resolve commercial cases 92 days sooner on average than those without.

From an organizational perspective, establishing standalone commercial courts in all of Austria's economic centers may not make sense. In locations with few commercial cases, specialized commercial sections provide a less expensive alternative to a commercial court. One option could be to turn the Vienna commercial court into an online court with jurisdiction over commercial cases filed across the country. And, depending on the number of cases received from other regions, decide where to add commercial divisions in existing courts or create additional standalone courts across the country.

A gradual approach toward specialized commercial jurisdictions could be an option. In 1995, North Carolina, a U.S. state with a population of more than 10 million, created a business court with a statewide jurisdictional reach. Initially staffed by one judge, the court's expansion was recommended in 2004. As of mid-2019, there were five active business court judges sitting in four cities across the state who hear cases originating in North Carolina.¹³⁹

Set legal limits on the granting of adjournments

Part of good case management is establishing, together with the parties, a clear,

reasonable, and realistic timeline for a case, as well as clear rules limiting the use of adjournments. However, timelines require rules to be enforced. As early as 1984, the Committee of Ministers of the Council of Europe advised against having more than two hearings (preparatory and trial). It also recommended that adjournments should not be granted unless "new facts appear or in other exceptional and important circumstances."¹⁴⁰ Only nine EU member states impose limitations on adjournments that are respected in practice.¹⁴¹ Almost all of them focus on limiting adjournments to unforeseen and exceptional circumstances rather than limiting the total number granted. Austrian courts do not impose either of these types of limits on adjournments.

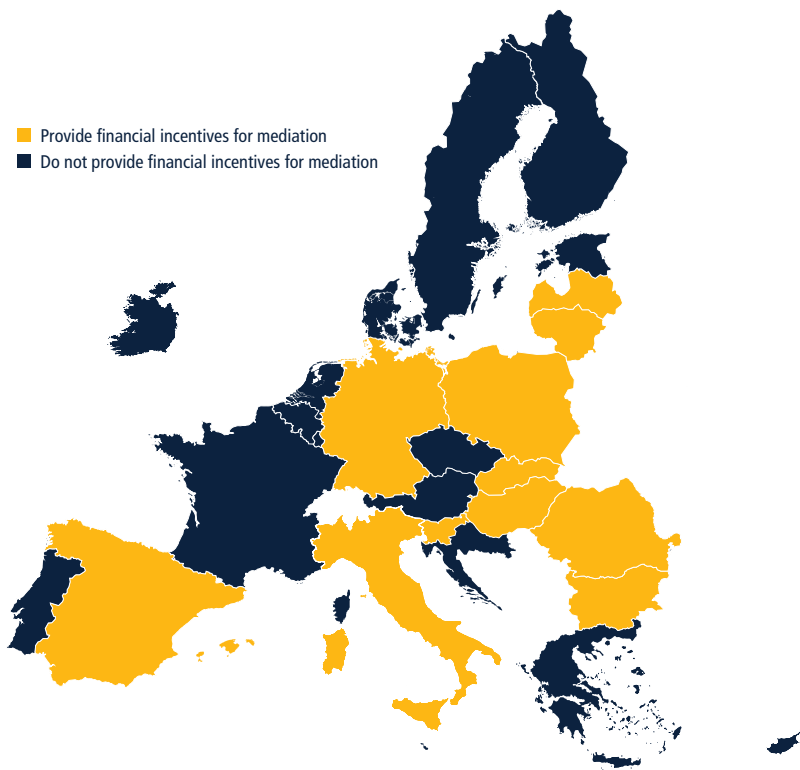
Norway regulates adjournments strictly and ensures that hearings and trials are held as scheduled.¹⁴² At the Tingrett Nedre

Romerike District Court in Norway, the court's case administrators work actively to schedule cases within the set deadlines and targets, and lawyers are expected to conduct the case within official time limits. If the lawyer is unavailable, the administrators push for a transfer of the case to another lawyer at the same firm. The court's practice on adjournments is restrictive and mainly limited to illness documented by a doctor's certificate.¹⁴³

Incentivize alternative dispute resolution (ADR)

Austria has a robust framework for both arbitration and mediation, but the courts do not offer financial incentives to mediate. Eleven EU member states offer such financial incentives for parties that attempt mediation (figure 30). Italy introduced a new Mediation Law Decree in 2010 (amended in 2013) to comply with European Directive 2008/52/EC⁶⁴

FIGURE 30 Eleven EU member states provide financial incentives for mediation



Source: *Subnational Doing Business* and *Doing Business* databases.

Note: Data for EU countries are not considered official until published in the *Doing Business 2021* report.

concerning mediation in civil and commercial disputes. The decree establishes specific financial incentives for parties to attempt mediation, as well as negative consequences for parties who refuse to attempt mediation in good faith.¹⁴⁴ Following the adoption of the new regulation, Italy reports over 200,000 mediations annually.¹⁴⁵ In Bulgaria and Latvia, parties that successfully mediate a case can have 50% of their filing fees reimbursed; in Romania and Poland, the entire amount is reimbursed.

Another inspiration to expand the use of ADR solutions could be Florence's Giustizia Semplice program. Each year the program provides scholarships to 10 post-graduate scholars with knowledge of civil procedure and ADR to support judges in determining which cases should be referred to mediation.¹⁴⁶ Each scholar assists two judges by reviewing case details, preparing a draft list of the individual judges' pending cases that may be candidates for mediation, discussing the list with the judges, and writing the draft mediation order for those cases the judges agree to refer to the Organismo di Conciliazione di Firenze. The number of pending cases in Florence's courts has fallen consistently since 2013 when the program was created.

Improve the management of the expert witness pool

The shortage of expert witnesses across Austria complicates the scheduling of hearing testimony, causing delays. In addition, experts overwhelmed with requests for opinions often seek deadline extensions to deliver their reports. Mandating the participation of experts early in the judicial proceedings—in the pretrial conference—is one way to address this issue. The court could then address all evidentiary matters and identify realistic deadlines for expert actions. Once a timetable is agreed upon, it becomes easier to enforce. In Debrecen, Hungary, the court imposes penalties on expert witnesses who are tardy in presenting their testimony—a

reduction of 1% of expert fees for every day of delay.¹⁴⁷ Courts could also expand the pool of expert witnesses by providing incentives (such as higher fees) for their participation in court proceedings.

NOTES

1. Austrian Institute for SME Research. 2021. *KMU im Fokus 2020*. Vienna: Austrian Institute for SME Research.
2. The cities were selected based on demographic and geographic criteria. Each city belongs to a different NUTS2 region (the Nomenclature of Territorial Units for Statistics, or NUTS, is a geocode standard for referencing the subdivisions of countries for statistical purposes developed by the European Union). The selection of cities was agreed upon between the World Bank project team, the European Commission's Directorate-General for Regional and Urban Policy, the Federal Chancellery of Austria, and the Austrian Federal Ministry of Finance.
3. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
4. European Commission. 2019. *2019 Small Business Act Fact Sheet, Austria*. Brussels: European Commission. The Small Business Act (SBA) fact sheets form part of the SME Performance Review (SPR), the European Union's main vehicle for the economic analysis of SME issues. Produced annually, they help to organize the available information to facilitate SME policy assessments and monitor SBA implementation. They comprise a set of policy measures organized around 10 principles ranging from entrepreneurship and responsive administration to internationalization.
5. The nine EU member states that have introduced rules limiting adjournments are Bulgaria, Croatia, Estonia, Germany, Greece, Latvia, Lithuania, the Netherlands, and Poland.
6. According to interviews with the Tax Authority by the *Subnational Doing Business* team (April to December 2020), the risk assessment tool uses four colors depending on the risk level: green (no risk), yellow (may entail certain risks and may require manual verification), red (risk), and gray (information is missing and the risk could not be assessed).
7. Both the tax and VAT numbers are usually issued at the same time.
8. For more information on FinanzOnline, see <https://www.bmf.gv.at/services/finanzonline/fon-ueberblick.html>.
9. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
10. Belgium, Cyprus, Finland, Ireland, the Netherlands, and Portugal do not require any paid-in minimum capital at the time of business start-up. In Bulgaria, the Czech Republic, France, Greece, Italy, and Latvia, it is less than 0.1% of income per capita.
11. Section 4 (3) of the GmbH Act. A notary or a lawyer can draw up the articles of association, but the articles of association must be in the form of a notarial deed.
12. The Electronic Notarial Form Foundation Act (Elektronische Notariatsform-Gründungsgesetz, ENG) came into force

- on January 1, 2019, and allows parties to use electronic means of communication to execute the deed of incorporation.
13. According to local professionals interviewed by the *Subnational Doing Business* team from April to December 2020.
 14. In Vienna, it is the Commercial Court of Vienna; in Graz, the Regional Court for Civil Law Matters. For other regions, it is the corresponding regional court.
 15. The law setting forth the scope of activity regarding the commercial registry (Firmenbuchgesetz) is available at <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10002997>.
 16. The Beneficial Owners Register Act (BORA) came into force on January 15, 2018. Since this date, all Austrian legal entities are required to disclose information about beneficial owners. For more information, see <https://www.bmf.gv.at/en/topics/financial-sector/beneficial-owners-register-act.html>.
 17. Belgium, Croatia, the Czech Republic, Finland, Ireland, the Netherlands, Poland, Slovenia, and Sweden require entrepreneurs to actively register or report their beneficial owners to the register. <https://www.gisa.gv.at>.
 19. In the fourth quarter of 2020, the government launched the company register query, available at: <https://justizonline.gv.at/jop/web/firmenbuchabfrage>.
 20. For more information on the company name, see <https://www.usp.gv.at/en/gruendung/gruendungsfahrplan-gesellschaften/firmenwortlaut-firmenname.html>; or <https://www.wko.at/service/t/wirtschaftsrecht-gewerberecht/Firmenwortlaut.html>.
 21. See the registry's website at <http://bolsafirmasdenominacoes.justica.gov.pt/index.php>.
 22. World Bank. 2018. *Doing Business in the European Union 2018: Croatia, the Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank. <https://www.doingbusiness.org/en/reports/subnational-reports/eu-croatia-czechrepublic-portugal-slovakia>.
 23. For more information on Estonia's e-business register, see the website at <http://www.rik.ee>.
 24. For more information on registering a company with Companies House, see the website at www.gov.uk/limited-company-formation/register-your-company.
 25. Coste, Cyriane, Marie Delion, Adrián González, Frédéric Meunier, Nathalie Reyes, and Yuri Valentinovich. 2019. "The Involvement of Third-Party Professionals in Business Registration and Property Transfer." World Bank Research and Development Center in Chile, Indicators Group Research Note. World Bank, Washington, DC.
 26. The 10 EU economies with the lowest cost to start a business are Denmark, Estonia, Finland, France, Greece, Ireland, Lithuania, Romania, Slovenia, and Sweden.
 27. For more information on Slovenia's electronic standardized articles of association, see <https://spot.gov.si/>.
 28. World Bank. 2019. *Doing Business in the European Union 2020: Greece, Ireland and Italy*. Washington, DC: World Bank. <https://www.doingbusiness.org/en/reports/subnational-reports/eu-greece-ireland-italy>.
 29. For more information on Estonia's online company registration portal, see the website at <https://www.rik.ee/en/company-registration-portal/e-residency>.
 30. EU member states such as the Czech Republic, Germany, Luxembourg, and Spain.
 31. The foundation privilege (GmbH Act, section 10b) allows entrepreneurs to pay EUR 5,000 at the time of formation. After the 10 years, the share capital must be increased to the regular minimum amount of EUR 35,000, with at least EUR 17,500 paid in cash (GmbH Act, section 10b(5)).
 32. Armour, John. 2006. "Legal Capital: An Outdated Concept?" *European Business Organization Law Review* 7: 5-27; Kubler; Mülbart, Peter O. 2006. "A Synthetic View of Different Concepts of Creditor Protection." Law Working Paper 60/2006, European Corporate Governance Institute, Brussels; Kübler, Friedrich. 2004. "A Comparative Approach to Capital Maintenance: Germany." *European Business Law Review* 1031-35; World Bank. 2013. *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*. Washington, DC: World Bank.
 33. World Bank. 2019. *Doing Business 2020*. Washington, DC: World Bank.
 34. *Doing Business* defines "paid-in minimum capital" as the amount the entrepreneur needs to deposit in a bank or with a notary before registration and up to three months after.
 35. See Article 5: 3 of the Belgian Code of Companies and Associations.
 36. Construction standards are set by the Austrian Institute for Construction Engineering (OIB), a coordinating body that helps states harmonize construction standards by issuing guidelines on technical requirements, materials, and so on. For more information, see the website at www.oib.or.at/en.
 37. Austria is a federal country with nine states or *Bundesländer*.
 38. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
 39. For Austria's commercial code, see the website at <https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10007517&FassungVom=2015-10-30&Artikel=&Paragraf=77&Anlage=&Uebergangsrecht=>.
 40. Magistratische Bezirksämter (municipal district offices) are the administrative centers of Vienna's 23 districts. There are currently four locations across the city that process industrial operations permit applications. These offices are separate from the central administrative bodies of the city, such as the municipal building authority.
 41. As required by the Energy Performance Certificate Act of 2012. This law implements EU Directive 2010/31/EC on building energy performance standards (<https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:153:0013:0035:EN:PDF>). Law available at <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20007799>.
 42. Innsbruck is the only city where signed water and sewage connection contracts are a prerequisite to apply for a building permit.
 43. A list of the documents required for a construction permit application in Vienna are published by the municipal building authority, available at: <https://www.wien.gv.at/wohnen/baupolizei/planen/baubewilligungen/unterlagen.html>.
 44. This requirement is set by Article 127 of the Vienna Construction Code (<https://www.ris.bka.gv.at/eli/lgbl/WI/1930/11/P127/LWI40010055>).
 45. This process began in 2018; the e-submission system for Bregenz is still under development. For more details on the wider Bregenz digitalization strategy, see <https://www.smartgov.eu/smart-e-verwaltung>.
 46. The shell construction notification requirement is set out in Article 37 of the Styrian Construction Code, available at <https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=LrStmk&Gesetzesnummer=20000070&Artikel=&Paragraf=37&Anlage=&Uebergangsrecht=>.
 47. This requirement is set out in Article 73 of the General Administrative Procedures Act of 1991, available at <https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=Bundesnormen&Gesetzesnummer=10005768&Artikel=&Paragraf=73&Anlage=&Uebergangsrecht=>.
 48. These are the state construction codes of Vorarlberg, Tyrol, and Salzburg.
 49. This structure is unique to Linz. As part of the Bau- und Bezirksverwaltung (construction and district administration), the building authority is also responsible for district administration issues such as water, waste management, commercial matters, traffic, and event management.
 50. A list of the documents required for a construction permit application in Linz is published by the city administration, available at: https://www.linz.at/serviceguide/viewchapter.php?chapter_id=122107. A list of the documents required for a construction permit application in Salzburg is published by the city administration, available at: <https://www.stadt-salzburg.at/bauverfahren/baubewilligungen/unterlagen-fuer-baueinsuchen/>.
 51. Details on the digital portal and access to the application system are available at <https://mein.wien.gv.at/Meine-Amtswege/Baueinreichung>.
 52. The ZEUS database is a platform currently implemented in the states of Burgenland, Carinthia, Salzburg, and Styria; however, Salzburg is the only city in this study where the municipal building authority uses the documents submitted on ZEUS as part of the building permit application process. For more information on Salzburg's ZEUS platform, see <https://sbg.energieausweise.net/zeus/auth/login/?backurl=%2Fzeus%2F>.
 53. This requirement is set out in article 127 of the Vienna Construction Code, available at: <https://www.ris.bka.gv.at/NormDokument.wxe?Abfrage=LrW&Gesetzesnummer=20000006&FassungVom=2018-12-21&Artikel=&Paragraf=127&Anlage=&Uebergangsrecht=>.

54. World Bank Group. 2018. *Doing Business in the European Union 2018: Croatia, Czech Republic, Portugal and Slovakia*. Washington, DC: World Bank Group.
55. Srinivasan, Jayashree, Enrique Orellana Tamez, Kamal Chakaroun, Farrukh Umarov, and Lovodico Onofri. 2020. *From Paper to the Cloud: Improving Building Control through E-permitting (English)*. Doing Business Case Study No. 2, World Bank, Washington, DC. <http://documents.worldbank.org/curated/en/705331592344507733/From-Paper-to-the-Cloud-Improving-Building-Control-through-E-permitting>.
56. These economies are Cyprus (507 days), Czech Republic (246 days), Romania (260 days), the Slovak Republic (300 days), and Slovenia (247.5 days).
57. European Commission. 2016. *eGovernment Benchmark 2016: A Turning Point for eGovernment Development in Europe?* Luxembourg: European Union.
58. This is a federal system for making and tracking building permit applications. The platform also provides guidelines on application documentary requirements. Users can access the platform at <https://www.omgevingsloket.nl/Zakelijk/zakelijk/home?init=true#>.
59. Building applications and supporting documents in Hungary must be submitted through this platform, available at <https://www.e-epites.hu/etdr>. The building department authorities then request a review of the plans by other approving authorities through the same platform. ÉTDR also allows users to track the application status.
60. See the e-platform for construction permits at <https://www.hamburg.de/start-digitale-verfahren/>.
61. Directive 2007/2/EC of the European Parliament and of the Council of March 14, 2007, establishing an Infrastructure for Spatial Information in the European Community (INSPIRE). <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32007L0002>.
62. For an overview of GIS databases across Austria see <http://geoland.at/>.
63. Set at the federal level by the General Administrative Procedures Act, see Note 10.
64. This fast-track application model was introduced as part of reforms in 1999 to allow for construction to begin more quickly for certain categories of low-risk projects. <https://www.ris.bka.gv.at/eli/lgb1/WI/1930/11/P70a/LWI40010112>.
65. World Bank Group. 2013. *Good Practices for Construction Regulation and Enforcement Reform: Guidelines for Reformers*. Washington, DC: World Bank Group.
66. For more information, see <https://www.oib.or.at/en/oib-guidelines>.
67. This is an online system for making and tracking building permit applications. The platform also provides guidelines on application documentary requirements. Users can access the platform at <https://www.lupapiste.fi/>.
68. See the platform for an overview of the relevant legislation at <https://www.e-epites.hu/jogszabalyok>.
69. The Ordinance on the Quality of Electricity Systems is available at: <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20008149>.
70. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
71. To measure the reliability of supply and transparency of tariffs, *Doing Business* presents an index scored from 0 to 8 points. The index looks at the duration and frequency of power outages, role of the energy regulator, the systems used to monitor power outages and restore supply, whether financial deterrents exist to limit outages, and whether effective tariffs are available online and customers are notified of a change in tariff a full billing cycle. For more details, see the data notes.
72. There are 122 energy distribution utilities serving clients in Austria, with separate geographic areas of operation. The urban areas of most cities are covered by one major local utility. This is the case for six of the seven cities benchmarked by this study. In contrast, two major local utilities (Energienetze Steiermark GmbH and Stromnetz Graz GmbH & Co KG) operate in Graz. Based on the information collected for this study, Stromnetz Graz GmbH & Co KG is the most likely DSO to serve the warehouse in the *Doing Business* case study.
73. The *Doing Business* case study assumes that the electricity cable crosses a public road that is 10 meters wide. New connections are typically underground in all Austrian cities. Article 90 of the Highway Code 1960 stipulates that a permit is required to excavate below public roads (<https://www.ris.bka.gv.at/eli/bgbl/1960/159/P90/NOR40147692>).
74. In Bregenz and Graz, clients can ask the distribution utilities to carry out the connection works. However, in practice, it is more common for clients to conduct excavation works in these two cities.
75. As per the High Voltage Current Line Act 1968, the heavy current permit is issued by Municipal Department 64 (Legal Affairs Transport), whereas the excavation permit is issued by Municipal Department 28 (Road Management and Construction). Transformers are available in the public domain in Vienna, however for the *Doing Business* case study connection, a transformer would be installed on the client's premises due to capacity issues.
76. For more information on the online calculator, see www.e-control.at/tarifkalkulator.
77. Data available on E-Control website: <https://www.e-control.at/marktteilnehmer/erhebungen/erhebungen-zur-qualitaet-der-netzdienstleistung>. For Vienna that is available at: <https://www.wienernetze.at>. In 2019, the distribution utilities in the benchmarked cities received the following number of requests for connections to grid level 1-6 and grid level 7: Innsbruck: 172; Klagenfurt: 176; Graz: 553; Linz: 774; Bregenz: 939; Salzburg: 2,838; and Vienna: 20,925.
78. As established by Article 2, Paragraph 3 of the Ordinance on the Quality of Electricity Systems.
79. As established by Article 1, Paragraph 73 of the General Administrative Procedures Act of 1991.
80. The GIS maps are accessible to the public in all cities except in Salzburg. The municipalities in Bregenz, Graz and Innsbruck use VertiGIS WebOffice maps. In Bregenz, ProOffice is also available, and in Graz ESRI ArcGIS. Municipalities in Klagenfurt and Linz use GeoMedia Smart Client maps. Salzburg uses PlanTogether, and Vienna ViennaGIS maps.
81. The general framework agreement is between the utility and the municipality, it does not apply if the client's contractor obtains the excavation permit from the municipality.
82. As established by Article 1, Paragraph 10 of the Electricity System Charges Ordinance.
83. Arlet, Jean, Diane Davoine, Tigran Parvanyan, Jayashree Srinivasan, and Erick Tjong. 2016. "Getting Electricity: Factors Affecting the Reliability of Electricity Supply." in World Bank. *Doing Business 2017: Equal Opportunity for All*. Washington, DC: World Bank.
84. See the Cables and Pipelines Regulation, at [https://decentrale.regeelgeving.overheid.nl/cvdr/xhtmloutput/Historie/Utrecht%20\(Utr\)/302132/302132_1.html](https://decentrale.regeelgeving.overheid.nl/cvdr/xhtmloutput/Historie/Utrecht%20(Utr)/302132/302132_1.html).
85. See the General Regulation Underground Infrastructure Enschede 2018, available at <https://dloket.enschede.nl/loket/sites/default/files/IMG/AVOI%20Enschede%202018.pdf>.
86. This requirement is in accordance with the Energy Code (Article L342-11), which specifies that urban planning commissions bear the cost of extension works for the electricity grid, provided that the network extension will benefit future residents and firms.
87. For more information, see the website of the Wechselplattform at <https://www.energylink.at/de/wechselplattform>.
88. For more information on the Austrian courts, see https://e-justice.europa.eu/content_ordinary_courts-18-at-en.do?member=1.
89. As established by the 1968 Land Surveying Act.
90. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
91. More in general, in Austria parties complete the entire registering property process with the assistance of a notary or a lawyer.
92. As per the Land Transfer Act (Grundverkehrsrecht, or GVG). The GVG also establishes additional procedures in other states and cities, but with a more limited scope. In Linz, for example, an additional regional procedure applies but transfers of commercial property (like the *Doing Business* case study) are exempt.
93. According to the *Doing Business* methodology the Quality of Land Administration includes a fifth component which measures legal provisions on Equality of Access to Property Rights for women and men. This subindicator is not discussed in the *Doing Business in the European Union* study as women and men enjoy the same ownership rights in all Member States.
94. For more information on the quality charter, see <https://www.kadaster.nl/over-ons/beleid/kwaliteitssysteem>.

95. For a step-by-step guide to the United Kingdom's complaints procedure, see <https://www.gov.uk/government/organisations/land-registry/about/complaints-procedure>. For more information on the Independent Complaint Reviewer (ICR), see <https://www.icrev.org.uk/>.
96. International Bar Association. 2020. "Covid-19 Pandemic: Impact of COVID-19 on Court Operations and Litigation Practice." London: International Bar Association.
97. Council of Europe - European Commission for the Efficiency of Justice (CEPEJ). 2020. "Lessons Learnt and Challenges Faced by the Judiciary During and After the Covid-19 Pandemic." Strasbourg: CEPEJ.
98. United Kingdom, Courts and Tribunals Judiciary. 2020. "Coronavirus (COVID-19): Message from the Lord Chief Justice to Judges in the Civil and Family Courts." March 19. <https://www.judiciary.uk/announcements/coronavirus-covid-19-message-from-the-lord-chief-justice-to-judges-in-the-civil-and-family-courts/>.
99. Knoetzl, Bettina, and Judith Schacherreiter. 2020. "Austria: Litigating via Video Conference." *Ibanet.org*, November 5. <https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=4CBABFC5-C1DA-4714-B36A-ED72DDDE4D75>.
100. First COVID-19 Act and Accompanying Legislation for Justice of May 5, 2020.
101. Eposito, Gianluca, Sergi Lanau, and Sebastiaan Pompe. 2014. "Judicial System Reform in Italy—A Key to Growth." IMF Working Paper 14/32, International Monetary Fund, Washington, DC; OECD (Organisation for Economic Co-operation and Development). 2013. "What Makes Civil Justice Effective?" OECD Economics Department Policy Notes No. 18. Paris: OECD.
102. Averages for the EU or other groups of countries are calculated using data from the *Doing Business* database measuring the main business city as a proxy for each country or economy. Averages for Austria are calculated using *Subnational Doing Business* data for each city covered in the study except Vienna. Data for Vienna are sourced from the *Doing Business* database. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
103. Data for Vienna and for comparator economies used in this report are not considered official until published in the *Doing Business 2021* report.
104. For an overview of the enforcing contracts indicators and assumptions underlying the *Doing Business* case, see the data notes.
105. The cost is higher in the Czech Republic, Ireland, Italy, Romania, and Sweden.
106. Knoetzl, Bettina, Katrin Hanschitz, Judith Schacherreiter. 2019. Chambers Global Practice Guide: Litigation. Knoetzl, Vienna. https://knoetzl.com/wp-content/uploads/004_AUSTRIA-TD.pdf.
107. *Doing Business* considers the applicable court to be the local court with jurisdiction over commercial contract cases worth 200% income per capita. Regional courts have jurisdiction over cases worth more than EUR 15,000, while district courts (Bezirksgerichte) are the lowest first-instance courts and act also as small-claims courts.
108. *Subnational Doing Business* research, interviews with court officials and litigation attorneys.
109. Civil Procedure Code Section 88.
110. Civil Procedure Code Section 230.
111. Civil Procedure Code Section 257.
112. Civil Procedure Code Section 258.
113. Civil Procedure Code Section 414.
114. Execution Regulations (EO) Section 1, Section 3.
115. Execution Regulations (EO) Section 25.
116. Execution Regulations (EO) Section 249.
117. Execution Regulations (EO) Section 270.
118. Execution Regulations (EO) Section 273.
119. *Subnational Doing Business* research, interviews with court officials and litigation attorneys.
120. European Judicial Network (in civil and commercial matters) Austria, available at https://e-justice.europa.eu/content_how_to_proceed-34-at-en.do?member=1.
121. In 2019, 42,188 contractual claims cases were filed in Austria, 20,371 of which were disposed of at the Handelsgerichte in Vienna. Austria, Ministry of Justice. 2020. *Verfahrensdauer Zivil 2019, Zeitreihen 2010-2019*. Vienna: Ministry of Justice. For more information, see <https://www.justiz.gv.at/home/justiz/daten-und-fakt-en-8ab4a8a422985de30122a920842862de.de.html>.
122. Bundesgesetzblattes (BGBl). Nr. 189/1969
123. Bundesgesetzblattes (BGBl). Nr. 501/1984
124. Bundesgesetzblattes (BGBl). I Nr. 31/2003
125. For an overview of the enforcing contracts indicators and quality of judicial processes index, see the data notes.
126. Civil Procedure Code Section 577.
127. Civil Procedure Code Section 277.
128. For example, health-related justification. Federal Act on Accompanying Measures to COVID-19 in the Judiciary (COVID-19-JuBG) § 3 Abs 1 Z 11.
129. Moradi, Rouzbeh. 2020. "Insights into remote justice in the Austrian justice system." *Ibanet.org*, November 5. <https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=60DFF95C-FAE5-4CA9-84E7-0EC8150946AE>.
130. Section 1 Federal Law Gazette I 156/2020.
131. Republic of Estonia, Ministry of Justice. 2020. "Digital Justice in Estonia." Tallinn: Ministry of Justice. <https://www.youtube.com/watch?v=K3WUzJfhYJM>.
132. International Bar Association. November 5, 2020. An interview with Justice Quentin Loh of the Singapore High Court. <https://www.ibanet.org/Article/NewDetail.aspx?ArticleUid=8FD1B23A-9B7A-4CD9-8D2A-162EF4A12DFC>.
133. For more information, see <https://www.ejtn.eu/About/EJTN-Affiliates/Members/Austria/> European Judicial Training Network (EJTN).
134. EBRD (European Bank For Reconstruction and Development). 2020. "From Digitisation to Digital Transformation: A Case for Online Courts in Commercial Disputes?" Draft Discussion Paper, EBRD. <https://ebrd.glueup.com/resources/protected/organization/1136/event/27964/99358ddf-99c4-4026-b5c7-21c882fdffbc.pdf>.
135. The United Kingdom also has experience with online court services. Introduced to the judiciary of England and Wales in February 2002, Money Claim OnLine is a web-based service for issuing money claims and resolving fixed money disputes.
136. Byrom, Nathalie. 2019. "Digital Justice: HMCTS Data Strategy and Delivering Access to Justice." The Legal Education Foundation, Shalford. <https://www.thelegaleducationfoundation.org>.
137. Province of British Columbia, Civil Resolution Tribunal Act, [SBC 2012] CHAPTER 25.
138. Botero, Juan Carlos, Rafael La Porta, Florencio López-de-Silanes, Andrei Shleifer, and Alexander Volokh. 2003. "Judicial Reform." *World Bank Research Observer* 18 (1): 67-8.
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140. Council of Europe, Committee of Ministers. 1984. *Recommendation No. R (84) 5 of the Committee of Ministers to Member States on the Principles of Civil Procedure Designed to Improve the Functioning of Justice*. Strasbourg: Council of Europe, p. 2.
141. These countries are Bulgaria, Croatia, Estonia, Germany, Greece, Latvia, Lithuania, the Netherlands, and Poland.
142. Gramckow, Heike, Erica Bosio, Silva Mendez, and Jorge Luis. 2016. "Good practices for Courts: Helpful Elements for Good Court Performance and the World Bank's Quality of Judicial Process Indicators." World Bank, Washington, DC.
143. European Commission for the Efficiency of Justice. 2011. *Reports on the implementation of the CEPEJ guidelines for judicial time management in 7 pilot courts/institutions*. Strasbourg: European Commission for the Efficiency of Justice. <https://rm.coe.int/168074828a>.
144. Article 17 of Italian Law Decree 28/2010 states that all acts and documents related to mediation are exempt from stamp duty, all expenses, taxes, and other charges. In addition, the final agreement is exempt from registration tax, up to a maximum value of EUR 51,646. Article 20 of the Decree also grants parties a tax credit toward the mediation fee if the mediation is concluded. If the case is settled as a result of mediation, there is also an incentive of 25% compensation of the attorney fees. The court may also order sanctions for parties who refuse to attempt mediation in good faith. The judge can condemn a party that declines to participate in the mediation process without a valid justification by ordering that party to make an additional payment (equal to the administrative fee due in the judicial proceeding) into the state budget, which would result in this party's fees being doubled.
145. European Parliament. 2014. *Rebooting the Mediation Directive: Assessing the Limited Impact of its Implementation and Proposing Measures to Increase the Number of Mediations in the EU*. Brussels: European Parliament. [https://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL-JURI_ET\(2014\)493042](https://www.europarl.europa.eu/thinktank/en/document.html?reference=IPOL-JURI_ET(2014)493042).

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City Snapshots and Indicator Details

AUSTRIA

Bregenz

Starting a business (rank)	2
Score for starting a business (0–100)	82.21
Procedures (number)	9
Time (days)	19.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Getting electricity (rank)	7
Score for getting electricity (0–100)	86.38
Procedures (number)	5
Time (days)	36
Cost (% of income per capita)	67.8
Reliability of supply and transparency of tariffs index (0–8)	7

Enforcing contracts (rank)	2
Score for enforcing contracts (0–100)	71.00
Time (days)	425
Cost (% of claim value)	23.1
Quality of judicial processes index (0–18)	11.5

Dealing with construction permits (rank)	1
Score for dealing with construction permits (0–100)	83.64
Procedures (number)	8
Time (days)	151.5
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	13

Registering property (rank)	5
Score for registering property (0–100)	77.74
Procedures (number)	4
Time (days)	21.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Graz

Starting a business (rank)	7
Score for starting a business (0–100)	80.95
Procedures (number)	9
Time (days)	24.5
Cost (% of income per capita)	4.5
Paid-in minimum capital (% of income per capita)	11.1

Getting electricity (rank)	6
Score for getting electricity (0–100)	86.62
Procedures (number)	5
Time (days)	34
Cost (% of income per capita)	60.5
Reliability of supply and transparency of tariffs index (0–8)	7

Enforcing contracts (rank)	7
Score for enforcing contracts (0–100)	67.04
Time (days)	548
Cost (% of claim value)	24.7
Quality of judicial processes index (0–18)	11.5

Dealing with construction permits (rank)	3
Score for dealing with construction permits (0–100)	77.16
Procedures (number)	10
Time (days)	214
Cost (% of warehouse value)	0.8
Building quality control index (0–15)	13

Registering property (rank)	3
Score for registering property (0–100)	80.18
Procedures (number)	3
Time (days)	18.5
Cost (% of property value)	4.6
Quality of land administration index (0–30)	23

Innsbruck			
Starting a business (rank)	2	Dealing with construction permits (rank)	2
Score for starting a business (0–100)	82.21	Score for dealing with construction permits (0–100)	80.52
Procedures (number)	9	Procedures (number)	10
Time (days)	19.5	Time (days)	168
Cost (% of income per capita)	4.5	Cost (% of warehouse value)	0.7
Paid-in minimum capital (% of income per capita)	11.1	Building quality control index (0–15)	13
Getting electricity (rank)	2	Registering property (rank)	4
Score for getting electricity (0–100)	90.38	Score for registering property (0–100)	77.98
Procedures (number)	4	Procedures (number)	4
Time (days)	37	Time (days)	19.5
Cost (% of income per capita)	85.2	Cost (% of property value)	4.6
Reliability of supply and transparency of tariffs index (0–8)	7	Quality of land administration index (0–30)	23
Enforcing contracts (rank)	4		
Score for enforcing contracts (0–100)	68.48		
Time (days)	488		
Cost (% of claim value)	25.2		
Quality of judicial processes index (0–18)	11.5		
Klagenfurt			
Starting a business (rank)	4	Dealing with construction permits (rank)	7
Score for starting a business (0–100)	81.96	Score for dealing with construction permits (0–100)	71.09
Procedures (number)	9	Procedures (number)	11
Time (days)	20.5	Time (days)	278
Cost (% of income per capita)	4.5	Cost (% of warehouse value)	1.1
Paid-in minimum capital (% of income per capita)	11.1	Building quality control index (0–15)	13
Getting electricity (rank)	3	Registering property (rank)	6
Score for getting electricity (0–100)	89.34	Score for registering property (0–100)	77.38
Procedures (number)	4	Procedures (number)	4
Time (days)	46	Time (days)	24.5
Cost (% of income per capita)	104.2	Cost (% of property value)	4.6
Reliability of supply and transparency of tariffs index (0–8)	7	Quality of land administration index (0–30)	23
Enforcing contracts (rank)	6		
Score for enforcing contracts (0–100)	68.18		
Time (days)	490		
Cost (% of claim value)	25.9		
Quality of judicial processes index (0–18)	11.5		

Linz			
Starting a business (rank)	4	Dealing with construction permits (rank)	6
Score for starting a business (0–100)	81.96	Score for dealing with construction permits (0–100)	73.02
Procedures (number)	9	Procedures (number)	10
Time (days)	20.5	Time (days)	273
Cost (% of income per capita)	4.5	Cost (% of warehouse value)	0.7
Paid-in minimum capital (% of income per capita)	11.1	Building quality control index (0–15)	13
Getting electricity (rank)	1	Registering property (rank)	1
Score for getting electricity (0–100)	91.68	Score for registering property (0–100)	80.54
Procedures (number)	4	Procedures (number)	3
Time (days)	25	Time (days)	15.5
Cost (% of income per capita)	88.3	Cost (% of property value)	4.6
Reliability of supply and transparency of tariffs index (0–8)	7	Quality of land administration index (0–30)	23
Enforcing contracts (rank)	3		
Score for enforcing contracts (0–100)	69.36		
Time (days)	443		
Cost (% of claim value)	26.2		
Quality of judicial processes index (0–18)	11.5		
Salzburg			
Starting a business (rank)	1	Dealing with construction permits (rank)	4
Score for starting a business (0–100)	82.96	Score for dealing with construction permits (0–100)	77.10
Procedures (number)	9	Procedures (number)	11
Time (days)	16.5	Time (days)	201
Cost (% of income per capita)	4.5	Cost (% of warehouse value)	0.8
Paid-in minimum capital (% of income per capita)	11.1	Building quality control index (0–15)	13
Getting electricity (rank)	4	Registering property (rank)	7
Score for getting electricity (0–100)	88.83	Score for registering property (0–100)	76.66
Procedures (number)	4	Procedures (number)	4
Time (days)	50	Time (days)	30.5
Cost (% of income per capita)	131.2	Cost (% of property value)	4.6
Reliability of supply and transparency of tariffs index (0–8)	7	Quality of land administration index (0–30)	23
Enforcing contracts (rank)	5		
Score for enforcing contracts (0–100)	68.23		
Time (days)	505		
Cost (% of claim value)	24.7		
Quality of judicial processes index (0–18)	11.5		

Vienna			
Starting a business (rank)	6	Dealing with construction permits (rank)	5
Score for starting a business (0–100)	81.71	Score for dealing with construction permits (0–100)	75.31
Procedures (number)	9	Procedures (number)	11
Time (days)	21.5	Time (days)	220.5
Cost (% of income per capita)	4.5	Cost (% of warehouse value)	1.1
Paid-in minimum capital (% of income per capita)	11.1	Building quality control index (0–15)	13
Getting electricity (rank)	5	Registering property (rank)	2
Score for getting electricity (0–100)	88.43	Score for registering property (0–100)	80.30
Procedures (number)	4	Procedures (number)	3
Time (days)	55	Time (days)	17.5
Cost (% of income per capita)	83.0	Cost (% of property value)	4.6
Reliability of supply and transparency of tariffs index (0–8)	7	Quality of land administration index (0–30)	23
Enforcing contracts (rank)	1		
Score for enforcing contracts (0–100)	72.73		
Time (days)	498		
Cost (% of claim value)	20.6		
Quality of judicial processes index (0–18)	13.0		

STARTING A BUSINESS IN AUSTRIA - PROCEDURES REQUIRED TO START A BUSINESS, BY CITY															
Standard company legal form: Gesellschaft mit beschränkter Haftung (GmbH) Paid-in minimum capital requirement: EUR 5,000 Data as of: December 31, 2021															
	Bregenz		Graz		Innsbruck		Klagenfurt		Linz		Salzburg		Vienna		Comments
	Time (days)	Cost (EUR)	Time (days)	Cost (EUR)	Time (days)	Cost (EUR)	Time (days)	Cost (EUR)	Time (days)	Cost (EUR)	Time (days)	Cost (EUR)	Time (days)	Cost (EUR)	
1. Obtain confirmation from the Economic Chamber that the start-up company is a new enterprise	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	A form (NeuFöZ), which is available online on the website of the Austrian Ministry of Finance, must be filled out and confirmed by the Economic Chamber in order to obtain the benefits of the Start-up Promotion Law (Neugründungs-Förderungsgesetz).
2. Verify the availability and uniqueness of the company name*	Less than one day (online procedure)														
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	Prior to notarizing the document of incorporation, it is common in practice to verify the availability and uniqueness of the company name. The company name is usually checked electronically on the commercial registry.
3. Notarize the statutes/articles of association	1	2,000	1	2,000	1	2,000	1	2,000	1	2,000	1	2,000	1	2,000	The articles of association (Gesellschaftsvertrag) must be executed before a notary, by notary deed (Notariatsaktform). According to the Electronic Notarial Form Foundation Act (Elektronische Notariatsform-Gründungsgesetz), at the notary, it is now possible to use electronic communication tools to notarize the articles of associations. The Notary Fee Law (Notariatsariftgesetz) sets forth the guidelines for the applicable fees that can be charged, although the fees are subject to negotiation with the notary public. The entrepreneur must deposit the minimum capital amount in a commercial bank or in an escrow account held by the notary and obtain a written confirmation of the deposit.
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
4. Deposit the minimum capital requirement	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	The application for registering an Austrian limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) is usually sent by the notary to the court using the electronic legal correspondence system (Elektronischer Rechtsverkehr, ERV). New companies that have met the requirements of the Start-up Promotion Law and obtain the confirmation described in Procedure 1 are exempt from court registration fees.
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
5. Register the company at the court	4	No cost	7	No cost	5	No cost	4	No cost	5	No cost	3	No cost	6	No cost	For the tax registration of a GmbH, several forms must be printed, filled out, and sent by postal mail together with the articles of association, the opening balance sheet, an excerpt of the company registry, an identification card of managing directors, and a specimen signature sheet of the directors.
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
6. Tax Office registration (obtain a VAT number)	12	No cost	14	No cost	11	No cost	13	No cost	12	No cost	10	No cost	12	No cost	Entrepreneurs must register the company's activity before the local administrative authority (Bezirksverwaltungsbehörde) in accordance with the Trade Act (Gewerbeordnung). The registration can be submitted online using the Austrian Trade Registration System (GISA – Gewerbeinformationssystem Austria).
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	
7. Register trade (Gewerbeanmeldung) with the trade authority (Gewerbebehörde)*	Less than one day (online procedure)														
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	Companies with employees must apply electronically for an employer's account number (Beitragskontonummer) on the social security institution's website, and register the employees via ELDA, the data transmission interface of the statutory health insurance office.
8. Register employees for social security*	Less than one day (online procedure)														
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	Health insurance is obligatory, and every new employee must be registered with the competent statutory health insurance office prior to and no later than the first day of employment.
9. Register with the municipality*	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	1	No cost	Entrepreneurs must register the company with the municipality in order to obtain a local tax account number in accordance with the Law on Local Taxes (Kommunalsteuergesetz).
	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	No cost	

Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not considered official until published in the Doing Business 2021 report.

* Takes place simultaneously with previous procedure.

LIST OF PROCEDURES
DEALING WITH CONSTRUCTION
PERMITS

AUSTRIA

Bregenz

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority

Agency: Bregenz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit

Agency: Bregenz City Administration - Construction Department
Time: 75 days
Cost: EUR 600

Procedure 3*. Obtain geotechnical study

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass

Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6. Obtain building permit

Agency: Bregenz City Administration - Construction Department
Time: 75 days
Cost: EUR 2,400 (EUR 2,170 administrative fee (0.1% of construction cost), EUR 150 commission fees, EUR 90 cash expenses)

Procedure 7*. Request and obtain water and sewage connection with public utility company

Agency: Bregenz Public Utility Company
Time: 45 days
Cost: EUR 9,500

Procedure 8. Notify the municipal authority about completion of construction works

Agency: Bregenz City Administration - Construction Department
Time: Less than one day (online procedure)
Cost: No cost

Graz

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority

Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit

Agency: Graz City Administration - Construction Department
Time: 90 days
Cost: EUR 1,000

Procedure 3*. Obtain geotechnical study

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass

Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6. Obtain building permit

Agency: Graz City Administration - Construction Department
Time: 120 days
Cost: EUR 1,000

Procedure 7*. Request and obtain water and sewage connection with public utility company

Agency: Municipal Utility Company
Time: 45 days
Cost: EUR 10,000

Procedure 8. Notify the municipal authority about commencement of construction works

Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 9. Notify the municipal authority of completion of shell construction

Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 10. Notify the municipal authority about completion of construction works

Agency: Graz City Administration - Construction Department
Time: 1 day
Cost: No cost

Innsbruck

Warehouse value: EUR 2,243,536 (USD 2,565,000)
Data as of: December 31, 2020

Procedure 1. Conduct meeting with municipal construction authority

Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit

Agency: Innsbruck City Administration
Time: 75 days
Cost: EUR 300

Procedure 3*. Obtain geotechnical study

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass

Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

*Takes place simultaneously with previous procedure.

Procedure 6*. Obtain proof of land ownership

Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit

Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 90 days
Cost: EUR 1,500

Procedure 8*. Request and obtain water and sewage connection contracts with public utility company

Agency: Innsbruck Public Utility Company
Time: 45 days
Cost: EUR 9,500

Procedure 9. Notify the municipal authority about commencement of construction works

Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 1 day
Cost: No cost

Procedure 10. Notify the municipal authority about completion of construction works

Agency: Innsbruck City Administration - Municipal Building Inspection
Time: 1 day
Cost: No cost

Klagenfurt

*Warehouse value: EUR 2,243,536 (USD 2,565,000)
 Data as of: December 31, 2020*

Procedure 1. Conduct meeting with municipal construction authority

Agency: Klagenfurt City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit

Agency: Klagenfurt City Administration - Construction Department
Time: 80 days
Cost: EUR 300

Procedure 3*. Obtain geotechnical study

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass

Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6*. Obtain proof of land ownership

Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit

Agency: Klagenfurt City Administration - Construction Department
Time: 135 days
Cost: EUR 500

Procedure 8. Notify the municipal authority about commencement of construction works

Agency: Klagenfurt City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 9*. Request and obtain sewage connection

Agency: City of Klagenfurt Sewage Authority
Time: 60 days
Cost: EUR 7,023

Procedure 10*. Request and obtain water connection

Agency: Klagenfurt Utility Company
Time: 35 days
Cost: EUR 12,483

Procedure 11. Notify the municipal authority about completion of construction works

Agency: Klagenfurt City Administration - Construction Department
Time: 1 day
Cost: No cost

Linz

*Warehouse value: EUR 2,243,536 (USD 2,565,000)
 Data as of: December 31, 2020*

Procedure 1. Conduct meeting with municipal construction authority

Agency: Linz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit

Agency: Linz City Administration - Construction Department
Time: 90 days
Cost: EUR 300

Procedure 3*. Obtain geotechnical study

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass

Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6*. Obtain proof of land ownership

Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit

Agency: Linz City Administration - Construction Department
Time: 180 days
Cost: EUR 800

Procedure 8*. Request and obtain water and sewage connection with public utility company

Agency: Linz Utility Company Department Water/Sewage
Time: 21 days
Cost: EUR 8,800

*Takes place simultaneously with previous procedure.

Procedure 9. Notify the municipal authority about commencement of construction works

Agency: Linz City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 10. Notify the municipal authority about completion of construction works

Agency: Linz City Administration - Construction Department
Time: 1 day
Cost: EUR 212

Salzburg

*Warehouse value: EUR 2,243,536 (USD 2,565,000)
 Data as of: December 31, 2020*

Procedure 1. Conduct meeting with municipal construction authority

Agency: Salzburg City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 2. Obtain industrial operating permit

Agency: Salzburg City Administration - Construction Department
Time: 80 days
Cost: EUR 250

Procedure 3*. Obtain geotechnical study

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 4*. Obtain topographical survey

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 5*. Obtain energy pass

Agency: Salzburg State Government Database
Time: Less than one day (online procedure)
Cost: No cost

Procedure 6*. Obtain proof of land ownership

Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 7. Obtain building permit

Agency: Salzburg City Administration - Construction Department
Time: 118 days
Cost: EUR 900

Procedure 8*. Request and obtain sewage connection contracts with sewage and water authority

Agency: Salzburg City Administration - Sewage Authority
Time: 60 days
Cost: EUR 7,900 (EUR 7,500 connection in fees and EUR 400 in municipal administrative fees)

Procedure 9*. Request and obtain water connection contracts with public utility company

Agency: Salzburg Utility Corporation
Time: 30 days
Cost: EUR 3,637 (connection fee for 1 in (DN25) pipe based on circumference of plot)

Procedure 10. Notify the municipal authority about commencement of construction works

Agency: Salzburg City Administration - Construction Department
Time: 1 day
Cost: No cost

Procedure 11. Notify the municipal authority about completion of construction works

Agency: Salzburg City Administration - Construction Department
Time: 1 day
Cost: No cost

Vienna

*Warehouse value: EUR 2,243,536 (USD 2,565,000)
 Data as of: December 31, 2020*

Procedure 1. Obtain industrial operating permit

Agency: Vienna City Administration
Time: 80 days
Cost: EUR 300

Procedure 2*. Obtain geotechnical study

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,500

Procedure 3*. Obtain topographical survey

Agency: Private Engineer
Time: 30 days
Cost: EUR 2,000

Procedure 4*. Obtain expert opinion on structural engineering

Agency: Independent Expert - Structural Engineering
Time: 11 days
Cost: EUR 5,000

Procedure 5*. Obtain energy pass

Agency: Independent Expert - Energy Engineering
Time: 10 days
Cost: EUR 700

Procedure 6*. Appoint a licensed supervisory engineer to supervise construction and carry out inspections

Agency: Private licensed engineer (Prüfingenieur)
Time: 1 day
Cost: EUR 4,800

Procedure 7*. Obtain proof of land ownership

Agency: Land Registry
Time: Less than one day (online procedure)
Cost: EUR 14

Procedure 8. Notify the municipal authority about commencement of construction works

Agency: Municipal Building Inspection
Time: Less than one day (online procedure)
Cost: No cost

Procedure 9. Obtain building permit

Agency: Municipal Building Inspection
Time: 80 days
Cost: EUR 300

Procedure 10. Request and obtain water and sewage connection

Agency: Vienna Water Works
Time: 60 days
Cost: EUR 8,478

Procedure 11*. Notify the municipal authority about completion of construction works

Agency: Municipal Building Inspection
Time: 1 day
Cost: EUR 22 (EUR 22 if no changes to plan were made, EUR 50 if there were changes)

DEALING WITH CONSTRUCTION PERMITS IN AUSTRIA – BUILDING QUALITY CONTROL INDEX

	All cities	
	Answer	Score
Building quality control index (0–15)		13
Quality of building regulations index (0–2)		2
How accessible are building laws and regulations in your economy? (0–1)	Available online; Free of charge.	1
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
Quality control before construction index (0–1)		0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0–1)	By law, there is no need to verify plans compliance; Civil servant reviews plans.	0
Quality control during construction index (0–3)		2
What types of inspections (if any) are required by law to be carried out during construction? (0–2)	Inspections by external engineer or firm; Inspections at various phases.	1
Do legally mandated inspections occur in practice during construction? (0–1)	Mandatory inspections are always done in practice.	1
Quality control after construction index (0–3)		3
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, external engineer submits report for final inspection.	2
Do legally mandated final inspections occur in practice? (0–1)	Final inspection always occurs in practice.	1
Liability and insurance regimes index (0–2)		2
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
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? (0–1)	Architect or engineer; Construction company; Insurance is commonly taken in practice.	1
Professional certifications index (0–4)		4
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)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer; Passing a certification exam.	2
What are the qualification requirements for the professional who supervises the construction on the ground? (0–2)	Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer; Passing a certification exam.	2

Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not considered official until published in the Doing Business 2021 report.

LIST OF PROCEDURES GETTING ELECTRICITY

AUSTRIA

Bregenz

Name of Utility: Vorarlberger Energienetze GmbH
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate

Agency: Vorarlberger Energienetze GmbH
Time: 14 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring

Agency: Vorarlberger Energienetze GmbH
Time: 1 days
Cost: No cost

Procedure 3. Obtain excavation permit from the municipality

Agency: Local municipality
Time: 14 days (14 calendar days for obtaining excavation permit)
Cost: EUR 136

Procedure 4. Obtain external works and meter installation

Agency: Contractor hired by the client; Vorarlberger Energienetze GmbH
Time: 7 days (7 calendar days for completing the external connection works)
Cost: EUR 30,298 [EUR 107 per 100 kVA system charges at grid level 6 + EUR 19,598 grid connection fee (EUR 100 per meter for excavation works; EUR 1,500 material; EUR 3,000 cable connection and labor; EUR 98 meter installation)]

Procedure 5*. Sign supply contract with an electricity supplier

Agency: illwerke vkw AG, or another energy supplier
Time: 2 days
Cost: No cost

Graz

Name of Utility: Stromnetz Graz GmbH & Co KG
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate

Agency: Stromnetz Graz GmbH & Co KG
Time: 10 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring

Agency: Stromnetz Graz GmbH & Co KG
Time: 1 days
Cost: No cost

Procedure 3. Obtain excavation permit from the municipality

Agency: Local municipality
Time: 16 days (16 calendar days for obtaining excavation permit)
Cost: EUR 78

Procedure 4. Obtain external works and meter installation

Agency: Contractor hired by the client; Stromnetz Graz GmbH & Co KG
Time: 7 days (7 calendar days for completing the external connection works)
Cost: EUR 27,060 [EUR 139 per kVA system charges at grid level 6 + EUR 7,600 grid connection fee (EUR 5,950 excavation and material; EUR 1,500 construction supervision and connection to grid; EUR 150 meter installation)]

Procedure 5*. Sign supply contract with an electricity supplier

Agency: Energie Graz GmbH & Co KG, or another energy supplier
Time: 2 days
Cost: No cost

Innsbruck

Name of Utility: Innsbrucker Kommunalbetriebe AG
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate

Agency: Innsbrucker Kommunalbetriebe AG
Time: 7 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring

Agency: Innsbrucker Kommunalbetriebe AG
Time: 1 days
Cost: No cost

Procedure 3. Obtain external works and meter installation

Agency: Innsbrucker Kommunalbetriebe AG
Time: 29 days (21 calendar days for obtaining excavation permit + 8 calendar days for completing the external connection works)
Cost: EUR 38,223 [EUR 176.42 per kVA system charges at grid level 7 + EUR 13,525 grid connection fee (EUR 2,955.02 cable connection, material, labor; EUR 9,337.76 excavation works; EUR 345.28 excavation

permit; EUR 866.50 construction supervision and planning; EUR 20 meter installation)]

Procedure 4*. Sign supply contract with an electricity supplier

Agency: Innsbrucker Kommunalbetriebe AG, or another energy supplier
Time: 2 days
Cost: No cost

Klagenfurt

Name of Utility: Energie Klagenfurt GmbH
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate

Agency: Energie Klagenfurt GmbH
Time: 21 days
Cost: No cost

Procedure 2. Submit completion notification for internal wiring

Agency: Energie Klagenfurt GmbH
Time: 1 days
Cost: No cost

Procedure 3. Obtain external works and meter installation

Agency: Energie Klagenfurt GmbH
Time: 24 days (14 calendar days for obtaining excavation permit + 10 calendar days for completing the external connection works)
Cost: EUR 46,748 [EUR 208.48 per kVA system charges at grid level 6 + EUR 17,561 grid connection fee (EUR 9,611 grid connection above 100 kVA; EUR 4,700 excavation works including EUR 35 excavation permit; EUR 1,900 material; EUR 1,200 cable connection and labor; EUR 150 meter installation)]

Procedure 4*. Sign supply contract with an electricity supplier

Agency: Energie Klagenfurt GmbH Vertrieb, or another energy supplier
Time: 2 days
Cost: No cost

Linz

Name of Utility: Linz Netz GmbH
Data as of: December 31, 2020

Procedure 1. Submit application to utility and await estimate

Agency: Linz Netz GmbH
Time: 11 days
Cost: No cost

*Simultaneous with previous procedure

Procedure 2. Submit completion notification for internal wiring**Agency:** Linz Netz GmbH**Time:** 1 days**Cost:** No cost

Procedure 3. Obtain external works and meter installation**Agency:** Linz Netz GmbH**Time:** 13 days (8 calendar days for obtaining excavation approval + 5 calendar days for completing the external connection works)**Cost:** EUR 39,605 [EUR 226.63 per kVA system charges at grid level 7 + EUR 7,877 grid connection fee (EUR 4,508.02 excavation works; EUR 1125.97 material; EUR 313.25 other small material/other; EUR 1,780 labor; EUR 150-meter installation)]

Procedure 4*. Sign supply contract with an electricity supplier**Agency:** Linz Strom Vertrieb GmbH, or another energy supplier**Time:** 2 days**Cost:** No cost

Salzburg*Name of Utility:* Salzburg AG*Data as of:* December 31, 2020

Procedure 1. Submit application to utility and await estimate**Agency:** Salzburg AG**Time:** 14 days**Cost:** No cost

Procedure 2. Submit completion notification for internal wiring**Agency:** Salzburg AG**Time:** 1 days**Cost:** No cost

Procedure 3. Obtain external works and meter installation**Agency:** Salzburg AG**Time:** 35 days (14 calendar days for obtaining excavation permit + 21 calendar days for completing the external connection works)**Cost:** EUR 58,877 [EUR 152.69 per kVA system charges at grid level 6 + EUR 37,500 grid connection fee (EUR 26,500 excavation works including EUR 100 excavation permit + EUR 7,500 material and EUR 3,500 cable connection and labor fees)]

Procedure 4*. Sign supply contract with an electricity supplier**Agency:** Salzburg Netz GmbH, or another energy supplier**Time:** 2 days**Cost:** No cost

Vienna*Name of Utility:* Wiener Netze GmbH*Data as of:* December 31, 2020

Procedure 1. Submit application to utility and await estimate**Agency:** Wiener Netze GmbH**Time:** 14 days**Cost:** No cost

Procedure 2. Submit completion notification for internal wiring**Agency:** Wiener Netze GmbH**Time:** 1 days**Cost:** No cost

Procedure 3. Obtain external works and meter installation**Agency:** Wiener Netze GmbH**Time:** 40 days (20 calendar days for obtaining excavation permit & heavy currents permit + 20 calendar days for completing the external connection works)**Cost:** EUR 37,233 [EUR 113.81 per kVA system charges at grid level 6 + approx. EUR 21,300 grid connection fee including excavation, labor, and material]

Procedure 4*. Sign supply contract with an electricity supplier**Agency:** Wien Energie Vertrieb GmbH & Co KG, or another energy supplier**Time:** 2 days**Cost:** No cost

GETTING ELECTRICITY IN AUSTRIA – RELIABILITY OF SUPPLY AND TRANSPARENCY OF TARIFFS INDEX

Reliability of supply and transparency of tariffs index (0–8)	7 (all cities)
Total duration and frequency of outages per customer a year (0–3)	3 (all cities)
System average interruption duration index (SAIDI)	0.09 (Bregenz) 0.09 (Klagenfurt) 0.18 (Innsbruck) 0.31 (Graz) 0.48 (Linz) 0.60 (Vienna) 0.81 (Salzburg)
System average interruption frequency index (SAIFI)	0.18 (Bregenz) 0.18 (Klagenfurt) 0.21 (Innsbruck) 0.42 (Graz) 0.46 (Linz) 0.60 (Vienna) 1.00 (Salzburg)
Mechanisms for monitoring outages (0–1)	1 (all cities)
Does the distribution utility use automated tools to monitor outages?	Yes (all cities)
Mechanisms for restoring service (0–1)	1 (all cities)
Does the distribution utility use automated tools to restore service?	Yes (all cities)
Regulatory monitoring (0–1)	1 (all cities)
Does a regulator—that is, an entity separate from the utility—monitor the utility’s performance on reliability of supply?	Yes (all cities)
Financial deterrents aimed at limiting outages (0–1)	0 (all cities)
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	No (all cities)
Communication of tariffs and tariff changes (0–1)	1 (all cities)
Are effective tariffs available online?	Yes (all cities)
Are customers notified of a change in tariff ahead of the billing cycle?	Yes (all cities)

Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

REGISTERING PROPERTY IN AUSTRIA – PROCEDURES REQUIRED TO REGISTER A PROPERTY, BY CITY

Property value: EUR 2,243,536
Data as of: December 31, 2020

	Bregenz	Graz	Innsbruck	Klagenfurt	Linz	Salzburg	Vienna	Comments
Obtain a land registry extract	Time (days)		0.5					Before purchasing a property, the buyer inspects the government land register for any legal requirements, rights and restrictions including the seller's ownership title, mortgages, liens, pre-emption rights, rights of way, canals, lines, brooks. The extract from the land register can be obtained at any district court or mapping office. Public notaries, lawyers and other professionals or authorities dealing with the transaction of property also have access to the property database.
	Cost (EUR)		14.4					
Authenticate signatures and pay taxes	Time (days)		3					At the notaries office the parties can combine three steps: (i) the signatures of seller and buyer must be authenticated on the contract. (ii) in case of a corporation as seller or buyer the authorization of the signing representatives must be proven, and this is done together with the authentication of the signatures; (iii) the parties must pay the Property Acquisition Tax or Transfer Tax. They must present to the Land Register a clearance certificate furnished by the tax authorities certifying that the tax was paid. This clearance certificate may be substituted by a self-assessment declaration filed by a notary or a lawyer.
	Cost (EUR)		103,905 [EUR 202,35 for authentication of signatures + EUR 14,30 official stamp duty fee for authentication of signatures + EUR (14,40*2) for the extracts from company registry confirming signatory powers + EUR 457,02 (notary fees that range between EUR 500-1000 subtracting all other costs paid) + 3.5% of transfer tax + 1.1% of registration fee]					
Obtain a certificate of property use*	Time (days)	11	7	10	14	14	N/A	The buyer must obtain a zoning certificate or a "negative confirmation" (Negativbestätigung) from the municipality or from the regional land transfer office (depending on the city).
	Cost (EUR)	50	N/A	100	N/A	56		
Register with the District Court	Time (days)	9	15	13	12	15	14	Applications to transfer and register a property are required to be submitted electronically via an online data-exchange system called WebERV. It is mandatory for attorneys and notaries to submit their applications concerning the transfer and registration of property using this system. Registration with the Land Registry has a binding effect as from the date of application, i.e. from this moment the company becomes the owner of the entire property (land, building, etc.). The fee for registration (paid to the attorney at law or notary) is freed from the trust account. Also, the notary lawyer transfers the real property transaction tax to the tax office and transfers the purchase price to the seller.
	Cost (EUR)			44				

Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not considered official until published in the Doing Business 2021 report.

* Simultaneous with a previous procedure.

N/A - not applicable

REGISTERING PROPERTY IN AUSTRIA – QUALITY OF LAND ADMINISTRATION INDEX

	Answer	Score
Quality of the land administration index (0–30)		23 (all cities)
Reliability of infrastructure index (0–8)		7
In what format land title certificates are kept at the immovable property registry—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Scanned	1
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)? (0–1)	Yes	1
In what format cadastral plans are kept at the mapping agency—in a paper format or in a computerized format (scanned or fully digital)? (0–2)	Computer/Fully digital	2
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)? (0–1)	Yes	1
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? (0–1)	Different databases but linked	1
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties? (0–1)	Yes	1
Transparency of information index (0–6)		3
Whether information on land ownership is made publicly available without providing the title certificate number at the agency in charge of immovable property registration? (0–1)	Anyone who pays the official fee	1
Is the list of documents that are required to complete all types of property transactions made publicly available—and if so, how? (0–0.5)	Yes, online	0.5
Is the applicable fee schedule for all types of property transactions at the agency in charge of immovable property registration made publicly available—and if so, how? (0–0.5)	Yes, online	0.5
Does the agency in charge of immovable property registration formally commit to deliver a legally binding document proving ownership within a specific timeframe—and if so, how does it communicate the service standard? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration? (0–1)	No	0
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency? (0–0.5)	No	0
Are cadastral plans made publicly available? (0–0.5)	Anyone who pays the official fee	0.5
Is the applicable fee schedule for accessing maps of land plots made easily publicly available—and if so, how? (0–0.5)	Yes, online	0.5
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? (0–0.5)	No	0
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency? (0–0.5)	No	0
Geographic coverage index (0–8)		8
Are all privately held land plots in the economy formally registered at the immovable property registry? (0–2)	Yes	2
Are all privately held land plots formally registered at the immovable property registry in the measured city? (0–2)	Yes	2
Are all privately held land plots in the economy mapped? (0–2)	Yes	2
Are all privately held land plots mapped in the measured city? (0–2)	Yes	2
Land dispute resolution index (0–8)		5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties? (0–1.5)	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee? (0–0.5)	Yes	0.5
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? (0–0.5)	No	0
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)? (0–0.5)	Yes	0.5
Does the legal system require verification of the identity of the parties to a property transaction? (0–0.5)	Yes	0.5
Is there a national database to verify the accuracy of government issued identity documents? (0–1)	No	0
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)? (0–3)	Between 1 and 2 years	2
Are there publicly available statistics on the number of land disputes in the first-instance court? (0–0.5)	No	0

REGISTERING PROPERTY IN AUSTRIA – QUALITY OF LAND ADMINISTRATION INDEX (continued)

	Answer	Score
Equal access to property rights index (-2–0)		0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	0
Do married men and married women have equal ownership rights to property?	Yes	0

Source: *Subnational Doing Business* and *Doing Business* databases.

Note: Data for Vienna are not considered official until published in the *Doing Business 2021* report.

ENFORCING CONTRACTS IN AUSTRIA – TIME AND COST TO RESOLVE A COMMERCIAL DISPUTE, BY CITY

City	Time (days)				Cost (% of claim)				Quality of judicial processes index (0–18)				
	Filing and service	Trial and judgment	Enforcement of judgment	Total time	Attorney fees	Court costs	Enforcement costs	Total cost	Court structure and proceedings (-1–5)	Case management (0–6)	Court automation (0–4)	Alternative dispute resolution (0–3)	Total score (0–18)
Bregenz	20	300	105	425	14.5	6.8	1.9	23.1	3.0	4.0	2.0	2.5	11.5
Graz	30	408	110	548	15.0	6.8	3.0	24.7	3.0	4.0	2.0	2.5	11.5
Innsbruck	20	378	90	488	14.2	6.8	4.2	25.2	3.0	4.0	2.0	2.5	11.5
Klagenfurt	20	365	105	490	15.1	6.6	4.2	25.9	3.0	4.0	2.0	2.5	11.5
Linz	20	318	105	443	14.2	6.8	5.2	26.2	3.0	4.0	2.0	2.5	11.5
Salzburg	20	365	120	505	14.2	7.2	3.2	24.7	3.0	4.0	2.0	2.5	11.5
Vienna	30	363	105	498	13.6	6.5	0.5	20.6	4.5	4.0	2.0	2.5	13.0

Source: Subnational Doing Business and Doing Business databases.

Note: The cost values, expressed as % of claim, are rounded to the first decimal place. Data for Vienna are not considered official until published in the Doing Business 2021 report.

ENFORCING CONTRACTS IN AUSTRIA – QUALITY OF JUDICIAL PROCESSES INDEX

	Answer	Score
Quality of judicial processes index (0–18)		11.5 (6 cities) 13 (Vienna)
Court structure and proceedings (-1–5)		3 (6 cities) 4.5 (Vienna)
1. Is there a court or division of a court dedicated solely to hearing commercial cases? (0–1.5)	No (6 cities) Yes (Vienna)	0 (6 cities) 1.5 (Vienna)
2. Small claims court (0–1.5)		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? (0–1)	Yes	1
4. Are new cases assigned randomly to judges? (0–1)	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's? (-1–0)	Yes	0
Case management (0–6)		4
1. Time standards (0–1)		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?	Yes	
2. Adjournments (0–1)		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? (0–1)	Yes	1
4. Is a pretrial conference among the case management techniques used before the competent court? (0–1)	Yes	1
5. Are there any electronic case management tools in place within the competent court for use by judges? (0–1)	Yes	1
6. Are there any electronic case management tools in place within the competent court for use by lawyers? (0–1)	Yes	1
Court automation (0–4)		2
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court? (0–1)	Yes	1
2. Is it possible to carry out service of process electronically for claims filed before the competent court? (0–1)	No	0
3. Can court fees be paid electronically within the competent court? (0–1)	Yes	1
4. Publication of judgments (0–1)		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?	No	
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?	No	
Alternative dispute resolution (0–3)		2.5
1. Arbitration (0–1.5)		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 (0–1.5)		1
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?	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)?	No	

Source: Subnational Doing Business and Doing Business databases.

Note: Data for Vienna are not considered official until published in the Doing Business 2021 report.

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Birgit Vogt-Majarek
SCHIMA MAYER STARLINGER
RECHTSANWÄLTE GMBH

Georg Schima
SCHIMA MAYER STARLINGER
RECHTSANWÄLTE GMBH

Stefan Burischek
SCHIMA MAYER STARLINGER
RECHTSANWÄLTE GMBH

Fasch&Fuchs ZT GmbH

PUBLIC SECTOR CONTRIBUTORS

AUSTRIA

BREGENZ

Kathrin Wiederin
CITY OF BREGENZ - DEPARTMENT
FOR ORGANIZATIONAL DEVELOPMENT
AND DIGITALIZATION

Norbert Stütler
REGIONAL COURT FELDKIRCH

Ramona Kopf
REGIONAL COURT FELDKIRCH

City of Bregenz - Department
construction law

Federal Ministry of Finance

Vorarlberger Energienetze
GmbH

GRAZ

Doris Jurschitsch
CITY OF GRAZ - CONSTRUCTION
AUTHORITY

Anton Peklar
FEDERAL MINISTRY OF FINANCE

Maria Hacker-Ostermann
FEDERAL MINISTRY OF FINANCE

Andrea Altinger
REGIONAL COURT GRAZ
FOR CIVIL MATTERS

Bernhard Jauk
REGIONAL COURT GRAZ
FOR CIVIL MATTERS

Energienetze Steiermark GmbH

Graz public utility company
- Department water
management

Stromnetz Graz GmbH & Co KG

INNSBRUCK

Bernhard Zit
INNSBRUCK PUBLIC UTILITY
COMPANY - SEWER MANAGEMENT

Robert Gschleiner
INNSBRUCK PUBLIC UTILITY
COMPANY - WATER MANAGEMENT

Klaus Jennewein
REGIONAL COURT INNSBRUCK

Michael Ortner
REGIONAL COURT INNSBRUCK

Vienna business agency

KLAGENFURT

Erwin Smole
ENERGIE KLAGENFURT GmbH

Gernot Bitzan
ENERGIE KLAGENFURT GmbH

Reinhard Wimmer
ENERGIE KLAGENFURT GmbH

Andreas Gabriel
REGIONAL COURT KLAGENFURT

Gunther Schmoliner
REGIONAL COURT KLAGENFURT

Herwig Handl
REGIONAL COURT KLAGENFURT

Manuela Unegg
REGIONAL COURT KLAGENFURT

City of Klagenfurt -
Department population
management/ statistics

LINZ

Dietmar Fuchsloch
DISTRICT COURT LINZ

Ludwig Lehner
FEDERAL MINISTRY OF FINANCE

Wilfried Ritirc
FEDERAL MINISTRY OF FINANCE

Helmut Lamplmair
LINZ PUBLIC UTILITY COMPANY

Amalia Berger-Lehner
REGIONAL COURT LINZ

Franz Pilgerstorfer
REGIONAL COURT LINZ

Karin Gusenleitner-Helm
REGIONAL COURT LINZ

Linz Service GmbH

SALZBURG

Rupert Kübler
CITY OF SALZBURG

Julia Rafetseder
CITY OF SALZBURG - DEPARTMENT
ECONOMIC PROMOTION AND LAND POLICY

Kajetan Steiner
CITY OF SALZBURG - SEWER
AND WATER AUTHORITY

City of Salzburg - Department
construction law

Regional Court Salzburg

Salzburg public utility
company

VIENNA

Artur Schuschnigg
AUSTRIAN CHAMBER OF COMMERCE

Sabine Pfeil
CITY OF VIENNA

Gerhard Cech
CITY OF VIENNA - BUILDING AUTHORITY

Maria Wittmann-Tiwald
COMMERCIAL COURT OF VIENNA

Thomas Eilenberger-Haid
COMMERCIAL COURT OF VIENNA

Walter Szoky
COMMERCIAL COURT OF VIENNA

Christoph Rabenreither
DISTRICT COURT LEOPOLDSTADT

Johannes Mrázek
E-CONTROL PUBLIC REGULATOR

Sabina Eichberger
E-CONTROL PUBLIC REGULATOR

Georg Nesslinger
FEDERAL MINISTRY FOR DIGITAL
AND ECONOMIC AFFAIRS

Herbert Mikulasek
FEDERAL MINISTRY OF FINANCE

Karin Fischer
FEDERAL MINISTRY OF FINANCE

Alexander Peschetz
UBO REGISTER - FEDERAL
MINISTRY FINANCE

Nadine Wiedermann-Ondrej
UBO REGISTER - FEDERAL
MINISTRY FINANCE

Alfried Braumann
VIENNA BUSINESS AGENCY

Ursula Tauschek

Wiener Netze GmbH

www.doingbusiness.org/EU4

