



DIMENSION 2 – Access to Finance



Pre-Distributed Draft Questionnaire

- Based on the both the SEE questionnaire for this dimension and the proposed indicators and sub-dimensions of the IPPALC, SELA worked to create a draft questionnaire in Spanish for this dimension, which was disseminated to country participants for their inputs prior to this workshop.
- However, the draft questionnaire is still primarily organized by INDICATOR rather than by THEMATIC BLOCKS. Thus, it has not fully made the methodological shift to the revised methodology.
 - This intermediary version however, makes clear that questions have been developed for each proposed indicator, serving as a useful basis for discussion at this stage.
 - Upon approval of these questions, the next step would be to reorganize the questionnaire into thematic blocks for each sub-dimension.

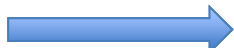


Dimension 2 – Access to Financing



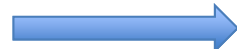
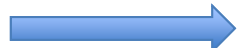
Sub-Dimension 2.1 – Legal and regulatory framework

Sub-dimension: Legal and regulatory framework	
THEMATIC BLOCK 1: CREDITOR RIGHTS	
<p>Does a legal framework on secured transactions exist? If yes, does the legal framework on secured transactions contain the following elements: secured creditors are able to seize their collateral after reorganization (no automatic stay) restrictions such as creditor consent must be observed when a borrower files for reorganization secured creditors are paid first out of proceeds of liquidation of a bankrupt firm management does not retain administration of property pending the resolution of an organisation</p>	
THEMATIC BLOCK 2: REGISTER	
<p>Does a cadastre exist in your country? If yes: Is the cadastre accessible to the public? Is the cadastre available online? Is a registration system for movable assets in place? If yes: Is the registration system for movable assets accessible to the public? Is the registration system for movable assets available online? Is ownership of the registered pledges documented? Is the record of moveable assets accessible by the public? Is the record of moveable assets available online?</p>	
OPEN QUESTIONS:	
What is the geographic coverage of the cadastre? How often is the cadastre updated? What is the geographic coverage of the record on moveable assets? How often is the record of moveable assets updated?	
THEMATIC BLOCK 3: CREDIT INFORMATION BUREAU	
<p>Does a public credit information bureau exist?</p> <p>Does a private credit information bureau exist? If yes: Do borrowers have the right to access their credit information by law?</p>	
OPEN QUESTIONS:	
If a private credit information bureau exists: Which body/institution is responsible for the supervision of the private credit information bureau? Information on what kind of credits is provided (active/passive)?	
THEMATIC BLOCK 4: BANKING REGULATIONS	
<p>Have Basel II recommendations been implemented? Have Basel III recommendations been implemented? If yes: Are these requirements strictly applied across all credit institutions?</p> <p>Can lending to SMEs be exempt from certain requirements? Do special capital requirements exist for foreign exchange leading to unhedged borrowers? Is there mandatory disclosure of the risks of foreign exchange borrowing?</p>	
OPEN QUESTIONS:	
Does regulation exist to encourage or facilitate local currency lending? If yes, what type?	
THEMATIC BLOCK 5: STOCK MARKET	
<p>Does a capital market exist in your country? If yes: Does a legal framework on capital market regulation exist? Is there a separate section or a separate market for low capitalisation firms?</p>	
OPEN QUESTIONS:	
If a capital market exists in your country: How many companies are listed? Since when has it been operational? What are the listing criteria? How is it regulated? What is the rate of market capitalization at the stock market?	



Sub-Dimension 2.2 – Efficient procedures for dealing with bankruptcy

Dimension 2 Bankruptcy and second chance	
Thematic Blocks	
Sub-dimension: Laws and procedures	
THEMATIC BLOCK 1: DESIGN AND IMPLEMENTATION	
	<p>Are there any laws or other procedures on distressed companies, receivership and bankruptcy? If yes Are the laws/procedures in line with international standards?</p> <p>Are the laws/procedures being systematically applied in a transparent way? Do the laws/procedures apply to state-owned enterprises? Do you have a formal bankruptcy and insolvency register?</p> <p>Are early-warning systems in place to identify financially distressed companies before filing for bankruptcy? Are out-of-court settlements available as a less expensive alternative to filing for bankruptcy? Do you have formal procedures for discharge from bankruptcy?</p> <p>If yes Does the legislation or equivalent specify a maximum time for full discharge? If a maximum time for full discharge is specified, is it within a maximum of 3 years after final court decision? Is removal from bankruptcy register automatic after full discharge? Is removal from national credit black list automatic after full discharge?</p> <p>Does a legal framework on secured transactions exist? Does the legal framework on secured transactions contain the following elements: secured creditors are able to seize their collateral after reorganisation (no automatic stay) restrictions such as creditor consent must be observed when a borrower files for reorganisation secured creditors are paid first out of proceeds of liquidation of a bankrupt firm management does not retain administration of property pending the resolution of organisation</p> <p>What priority take tax debts over any other debt in bankruptcy? Can tax debts be paid in instalments?</p>
	<p>THEMATIC BLOCK 2: PERFORMANCE (World Bank Doing Business Indicators)</p> <p>What is the average time of insolvency proceedings? What is the average cost (% of the estate) of insolvency proceedings? What is the recovery rate (cents on the dollar)?</p>
	<p>OPEN QUESTIONS:</p> <p>To what extent has the backlog of cases on distressed companies, receivership and bankruptcy been reduced?</p> <p>To what extent have distressed company, receivership and bankruptcy legislation been applied to state-owned enterprises? What is the maximum time for full discharge?</p>
Please provide a self-assessed level for sub-dimension: Laws and procedures	
Sub-dimension: Promoting second chance	
(no thematic block)	
	<p>Does the government have an overall national strategy to promote second chance to entrepreneurs?</p> <p>Does the government have an information campaign on promoting second chance? Are there any public measures at local or regional levels? If yes Do these measures take place in a co-ordinated manner?</p> <p>Is information on second chance procedures available online through the government website? Is there any training provided to entrepreneurs on starting fresh?</p>
	<p>OPEN QUESTIONS:</p> <p>Which type of information on the second chance is provided to entrepreneurs? What type of training on starting fresh is available? Who is the training available to?</p>

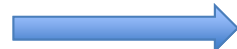
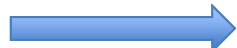


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	Who is the training available to?



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Sub-Dimension 2.3 – Sources of financing for SMEs

- The proposed IPPPALC sub-dimension 2.3 Sources of financing for SMEs has a *somewhat complex match* in the SEE version of this dimension – in the SEE Index, there are three separate sub-dimensions that correspond to specific categories of financing for SMEs:
 - 1. “Sources of external financing – Bank financing”
 - 2. “Sources of external financing –Non-banking financing”
 - 3. “Venture capital ecosystem”
- As the proposed LAC indicators also cover these three areas, we would suggest following the SEE example and splitting this sub-dimension into three separate sub-dimensions:
 - “Sources of external financing – Bank financing”
 - Credit guarantees
 - Credit ratings for SMEs – would need to add in questions
 - Securities markets - would need to add in questions
 - “Sources of external financing –Non-banking financing”
 - Microfinance
 - Leasing
 - “Venture capital ecosystem”
 - Venture capital
 - Investment angels



Sub-Dimension 2.3 – Sources of external finance – bank financing

Sub-dimension: Sources of external finance – Bank financing

THEMATIC BLOCK 1: BANKING LENDING PRACTICES AND CONDITIONS

see statistics

ADDITIONAL QUESTIONS:

Which of the following incentive mechanisms exist in SME lending:

- Subsidised funding to banks for on-lending
- Interest rate caps
- Interest rate subsidies
- Other (please specify)

THEMATIC BLOCK 2: CREDIT GUARANTEE SCHEMES

Does a public and/or public-private credit guarantee scheme exist in your country?

If yes **Does the private sector participate in the management of the public or private/public credit guarantee schemes?**

Do the credit guarantee schemes offer further complementary services?

Do the credit guarantee schemes offer assistance and training programmes for SMEs?

Does an independent monitoring of the credit guarantee schemes take place?

OPEN QUESTIONS:

Does the government inform entrepreneurs about the possible sources of external finance for SMEs?

If you have credit guarantee schemes:

What kind of credit guarantee schemes are they? Please provide details of the recipients and sources of funding

What does the shareholder and governance structure look like?

How are they supervised?

How are they evaluated?

How often are they monitored?

What does the mechanism for recovering non-performing loans look like?

Who is responsible for the decision to offer a loan under a credit guarantee scheme?



Sub-Dimension 2.3 – Sources of external finance – Non-bank financing

Sub-dimension: Sources of external finance – Non-banking financing

THEMATIC BLOCK 1: MICROFINANCE INSTITUTIONS

Is there a legal framework for microfinance in place?
Do microfinance facilities exist in your country?

If yes | How are microfinance facilities funded?

| Is data collected on the use of microfinance products within your economy?

THEMATIC BLOCK 2: SAVINGS AND LOAN ASSOCIATIONS (SLAs)

Is there a legal framework for SLAs in place?

Do SLAs exist in your country?

If yes | How are SLAs funded?

| Is data collected on the use of SLAs within your economy?

THEMATIC BLOCK 3: LEASING

Does legislation on regulating leasing activities exist in the country?

Does a central institution (e.g. regulator) oversee all leasing activities within the country?

THEMATIC BLOCK 3: FACTORING

Is there a legal framework regulating factoring activities?

Are factoring services offered within the country?



Sub-Dimension 2.3 – Sources of external finance – Venture capital ecosystem

Sub-dimension: Venture capital ecosystem

THEMATIC BLOCK 1: LEGAL FRAMEWORK

Is there a regulatory framework specifically targeting start-ups or VC activities in place?
Has the government carried out a review of the regulatory framework to address the needs of the private venture capital funds operating in the country?

Has there been a review for obsolete regulations that may hinder VC establishment or functioning?
If yes | Have obsolete regulations been eliminated?

Are there restrictions for institutional investors (pension funds, insurance companies) to invest in VC funds?

To exit from venture capital/private equity funds, is the stock exchange with clear opportunities for initial public offerings (IPOs) an available option?

THEMATIC BLOCK 2: DESIGN AND IMPLEMENTATION OF GOVERNMENT ACTIVITIES

Is there a government programme to stimulate venture capital through financial or other incentives?

Has a review been carried out of the existing venture capital activities in the country?
Does the government provide tax relief on investments in new venture capital corporations?
Does a business angel network exist in your economy?

If yes | Is the government promoting business angel networks and activities to potential investors?
Are there financial incentives for business angel activities?
Are public funds used to enlarge the seed capital pool of business angel networks?
Are venture capital funds required to disclose aspects of their operations?
Is protection for minority shareholders provided in legislation?

THEMATIC BLOCK 3: MONITORING AND EVALUATION

Are the stimulation measures for venture capital activities provided by the government being regularly monitored?

Are stimulation measures for venture capital activities provided by the government evaluated?
Do such evaluations lead to an adaptation of stimulation measures?

OPEN QUESTIONS:

If there is a government programme to stimulate venture capital through financial or other incentives, what is the budget of such a programme (in Euro)?



Sub-Dimension 2.4 – Favourable tax environment for investment

- The proposed IPPALC sub-dimension 2.4 Favourable tax environment does **NOT** have a clear match in the SEE version of this dimension. New questions were thus developed by SELA in the draft IPPALC questionnaire.



Sub-Dimension 2.5 – Financial education

Sub-dimension: Financial literacy

THEMATIC BLOCK 1: PLANNING, DESIGN and IMPLEMENTATION

Has the government assessed the SME population's level of financial literacy?

Does the government have a communication plan on financial literacy?

Are there any financial literacy trainings organised by the government in place?

If yes | **Do they provide SMEs with access to information on types of financing available for them?**

Do they provide SMEs with access to information on equity financing?

How is information on financial literacy programmes available?

Is financial education included into the secondary school curriculum?

If yes | **Are professional training courses available for teachers delivering financial education in secondary**

Are there standards for private providers of financial literacy education?

THEMATIC BLOCK 2: MONITORING AND EVALUATION

Are the financial literacy government schemes being regularly monitored?

Are the programmes under the financial literacy government schemes regularly evaluated?

Is data being collected on whether financial literacy programmes are increasing the number of SMEs using equity financing?

OPEN QUESTIONS:

How many entrepreneurs participate in the financial literacy programmes (annually)?

Which programmes under the financial literacy government schemes are the most used?

Are there minimal levels of turnover for requiring specific financial reporting standards?

