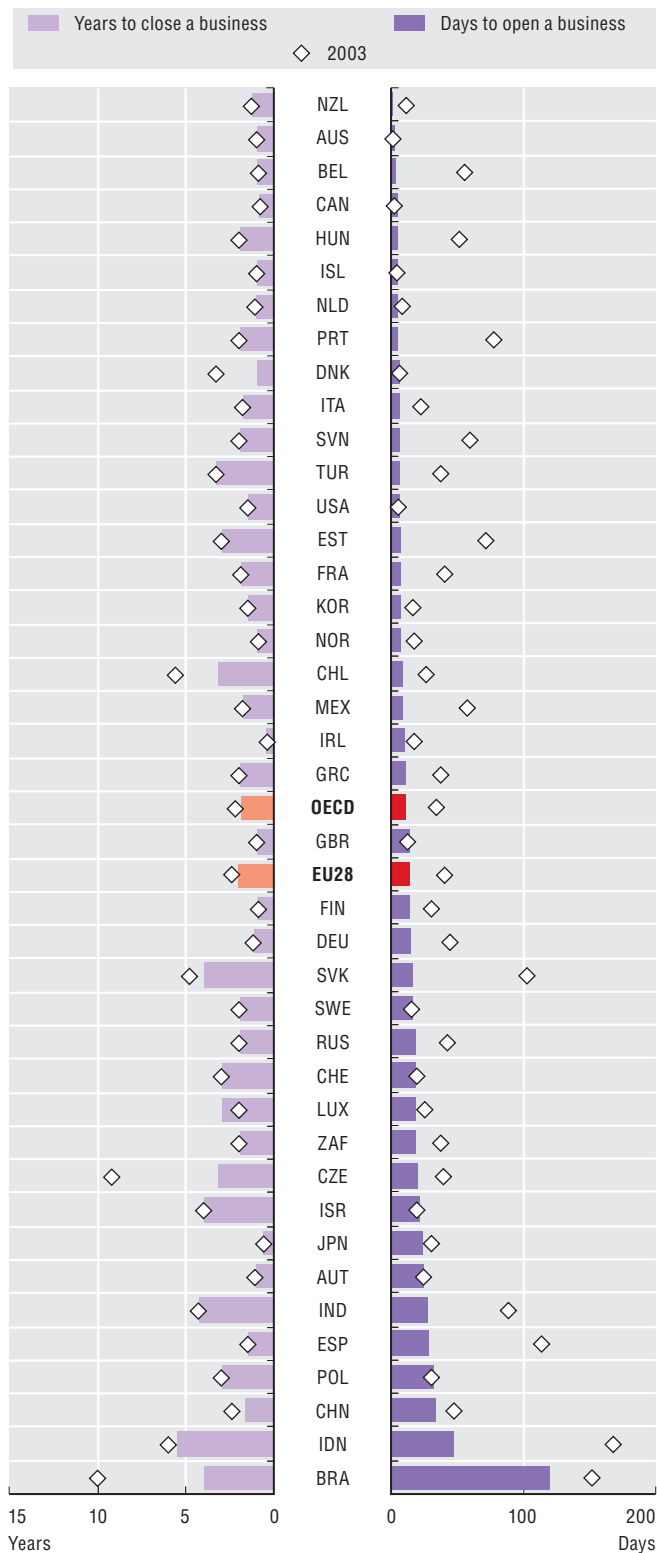


12. Policy environment

Time needed to open and close a business, 2003 and 2012



Source: World Bank, Doing Business Database, June 2013. See chapter notes.

StatLink <http://dx.doi.org/10.1787/888932893031>

The policy environment plays an important role in keeping efficient firms in existence, encouraging the creation of new firms and promoting healthy competition in the economy. The entry and growth of new firms are important for an economy, as is their adaptability to changes in the economy and their ability to exit when necessary. Less red tape facilitates business creation and good insolvency regimes reduce the stigma of bankruptcy for firms and individuals and encourage entrepreneurs to take risks and innovate. A proxy measure of such policy settings is the time required to open and close a business. Days needed to open a business have decreased in most countries since 2003, while the years required to close a business remained rather stable.

A high-quality regulatory framework allows businesses to enter the market and grow. During the last decade, most OECD countries have lowered barriers to entrepreneurship.

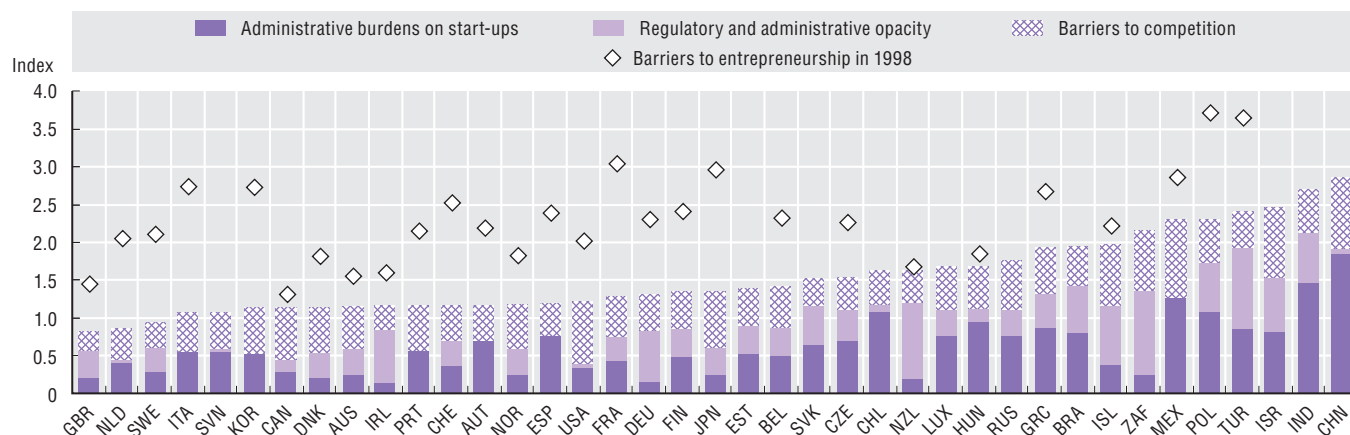
Individuals' decisions to start a business are also affected by taxes and tax policy: general taxes (personal income, corporate and capital gain tax rates, social security contributions) and targeted tax policies (tax incentives for start-ups, young firms, and small and medium-sized enterprises). OECD analysis finds that reducing top marginal personal income tax rates raises productivity in industries with potentially high rates of enterprise creation.

Definitions

*Time required to open a business* is the number of calendar days needed to complete the procedures to operate a business legally. If a procedure can be speeded up at additional cost, the fastest procedure is chosen independent of cost. *Time required to close a business* is the average number of years to close a business. Information is collected on the sequence of procedures and on whether any procedures can be carried out simultaneously. The *barriers to entrepreneurship* indicator measures regulations affecting entrepreneurship on a scale of zero to six; lower values suggest lower barriers. The index is composed of barriers to competition (legal barriers, antitrust exemptions, barriers in network sectors and in retail and professional services); regulatory and administrative opacity (licences, permits, simplicity of procedures); and the administrative burden for creating new firms. The *marginal tax rate* covers employees' and employers' social security contributions and personal income tax. The *corporate income tax rate* is the statutory tax rate applicable to incorporated businesses. It combines the central and sub-central (statutory) corporate income tax rate.

## Barriers to entrepreneurship, 2008

Scale of 0 to 6 from least to most restrictive

Source: OECD, Product Market Regulation Database, [www.oecd.org/economy/pmr](http://www.oecd.org/economy/pmr), June 2013.StatLink <http://dx.doi.org/10.1787/888932893050>

## Taxation on corporate income and personal income, 2012

Source: OECD (2013), *Taxing Wages 2011-2012*, OECD Publishing. See chapter notes.StatLink <http://dx.doi.org/10.1787/888932893069>

## Measurability

Product market regulations (PMR) indicators are quantitative indicators derived from qualitative information on laws and regulations that can affect competition. The qualitative information mainly comes from a questionnaire addressed to national administrations. Higher-level (composite) indicators, such as the barrier to entrepreneurship indicator, are calculated as weighted averages of lower-level indicators using equal weights for aggregation. The next update of the PMR indicators is expected by the end of 2013. Personal income taxes and the difference between the treatment of self-employment income and wage income affect individuals' decision to start a business. Corporate taxes determine after-tax returns on investment and therefore drive firms' investment decisions. Personal income tax rates on gross wage income are calculated in the OECD Taxing Wages framework, which allows for international comparability across countries.

#### **Cyprus**

The following note is included at the request of Turkey:

“The information in this document with reference to ‘Cyprus’ relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognizes the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the ‘Cyprus issue’.”

The following note is included at the request of all the European Union Member States of the OECD and the European Union:

“The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.”

#### **Israel**

“The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities or third party. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

“It should be noted that statistical data on Israeli patents and trademarks are supplied by the patent and trademark offices of the relevant countries.”

### 5.1. Mixed modes of innovation

#### **General notes for all figures:**

For Australia, data refer to financial year 2010/11 and include product, process, marketing and organisational innovating firms (including ongoing or abandoned innovation activities).

For Brazil, data refer to 2006-08. Only the following activities are included in the services sector: ISIC Rev.4 Divisions 58, 61, 62 and 72.

For Canada, data refer to 2007-09 and to firms with 20 or more employees and with at least CAD 250 000 in annual revenue in 2009. Firms with ongoing or abandoned innovation activities are not identified. The industries covered are NAICS (2007) 31-33, 41, 48, 49, 51, 52 and 54.

For Chile, data refer to 2009-10 and to firms with more than UF 2 400 in annual revenue. Data include product, process, organisational and marketing innovating firms. Ongoing or abandoned innovative activities are not identified. The industries covered are based on ISIC Rev.3.1 and include a wider range of activities than the CIS, such as agriculture, forestry, fishing, construction and some services.

For Israel, data refer to 2006-08.

For Japan, data refer to financial years 2009/10 and 2010/11. Data are provisional estimates.

For New Zealand, data refer to financial years 2009/10 and 2010/11, and to firms with six or more employees with an annual goods and services tax (GST) turnover figure greater than NZD 30 000. Data refer to product, process, organisational and marketing innovating firms (including ongoing or abandoned innovation activities).

For the Russian Federation, data refer to 2009-11 and to firms with 15 or more employees. The industries covered are based on NACE Rev.1.1 and include manufacturing (D), and services (64, 72, 73, 74).

For South Africa, data refer to 2005-07 and to firms with 20 or more employees, with a minimum turnover of between ZAR 3 million and ZAR 6 million depending on the industry. Data also include the retail trade sector.

#### **Additional notes:**

##### **Innovation types by firm size, 2008-10 and;**

##### **Types of innovation in the manufacturing sector, 2008-10**

For Korea, data refer to 2005-07 and to firms with more than 10 employees in the manufacturing sector. Product innovation only covers innovation for goods.

## 5.2. Broader innovation

### General notes for all figures:

For Chile, data refer to 2009-10 and to firms with more than UF 2 400 in annual revenue. Data include product, process, organisational and marketing innovating firms. Ongoing or abandoned innovative activities are not identified. The industries covered are based on ISIC Rev.3.1 and include a wider range of activities than the CIS, such as agriculture, forestry, fishing, construction and some services.

For Israel, data refer to 2006-08.

For Japan, data refer to financial years 2009/10 and 2010/11. Data are provisional estimates.

For South Africa, data refer to 2005-07 and to firms with 20 or more employees, with a minimum turnover of between ZAR 3 million and ZAR 6 million depending on the industry. Data also include the retail trade sector.

### Additional notes:

#### Firms innovating in goods and services, manufacturing and services, 2008-10

For the United States, data refer to firms with more than five employees.

#### Product innovation, by R&D status, 2008-10 and;

##### R&D-active firms, manufacturing and services, 2008-10

For Brazil, data refer to 2006-08. Only the following activities are included in the services sector: ISIC Rev.4 Divisions 58, 61, 62 and 72.

For New Zealand, data refer to financial years 2009/10 and 2010/11, and to firms with six or more employees with an annual goods and services tax (GST) turnover figure greater than NZD 30 000. Data refer to product, process, organisational and marketing innovating firms (including ongoing or abandoned innovation activities).

For the Russian Federation, data refer to 2009-11 and to firms with 15 or more employees. The industries covered are based on NACE Rev. 1.1 and include manufacturing (D), and services (64, 72, 73, 74).

For Switzerland, data refer to 2009-11.

#### Product innovation, by R&D status, 2008-10

For Korea, data refer to 2005-07 and to firms with more than 10 employees in the manufacturing sector. Product innovation only covers innovation for goods.

For Spain, R&D status corresponds to 2010 only.

For the United States, data refer to firms with more than five employees.

#### R&D-active firms, manufacturing and services, 2008-10

For Australia, data refer to financial year 2010/11 and include product, process, marketing and organisational innovating firms (including ongoing or abandoned innovation activities).

## 5.3. Public support to innovation

### Government-financed R&D in the business sector, by firm size, 2011

National statistical agencies use different minimum thresholds for inclusion in R&D surveys. For reporting estimates, there are slight variations in the definition of small and medium-sized firms. Small firms (fewer than 50 employees): for Belgium, 1-49 employees; for the United States, 5-49 employees; for Luxembourg, the Netherlands and Sweden, 10-49 employees. For Japan, the survey excludes firms with capital of less than JPY 10 million.

For Australia, Chile, France, Italy, Portugal, Spain, the United Kingdom and the United States, data refer to 2010.

For Austria, Belgium, Canada, Denmark, Germany, Luxembourg, the Netherlands and Sweden, data refer to 2009.

For Switzerland, data refer to 2008.

### General notes:

#### Firms receiving public support for innovation, by firm size, 2006-08 and 2008-10 and;

##### Firms receiving public support for innovation, manufacturing and services, 2008-10

For Australia, data refer to financial year 2010/11 and include product, process, marketing and organisational innovating firms (including ongoing or abandoned innovation activities).

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### Notes and References

For Brazil, data refer to 2006-08. Only the following activities are included in the services sector: ISIC Rev.4 Divisions 58, 61, 62 and 72.

For Chile, data refer to 2009-10 and to firms with more than UF 2 400 in annual revenue. Data include product, process, organisational and marketing innovating firms. Ongoing or abandoned innovative activities are not identified. The industries covered are based on ISIC Rev.3.1 and include a wider range of activities than the CIS, such as agriculture, forestry, fishing, construction and some services.

For Israel, data refer to 2006-08 and to public support for R&D.

For Japan, data refer to financial years 2009/10 and 2010/11. Data are provisional estimates.

For the Russian Federation, data refer to 2009-11 and to firms with 15 or more employees. The industries covered are based on NACE Rev.1.1 and include manufacturing (D), and services (64, 72, 73, 74).

#### Additional notes:

##### Firms receiving public support for innovation, by firm size, 2006-08 and 2008-10

For Austria and United Kingdom, data refer to 2006-08.

For Canada, data refer to 2002-04 and 2007-09 and to firms with 20 or more employees and with at least CAD 250 000 in annual revenue in 2009. Firms with ongoing/abandoned innovation activities are not identified. Data refer only to grants and tax credit programmes across all levels of government. The industries covered are NAICS (2007) 31-33, 41, 48, 49, 51, 52 and 54 for 2007-09 and manufacturing only for 2002-04.

For Mexico, data refer to 2008-09 and to firms with 20 or more employees. The industries covered are based on ISIC Rev.3.1 and include a wider range of activities, such as agriculture, construction and some services.

For Slovenia, the periods are 2004-06 and 2008-10.

For South Africa, data refer to 2005-07 and to firms with 20 or more employees, with a minimum turnover of between ZAR 3 million and ZAR 6 million depending on the industry. Data also include the retail trade sector.

For Switzerland, the periods are 2006-08 and 2009-11.

##### Firms receiving public support for innovation, manufacturing and services, 2008-10

For Switzerland, data refer to 2009-11.

### 5.4. The IP “bundle”

#### IP bundle of top 20 applicants, 2010-12

According to the European Patent Convention (EPC) “The grant of a European patent may be requested for one or more of the Contracting States” (Article 3). The 14th Edition of the EPC, published in August 2010, has 38 contracting states, i.e. the EU28 and AL, CH, IS, LI, MC, MK, NO, RS, SM, TR (see [http://documents.epo.org/projects/babylon/eponet.nsf/0/7bacb229e032863dc12577ec004ada98/\\$FILE/EPC\\_14th\\_edition.pdf](http://documents.epo.org/projects/babylon/eponet.nsf/0/7bacb229e032863dc12577ec004ada98/$FILE/EPC_14th_edition.pdf)). European patents generally have a maximum duration of 20 years from the date of filing of the application and cannot be renewed.

The Community trademark (CTM), administered by OHIM, has a unitary character and is valid throughout the European Community. After any enlargement of the European Union CTMs registered or applied for are automatically extended to the new member states without formality or fee. The CTM system coexists with national systems (see <http://oami.europa.eu/ows/rw/pages/CTM/legalReferences/regulations.en.do> for more detail). CTMs are valid for 10 years and can be renewed indefinitely for periods of ten years. They must be put to genuine use in the European Community within a period of five years following registration. Otherwise, they are revoked.

Registered Community designs (RCD) also have a unitary character and are valid in the European Union as a whole. It is not possible to limit the geographic scope of protection to certain member states. An RCD initially has a life of five years from the date of filing and can be renewed for periods of five years up to a maximum of 25 years (see <http://oami.europa.eu/ows/rw/pages/RCD/legalReferences/regulations.en.do>).

#### Top two trademark application fields, by country, 2009-11

Distribution of classes designated in design applications filed at OHIM, WIPO and national offices (direct applications and applications via the Madrid system).

The following aggregated fields based on the Nice Classification are used: Chemicals: classes 1, 2 and 4; Construction: classes 6, 17, 19, 27 and 37; Tools and machines: classes 7 and 8; Agricultural products: classes 29, 30, 31, 32, 33 and 34; Furniture and household goods: classes 11, 20 and 21; Leisure and education: classes 13, 15, 16, 28 and 41; Health, pharma and

cosmetics: classes 3, 5, 10 and 44; Transport: classes 12 and 39; R&D: class 42; Clothes, textiles and accessories: classes 14, 18, 22, 23, 24, 25 and 26; Advertising and business services: classes 35, 36 and 45; ICT and audiovisual: classes 9 and 38; Hotels, restaurants and other services: classes 40 and 43.

### Top two design application fields, by country, 2009-11

Distribution of classes designated in design applications filed at OHIM, WIPO and national offices (direct applications and applications via the Hague system).

The following aggregated fields based on the Locarno Classification are used: Furniture and household goods: classes 6, 7 and 30; Clothes, textiles and accessories: classes 2, 3, 5 and 11; Tools and machines: classes 4, 8, 10 and 15; Health, pharma and cosmetics: classes 24 and 28; Leisure and education: classes 17, 19, 21 and 22; Agricultural products and food preparation: classes 1, 27 and 31; Construction: classes 23, 25 and 29; ICT and audiovisual: classes 14, 16 and 18; Electricity and lightning: classes 13 and 26; Advertising: classes 20 and 32; Transport: class 12; Packaging: class 9.

## 5.5. Trademarks

### Top 20 trademark applicants, 2009-11 average

Counts are presented according to the application date and the address of the applicant. Economies are ordered according to USPTO figures.

Figures from national trademark offices are not fully comparable as some offices use single-class systems (Mexico, Brazil, China, South Africa), whereas most offices have a multi-class system. Some offices have recently been moving from a single-class to a multi-class system (e.g. the Israeli Patent Office adopted a multi-class trademark system in 2010).

### Trademark applications by BRIICS countries, 2000-02 and 2009-11 averages

Counts are presented according to the application date and the residence of the applicant.

For Brazil, national trademark office figures refer to 2000-02 and 2009-10.

For Indonesia, national trademark office figures refer to 2001-02 and 2009-11.

Figures from national trademark offices are not fully comparable as some offices use single-class systems (Brazil, China, South Africa) whereas others have adopted a multi-class system (India, the Russian Federation). Some offices have recently been moving from a single-class to a multi-class system (e.g. Indonesia, where multi-class applications have been accepted since 2007).

### Share of goods and services trademark applications at USPTO, OHIM and JPO, 2010-12

The shares are calculated as the proportion of trademark applications designating only goods classes (classes 1 to 34 of the Nice Classification), only service classes (classes 35 to 45 of the Nice Classification), or both goods and services classes.

Data from JPO are up to May 2012. The average number of trademark applications refers to 2010-11 for JPO.

## 5.6. Knowledge-asset-related trademarks

### IP-transaction-related trademarks, 2004-07 and 2009-12

IP transactions-related trademarks refer to trademark applications designating class 45 of the Nice Classification and containing keywords related to IP transactions in the goods and services description (complete list of keywords available on demand).

Counts are presented according to the filing date and applicant's address. The top 20 applicants correspond to the economies with the largest number of IP transactions-related trademark applications at OHIM and USPTO in 2009-12. Economies are ordered according to OHIM 2009-12 figures.

### R&D-related trademarks, 2004-07 and 2009-12

R&D-related trademarks refer to trademark applications designating class 42 of the Nice Classification. ICT-related R&D trademarks refer to trademark applications designating class 42 of the Nice Classification and containing ICT-related keywords in the goods and services description (complete list of keywords available on demand).

Counts are presented according to the filing date and applicant's address. The top 20 applicants correspond to the economies with the largest number of R&D-related trademark applications at OHIM and USPTO. Economies are ordered according to OHIM 2009-12 figures.



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### Notes and References

#### ICT-related trademarks, 2004-07 and 2009-12

ICT-related trademarks refer to trademark applications designating classes 9, 28, 35, 38, 41 and/or 42 of the Nice Classification and containing ICT-related keywords in the goods and services description (complete list of keywords available on demand).

Counts are presented according to the filing date and applicant's address. The top 20 applicants correspond to the economies with the largest number of ICT-related trademark applications at OHIM and USPTO. Economies are ordered according to OHIM 2009-12 figures.

### 5.7. Registered designs

#### Number of designs by Locarno class, 2006-08 and 2010-12

Number of individual designs contained in Community designs registered in each class of the Locarno Classification.

Class 32 (Graphic symbols and logos, surface patterns, ornamentation) has been included in the Locarno Classification since the ninth edition, which entered into force at OHIM in January 2009.

#### Transport-related designs, 2010-12

Figures are calculated using fractional counts of the Locarno classes mentioned in the design registration.

Transport designs correspond to class 12 of the Locarno Classification. Ships and boats correspond to subclass 12-06; Aircraft and space vehicles to subclass 12-07; Cars to subclass 12-08; and Cycles and motorcycles to subclass 12-11.

#### ICT and audiovisual-related designs, 2010-12

Figures are calculated using fractional counts of the Locarno classes mentioned in the design registrations.

Data processing and recording equipment correspond to the Locarno subclasses 14-01, 14-02 and 14-04; Communication devices correspond to subclass 14-03; Audiovisual devices correspond to class 16. Total ICT and audiovisual designs correspond to designs in classes 14, 16 and 18.

### 5.8. Trademarks and patents

#### General notes for all figures:

Firms with trademarks are firms that registered at least one trademark at the Office for Harmonization of the International Market (OHIM) or at the United States Patent and Trademark Office (USPTO) in 2009-11. Firms with patents are firms that filed at least one patent application at the European Patent Office (EPO) or at the USPTO in 2009-11.

Firms were linked to the ORBIS© database, using combinations of string matching algorithms that maximise the precision of the match. Only countries with matching rates above 80% of trademark and patent filings over 2000-11 are included, except for trademark filings of Canada (70%) and the United States (76%).

#### Additional notes:

#### Top two industries with trademarks and patents by country, 2009-11

Countries are listed according to the share of firms with trademarks in the top two trademarking industries.

#### Firms with trademarks and patents, by size, 2009-11

Only countries for which ORBIS© employment data were available for at least 45% of firms with patents or trademarks are included.

Countries are listed according to the share of firms with 20 to 49 employees among firms with trademarks.

### 5.9. Entry, exit and survival

#### Employer enterprise birth and death rates in the manufacturing sector, 2010

Birth rates: For Mexico, Sweden and Switzerland, data refer to 2008; for Brazil, Canada, Estonia, France and Slovenia, data refer to 2009 and for Israel, Korea, New Zealand and the United States, data refer to 2011.

Death rates: For Belgium, data refer to 2007; for Brazil and Canada data refer to 2008 and for the Czech Republic, Estonia, France, Israel and Slovenia, data refer to 2009.

Data are compiled according to ISIC Rev.4 except for Belgium, Israel, Mexico and the United States, which refer to ISIC Rev.3.

#### **Employer enterprise birth and death rates in the services sector, 2010**

Birth rates: For Mexico, Sweden and Switzerland, data refer to 2008; for Canada, Estonia, France and Slovenia, data refer to 2009 and for Israel, Korea, New Zealand and the United States, data refer to 2011.

Death rates: For Belgium, data refer to 2007, for Canada, data refer to 2008 and for the Czech Republic, Estonia, France, Israel and Slovenia, data refer to 2009.

Data are compiled according to ISIC Rev.4 except for Belgium, Israel, Mexico and the United States, which refer to ISIC Rev.3.

### 5.10. Firm employment dynamics

#### **General notes for all figures:**

Calculations are based on preliminary results from the OECD DYNEMP project.

Owing to methodological differences, figures may differ from those officially published by national statistical offices.

Establishments and firms that appear only for one year are excluded.

Mergers and acquisitions are not taken into account in determining firm age and firm exit.

The shares are calculated as shares of total employment, job destruction and job creation.

For Austria, data are at the establishment level.

For Austria, Italy, Luxembourg and Sweden, data refer to 2001-10.

For Brazil, data refer to 2002-10

For France, data refer to 2002-07.

For New Zealand, data refer to 2001-09.

For Spain, data refer to 2003-09.

#### **Additional notes:**

#### **Employment, job creation and job destruction in young and mature firms, 2001-11 and;**

#### **Employment, job creation and job destruction in young firms, manufacturing, 2001-11**

For Japan, data are at the establishment level, refer to 2001-09 and cover the manufacturing sector only.

### 5.11. Access to capital

#### **Venture capital investment, 2012**

Data correspond to the aggregation of investment data according to the location of the portfolio companies (i.e. the investee companies), regardless of the location of the private equity firms. Exceptions are Australia, Korea and Japan for which data refer to the location of the investing venture capital firms.

The early stage includes: for Australia, pre-seed and seed, and start-up stage; for Canada and European countries, seed and start-up, and other early stage; for Israel, seed/start-up and early stage/expansion stage; for Japan, seed and early stage, and expansion stage; for the United States, seed and early stage.

The later stage includes: for Australia, early expansion stage; for Canada, expansion stage; for the United States, expansion/late stage.

Korea, New Zealand, the Russian Federation and South Africa do not provide breakdowns of venture capital by stage that would allow meaningful international comparisons.

Data providers are: EVCA (European countries), ABS (Australia), CVCA (Canada), KVCA (Korea), NVCA (United States), NZVCA (New Zealand), PwC MoneyTree (Israel), RVCA (Russian Federation), SVCA (South Africa) and VEC (Japan).

For Canada and New Zealand, data refer to 2010.

For Australia, Estonia, Greece, Israel, Japan, Korea, the Russian Federation, Slovenia, South Africa, Switzerland and the United States, data refer to 2011.

#### **SME loans, 2007 and 2011**

For Norway, the Slovak Republic and Sweden, data refer to 2010.



#### 5.12. Policy environment

##### Time needed to open and close a business, 2003 and 2012

For Iceland, data refer to 2004 and 2012.

For Luxembourg, data refer to 2006 and 2012.

##### Taxation on corporate income and personal income, 2012

Marginal tax rate, covers employees' and employers' social security contributions and personal income tax, with respect to a change in gross labour costs. It is given for a single person without dependent, at 167% of the average wage earner/average production worker. It assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

The marginal rates are expressed as a percentage of gross labour costs.

Corporate income tax shows the basic combined central and sub-central (statutory) corporate income tax rate given by the adjusted central government rate plus the sub-central rate.

Notes on the statutory corporate income tax (CIT) rate:

For Australia, New Zealand and the United Kingdom, all with a non-calendar tax year, the rates shown are those in effect as of 1 July, 1 April and 5 April, respectively.

In Belgium, the effective CIT rate can be substantially reduced by a notional allowance for corporate equity (ACE).

In Chile, the Tax Reform Law (September 2012) permanently increased the Corporate Income Tax rate to 20%.

In Estonia, since 1 January 2000, the corporate income tax is levied on distributed profits.

For France, the rates include a surcharge (the turnover based solidarity tax, *Contribution de solidarité*), but exclude i) the local business tax (*Contribution économique territoriale*, a new tax replacing the former *Taxe professionnelle* from 1 January 2011) and ii) the 5% temporary surtax applied to the standard corporate income tax liability for large companies with a turnover exceeding EUR 250 million.

For Germany, the rates include the regional trade tax (*Gewerbesteuer*) and the surcharge.

For Hungary, the rates do not include the turnover-based local business tax, the innovation tax, temporary sectoral taxes on corporations in the financial sector, energy sector, telecommunication and retail sectors.

In Iceland in late 2011, the Icelandic Parliament passed Act No. 165/2011 on a new financial activities tax (FAT) as part of a general set of measures aimed at increasing tax revenues. The FAT, collected from financial institutions and insurance companies (excluding pension funds), has two components: i) a levy on total remuneration paid to employees at a rate of 5.45% and ii) a special income tax of 6% on institutions' corporate income tax base in excess of ISK 1 billion.

In Israel, under the VAT law, financial institutions pay taxes on the combination of their wages and salaries and their profits. These amounts are deductible from profits in the assessment of corporate income tax.

For Italy, these rates do not include the regional business tax (*Imposta Regionale sulle Attività Produttive*; IRAP).

In Luxembourg, the contribution to the unemployment fund is 5%.

In the Netherlands, the CIT applies to taxable income over EUR 200 000.

In Poland, there is no sub-central government tax; however local authorities (at each level) participate in a given percentage of tax revenue.

Portugal has a state surtax since 2011. In 2012, the surtax was set at 3% for taxable profits above EUR 1.5 million and at 5% for taxable profits above EUR 10 million.

For Switzerland, church taxes, which enterprises cannot avoid, are included.

Note on the marginal personal income tax rate:

For Turkey, wage figures are based on the old definition of average worker (ISIC, Rev.3, D).

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