Register laws

Below is a description of the criteria for registering a branch of a foreign company in Lebanon. For more on different types of registration, see our complete list on <u>How to Register a Company in Lebanon</u>.

Foreign companies are governed by the Code of Commerce. The company is considered foreign if its head office is established outside Lebanon. If the head office is located in Lebanon, the company is considered of Lebanese nationality.

Companies that enjoy legal personality in other countries will have in Lebanon the same rights as natural foreign persons. These companies may conduct commercial activities in Lebanon, execute all contracts and refer matters to Lebanese courts.

OBLIGATIONS OF FOREIGN COMPANIES

Foreign companies are subject to the following obligations in Lebanon:

- 1. Compliance with the Lebanese laws and regulations of the Lebanese public order.
- 2. Registration at the Registrar of Commerce.
- 3. Foreign joint stock and limited liability companies should make a declaration to the Ministry of Economy and Trade if they intend to open one or several branches in Lebanon.
- 4. The declaration should note the company's name, the address of the head office and the value of the capital. It must be joined with one original and one copy of the company's articles.
- 5. Foreign companies should name one or several agents authorized to sign for the company, and to represent it before all the courts.
- 6. Amendments to the articles, the increase or decrease of the capital, the designation of new agents, merger with other companies, the dissolution and the bankruptcy of the company are to be signaled to the Ministry.

RIGHTS OF BRANCHES OF FOREIGN COMPANIES

Branches of foreign companies when duly registered may operate exactly as Lebanese companies. They can conduct business in the Middle East and establish a head office in Beirut to control the activities in other countries. These companies will profit from the free exchange system in Lebanon and the evolution of commercial, economic and industrial activities that encourage all foreign investments in the region.

OBLIGATIONS OF BRANCHES OF FOREIGN COMPANIES

Branches of foreign companies are subject to various obligations in Lebanon:

- 1. Compliance with Lebanese laws and regulations in particular Social Security, Taxation and Employment Acts.
- 2. Registration at the National Social Security Office, the Employment Department at the Ministry of Labor and in the Income Tax Department at the Ministry of Finance within one month as of the date of incorporation and registration.
- 3. Maintenance of accounting books and preparation of balance sheets and all other documents required by the law.
- 4. Any dispute arising from or in connection with contracts signed and executed in Lebanon shall be settled by Lebanese courts.

To establish a branch of a foreign company in Lebanon, different procedures are to be adopted and the following documents should be prepared to be presented to the Ministry of Economy and Trade.

I. REQUIRED DOCUMENTS

- 1. The Articles of Incorporation duly certified by the Registrar of Commerce at the home country and the Lebanese Embassy.
- 2. Minutes of meeting of the General Assembly or the Board of Directors of the mother company including the decision of opening a branch in Lebanon and the appointment of the branch manager who must be vested with all necessary powers to represent the company and to appoint lawyers. Such minutes must be duly certified by the Registrar of Commerce at the home country and the Lebanese Embassy.
- 3. A notarized power of attorney from the Company in the representative's name certified empowering him, within the scope of the Lebanese laws and regulations, to:
- Establish and register the branch.
- Represent the company before all institutions, administrations and courts.
- Manage the branch's business and sign for the company.
- Receive, pay and open accounts in banks.
- Delegate his/her powers to third parties
- Designate and remunerate attorneys, arbitrators and other employees.

II. PHASES OF LEGALIZATION & REGISTRATION

The above-mentioned documents must be certified in the following manner:

- 1. By the competent authority in the company's country of origin and the Lebanese Embassy in the same country.
- 2. By the Ministry of Foreign Affairs in Beirut. These documents must be translated to Arabic by a sworn translator and certified by the Ministry of Justice.

A. At the Ministry of Economy & Trade

- Filing the required documents
- Application of registration

- Ministry of Economy Fees (Approximately USD 1,200)
- Fees of publication in the Official Gazette (Approximately USD 300)

The informative notice is issued within a period of Fifteen (15) days.

B. At the Registrar of Commerce

Following the approval of the Ministry of Economy, the procedure for registration should be a follows:

- 1. A copy of the above-mentioned documents is to be presented to the Registrar of Commerce with a duplicate application, including namely:
 - Names of Partners (other than shareholders)
 - Nationality
 - Date & Place of Birth
 - Company's Name
 - Corporate purpose
 - Address of head office and any other branches/offices of the Company.
 - Authorized signatories of the company within or outside Lebanon.
 - Date of Incorporation
 - Capital and contribution
 - Term of the Company
- 2. Registration Fees (Approximately USD 1,200)
- 3. Other Fees (Approximately USD 700)
- 4. Duration of procedure 48 hours
- 5. Legal Fees (USD 2,000)

Limited liability and joint stock companies should designated a lawyer and name him/her to the Registrar of Commerce. The director/representative of these companies must be Lebanese individual or a foreigner holding a valid work permit which must be submitted to the Registrar of Commerce.