

## Investment laws

A foreigner may establish a business under the same conditions as a Lebanese national, provided that the business is registered in the Commercial Registry. Foreign investors who do not manage their business from Lebanon do not need to apply for a work permit. However, foreign investors who own and manage their business within Lebanon must apply for an employer work permit and a residency permit. Employer work permits stipulate that a foreign investor's capital contribution cannot be less than USD 67,000 and that the investor must also hire three Lebanese and register them at the National Social Security Fund (NSSF) within the first six months of employment.

Companies established in Lebanon must abide by the Lebanese Commercial Code and are required to retain the services of a lawyer to serve as a corporate agent. Local courts are responsible for enforcing contracts. There are no sector-specific laws on acquisitions, mergers, or takeovers, with exception of bank mergers.

Lebanese law does not differentiate between local and foreign investors, except in land acquisition (see "Real Property" section). Foreign investors can generally establish a Lebanese company, participate in a joint venture, or establish a local branch or subsidiary of their company without difficulty. Specific requirements apply for holding and offshore companies, real estate, insurance, media (television and newspapers), and banking.

Under Lebanese law, the establishment of joint-stock corporations, limited liability, and offshore and holding companies are allowed. However, offshore and holding companies must be joint-stock corporations (Société Anonyme Libanaise - SAL). These are governed in separate chapters under the Lebanese Commercial Code.

As a one-stop-shop for investors, IDAL has a website (<http://investinlebanon.gov.lb/>) that provides updated information on investment legislation, regulations and starting a business. IDAL's proposed changes to laws and regulations on foreign direct investment, including amending requirements for IT companies to benefit from IDAL incentives, are still pending government approval.

### *Business Registration*

The Ministry of Justice publishes all required procedures, documents and payments needed to conclude the registration of any Lebanese company on its website at <http://www.justice.gov.lb/CP/viewpage.aspx?id=589&language=2>. According to the Ministry of Economy and Trade (MoET), the registration process takes approximately one day and a notary public is required. There is no other way to register businesses. Foreign companies are required to register electronically – a list of documents and procedures are published on the Ministry of Economy and Trade’s website <http://portal.economy.gov.lb/>. IDAL also provides a user-friendly portal for doing businesses in Lebanon and outlines all necessary requirements at [http://investinlebanon.gov.lb/en/doing\\_business](http://investinlebanon.gov.lb/en/doing_business).

MoET established a small and medium-sized (SMEs) enterprise unit in 2005 to provide services to SMEs located and operating in Lebanon. The unit focuses on policy and governance, improving Lebanon’s business environment, offering linkages within the business community, and advice on financing. MoET defines enterprises with less than 10 employees as micro-enterprises, those with less than 50 employees as small enterprises, and those with less than 100 employees as medium enterprises. In 2014, the unit launched Lebanon’s SME Strategy: A Roadmap to 2020, but the Ministry has yet to implement its proposals.

### **Industrial Promotion**

IDAL currently focuses on promoting investments in the following sectors: agriculture, agro-industry, industry, information technology, media, technology, telecommunications, and tourism. Information on sectors and incentives provided are available on IDAL’s website and through conferences and meetings with stakeholders, including an annual meeting with the Association of Industrialists.

### **Privatization Program**

Lebanon’s laws for the privatization of the telecommunications sector (Law 431) and the power industry (Law 462) were drafted in 2002. However, political dysfunction stalled their implementation.

Parliament passed a two-year law authorizing the cabinet to issue Independent Power Producers (IPP) licenses to investors in April 2014. It later amended the law to extend its application through April 2018. Little has been done to date, but the Ministry of Energy and

Water, the Ministry of Finance, and the Higher Council for Privatization (HCP) are collaborating with the IFC and the World Bank to explore next steps.

According to the HCP, there is currently considerable support by the political, business, banking and academic communities for the passage of Public-Private Partnership (PPP) legislation. The Sub-Committee of the Budget and Finance Parliamentary Committee has resumed discussions of a revised PPP Law. In anticipation of the passage of the PPP bill, the HCP issued and published guidelines for PPP in February 2014 on its website: <http://www.hcp.gov.lb>. Ratification of PPP legislation would open new opportunities for local and international private sector investment in Lebanon.