

IDAL

INVEST IN **LEBANON**



OPERATIONAL LICENSES IN THE **INDUSTRIAL SECTOR**



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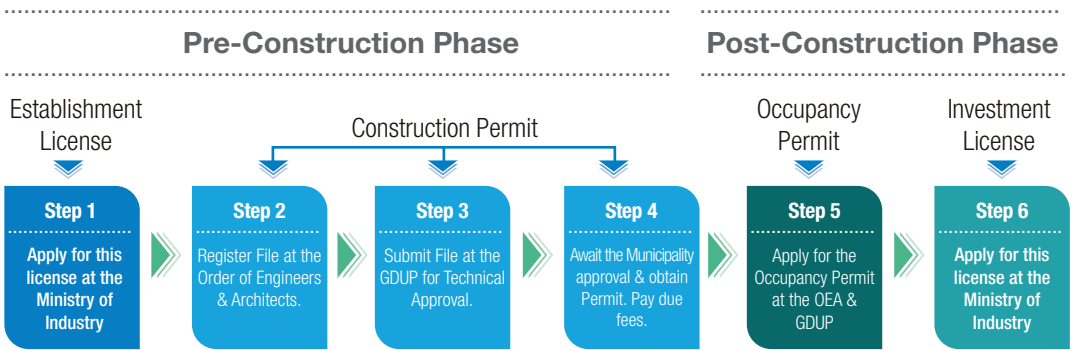




I. LICENSES FOR INDUSTRIES OF ALL CATEGORIES

The application procedures for industrial Establishment Licenses are the same for all categories (or sub-sectors) of industries. Applying for an Establishment License is the first phase investors should settle, before applying for Construction and Occupancy Permits. Once the two latter have been obtained, investors may proceed in requesting the Investment License for industrial enterprises.

The chart below shows a broad perspective of all steps to be undertaken:



Note: In case of a delay in the process for obtaining Investment Licenses, applicants may be granted temporary Investment Licenses for a period of three months (renewable), which allows the company to start operation, provided that it meets all environmental and health safety regulations.

1.1 APPLYING FOR AN ESTABLISHMENT LICENSE FOR INDUSTRIES OF ALL CATEGORIES

REQUIRED DOCUMENTS

1. Application Form for submittal at the Ministry of Industry.
2. Copy of the investor's **Identification Card** or **Official Records** (if Lebanese) **OR** a **Work Permit** (if a foreigner), **OR** a **Commercial Register** (if the applicant is a company).
3. **Commercial Register** and a **Registration Certificate** (in case the applicant is a company or establishment).
4. A certified copy of the **Power of Attorney** issued by a Public Notary, in case the concerned person is not able to apply.
5. **Planning and Easement Statements** of the real estate plot in which the establishment will be built, issued within the past three months, with the special conditions of the region's planning.
6. **Real Estate Certificate.**
7. **Lease Contract** certified by the Municipality, **Title Deed**, or **Exemption Letter** certified by the Notary Public.
8. **Municipal Disclaimer Notice** (Tenant) **OR** a **Financial Disclaimer Notice** (Owner) **OR** an official statement certifying that the real estate plot is not taxable in the absence of a building thereon.
9. Site location **blueprint** on a scale of 1/2000.
10. **Blueprints** of the factory (In case the building is parceled, a **parceling blueprint** is required)
11. **Blueprints** showing installations of industrial machinery and equipment and the arrangements to be made within the factory. Also, the organization of parking facilities must be made visible (entrances and exits of vehicles, trucks and others must be indicated). The documents must be signed by an engineer.
12. A complete **study** on the manufacturing methodology and the process for discharging waste resulting from the factory's activities.
13. **Pledge** by the investor, pursuant to Article 17, Item 6, of Decree No. 8018.
14. **Registration Receipt** of the Application at the Municipality.
15. **Receipt** confirming payment of the application fee.

FILE PROGRESS SYSTEM

- » Four copies of the application file must be made available.
- » A copy of the entire file shall be submitted to the concerned Municipal Council or Regional Office in the absence of a Municipality. After obtaining a dated receipt, the applicant may submit the remaining files to the Ministry of Industry.
- » For industrial establishments located in the districts of Beirut and Mount Lebanon, four copies of the application file (including the original) shall be submitted to the Ministry of Industry in Beirut. In other areas, applicants may submit their files to the appropriate regional branch of the Ministry of Industry, in the same area in which the establishment will be constructed.
- » A copy of the file is transferred to the Ministry of Environment for review and commenting within a maximum period of 15 days. The real estate plot will then be inspected to ensure its compliance with construction and environmental rules and regulations.

- » The Municipal Council or Regional Office submits its comments regarding the application file to the Head of the Licensing Department at the Ministry of Industry, within a period not exceeding one month from the date of registration of the application. In case this deadline is not met, the comments shall not be considered.
- » The Licensing Committee at the Ministry then offers its comments on the application, within a period not exceeding one month and a half from the date of receiving the file.
- » Finally, the Minister of Industry gives a final decision, within a period not exceeding two months from the date of submission of the application. If no decision is taken within the specified deadline, the applicant has the right to inquire on the status of the application in a formal letter. Within a period of one month, if no reply is made, the License will be officially considered valid.

FEES DUE

» **Application Fee:**

1st Category:
LBP 800,000

2nd Category:
LBP 600,000

3rd Category:
LBP 400,000

4th Category:
LBP 200,000

5th Category:
LBP 100,000

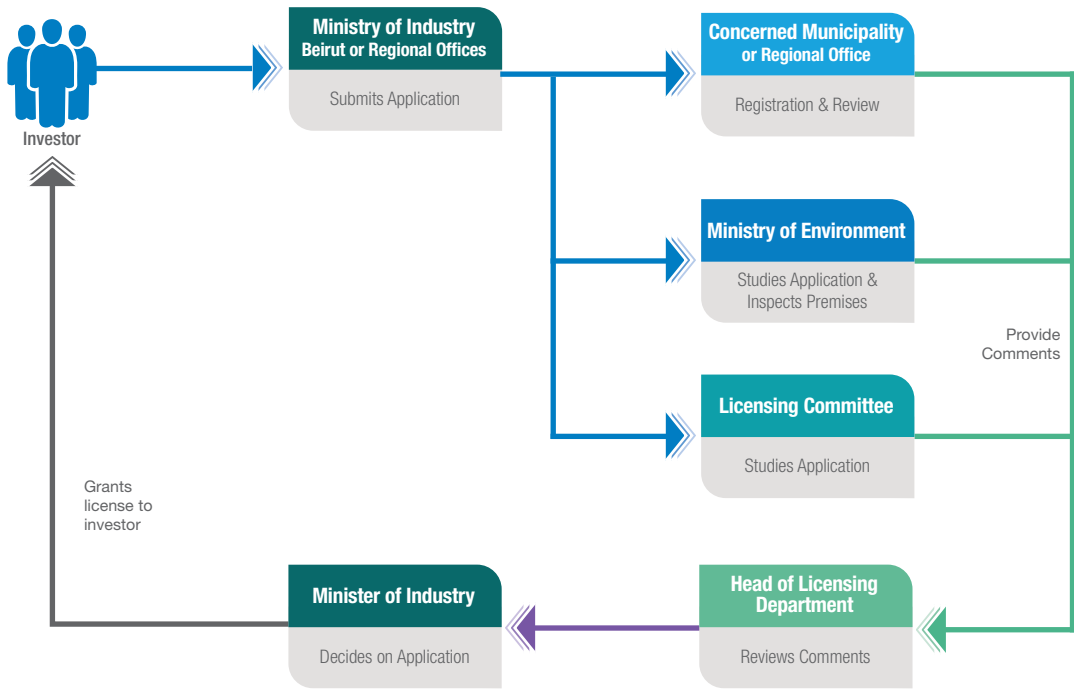
Note: Information on the classification of industrial establishments can be found in Decree # 5243 dated April 5, 2001, available on the Ministry of Industry's website.

- » **Revenue Stamp Fee:** LBP 750,000.
- » The applicant shall not pay any fee to any other ministry.

Note: In the case of establishments operating within the Agro-Food sector, an additional copy of the Application shall be submitted, to be transferred to the Ministry of Agriculture.



FILE PROGRESS SYSTEM



1.2 APPLYING FOR AN INVESTMENT LICENSE

Upon completion of construction and installation works, the concerned person shall submit an application for an Investment License in order to commence operation.

REQUIRED DOCUMENTS

1. **Application Form** to be submitted to the Ministry of Industry.
2. Copy of the **Construction Permit**.
3. Copy of the **Occupancy Permit** with a copy of all blueprints signed by the concerned authorities.
4. Real Estate Certificate, issued within the past three months.
5. Blueprint of the factory showing the equipment installed in the production section, with clarifications and explanations for each machine.
6. **Planning and Easement Statement** of the real estate plot in which the establishment is built, issued within the past three months, showing the special conditions of the region's planning.
7. **Photographs** of the factory from the inside (production section) and outside (8 photos).
8. **Receipt** confirming the payment of the application fee.

FILE PROGRESS SYSTEM

- » The application shall be submitted in accordance with the same rules specified in the Establishment License requirements.
- » The Licensing Committee at the Ministry of Industry shall be responsible for inspecting the built establishment to make sure that the construction and preparation processes are in accordance with the maps and conditions specified in the Establishment License requirements. The Committee may also assign the concerned Licensing Department at the Ministry of Industry to carry out this task.
- » The establishment shall be inspected by the Ministry of Environment to ensure the implementation of all environmental conditions specified earlier in the construction phase. The Director General at the Ministry of Environment will then decide on the validity of the inspection, before returning the file back to the Ministry of Industry within a period of 15 days.
- » If there is a full compliance with the conditions set forth, the Licensing Committee shall submit its recommendations to the Minister of Industry, who issues a decision by virtue of which the Investment License shall be granted.
- » If there are non-compliant elements in the application, the Head of the Committee shall grant an additional time period to ensure the validity of all items.

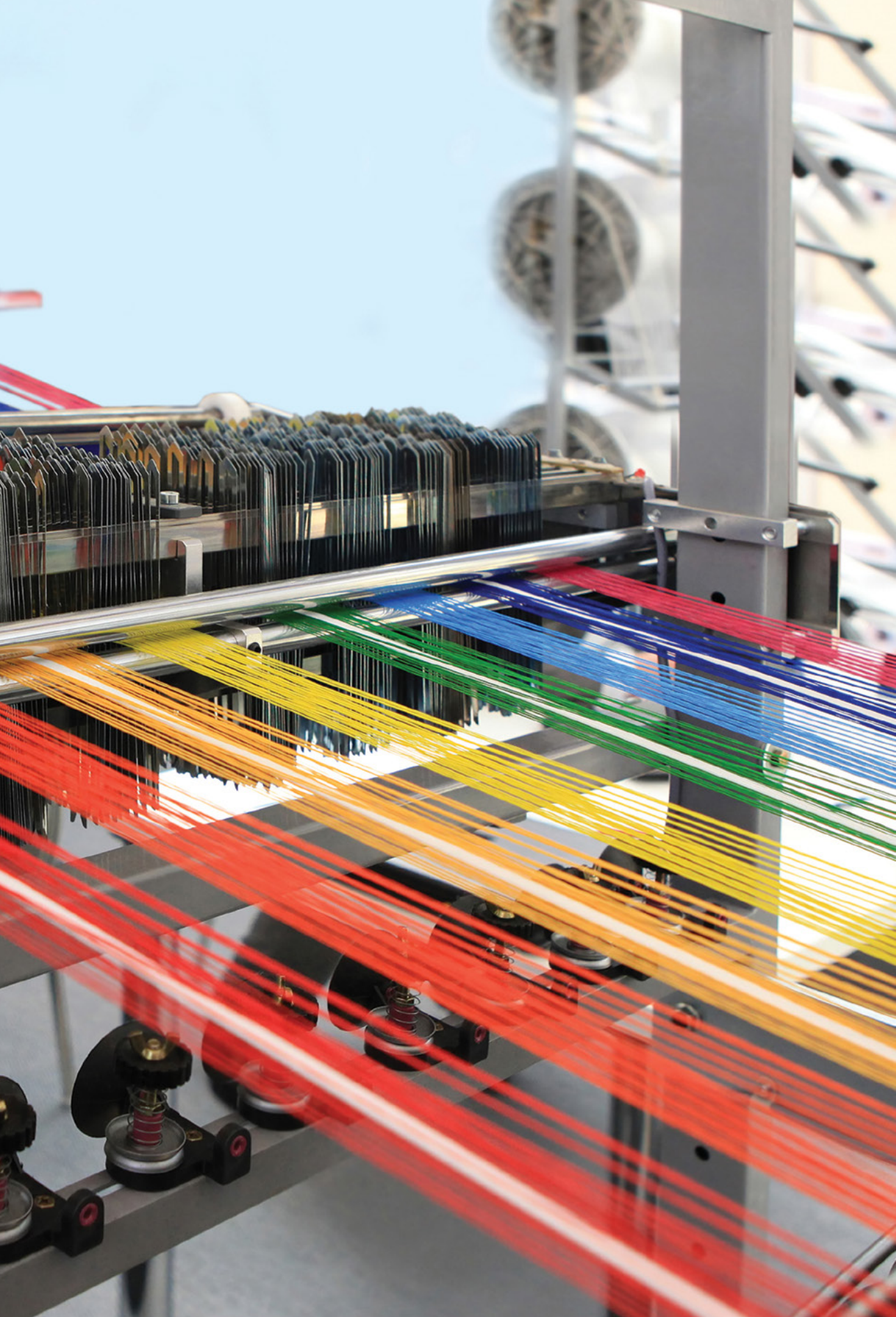
FEES DUE

» **Application Fee:**

1 st Category: LBP 400,000	2 nd Category: LBP 300,000	3 rd Category: LBP 200,000	4 th Category: LBP 200,000	5 th Category: LBP 100,000
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Note: Information on the classification of industrial establishments can be found in Decree # 5243 dated April 5, 2001, available on the Ministry of Industry's website.

- » **Revenue Stamp Fee:** LBP 750,000.
- » The applicant shall not pay any fee to any other ministry.



II. ADDITIONS TO INDUSTRIAL LICENSES

REQUIRED DOCUMENTS

1. **Application Form** to be submitted to the Ministry of Industry.
 2. **Blueprints** showing the installations of industrial machinery and equipment and the arrangements to be made within the factory. They should be signed and sealed by the concerned Engineer.
 3. **Real Estate Certificate**, issued within the past three months.
 4. **Planning and Easement Statement** of the real estate plot in which the establishment will be built, issued within the past three months, showing the special conditions of the region's urban planning, if any.
 5. **Lease Contract** certified by the Municipality, **Title Deed**, **OR Exemption Letter** certified by a Public Notary.
 6. **Municipal Disclaimer Notice**.
 7. Copy of the **Decision Letter** signed by the Ministry of Industry.
 8. **Pledge** in accordance with the procedures set by the Ministry of Industry in Article 17, Item 6, in Decree No 8018 (In case the additions lead to a change in the industrial category from 3 to 2).
 9. If additions are requested for the industrial Establishment License, a copy of the **amended blueprints** should be submitted. If additions are requested for the Investment License, then the **Occupancy Permit** along with exterior and interior **photographs** of the factory must be submitted.
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FILE PROGRESS SYSTEM

- » The Application File shall be submitted to the Ministry of Industry in Beirut or any of its regional branches, along with three copies. (Note: in case the additions lead to a change in the industrial category from 3 to 2, a copy of the Application File should be submitted to the concerned municipality, prior to being submitted to the Ministry of Industry).
 - » The Head of the Licensing Department shall receive all comments made by the Municipal Council and the Regional Office within a period not exceeding one month. In case this deadline is not met, the comments shall not be considered.
 - » The Licensing Committee then offers its comments on the application, within a period of one month and a half.
 - » Within two months following the submission of the application, the Minister of Industry gives a final decision. If no decision is taken within the specified deadline, the applicant has the right to inquire on the status of the application in a formal letter. Within a period of one month, if no reply is made, the License will be officially considered valid.
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FEES DUE

- » Application Processing Fee: Half the amount required for Establishment's Licenses

Note: For **agro-industrial companies**, an additional copy of the application file must be submitted, to be transferred to the Ministry of Agriculture.
For **gas-filling companies**, an additional copy of the application file must be submitted, to be transferred to the General Directorate for Oil.

III. TRANSFER OF INDUSTRIAL LICENSES

A transfer of an industrial license includes the following case:

1. Transfer of a company's investment right from an investor to another.
2. Transfer of a company's establishment licensing right, if the company's project is under construction.

REQUIRED DOCUMENTS

1. **Application Form**, to be submitted to the Ministry of Industry.
2. Copy of the applicant's **Identification Card** (if Lebanese) **OR Work Permit** (if a foreigner).
3. **Commercial Register** and a **Registration Certificate** (in case the applicant is a company or establishment).
4. **Real Estate Certificate**, issued within the past three months.
5. In case the investor is unavailable, a **Power of Attorney** must be provided, after being certified by a Public Notary. A Power of Attorney grants a specially designated individual the right to complete all bureaucratic procedures instead of the investor.
6. Surrender of the owner's License, certified by a Public Notary.
7. **Lease Contract**, certified by the concerned Municipality OR a copy of the **Ownership Contract** or Surrender (from the owner to the investor), certified by a Public Notary.
8. **Pledge** in accordance with the procedures set by the Ministry of Industry in Article 17, Item 6, of Decree No 8018 (in case the industrial project is in categories 1 or 2).

FILE PROGRESS SYSTEM

- » A copy of the application file must be submitted to the Industrial Permitting Department at the Ministry of Industry, for review and inspection (if necessary).

FEES DUE

- » **Application Fee:**

1 st Category: LBP 400,000	2 nd Category: LBP 300,000	3 rd Category: LBP 200,000	4 th Category: LBP 100,000
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Note: Information on the classification of industrial establishments can be found in Decree # 5243 dated April 5, 2001, available on the Ministry of Industry's website.

IV. RENEWAL OF INDUSTRIAL LICENSES

REQUIRED DOCUMENTS

1. Copy of the **current License**, as approved by the Minister of Industry.
2. Copy of the applicant's **Identification Card**.
3. In case the investor is unavailable, a **Power of Attorney** must be provided, after being certified by a Public Notary. A Power of Attorney grants a specially designated individual the right to complete all bureaucratic procedures instead of the investor.

FILE PROGRESS SYSTEM

- » The Application File shall be submitted to the Ministry of Industry in Beirut (for projects located in Beirut & Mount Lebanon), or to its regional branches (for projects outside of Beirut & Mount Lebanon).
- » The Licensing Committee shall study the initial application file to verify that the justifications for granting the old licenses are still valid, and that there is no impediment to prevent their renewal.

FEES DUE

- » **Application Fee:**

1 st Category: LBP 400,000	2 nd Category: LBP 300,000	3 rd Category: LBP 200,000	4 th Category: LBP 100,000	5 th Category: LBP 50,000
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Notes: Information on the classification of industrial establishments can be found in Decree # 5243 dated April 5, 2001, available on the Ministry of Industry's website.

The temporary licenses granted at an earlier stage, if any, oblige that the corresponding applications be submitted by the concerned persons before the end of the specified period.



CONTACTS

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Ministry Of The Environment

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