



IDAL
INVEST IN LEBANON



INVESTMENT DEVELOPMENT
AUTHORITY OF **LEBANON**
Presidency of the Council of Ministers

SET UP A BUSINESS

IN LEBANON

ABOUT SETTING UP A BUSINESS IN LEBANON

The first step in beginning the process of setting up your business in Lebanon is to officially register this entity. Foreign investors and Lebanese nationals can equally establish businesses with no restrictions all over the country. There are 6 types of business structures that an investor can choose from.

Different Types of Business Structures

Type of Company	Minimum Capital Requirements	Number of Shareholders	Eligible Sectors of Operation	Restriction on Foreign Participation?	Fiscal Advantages?
Joint Stock Company S.A.L	LBP 30,000,000 or USD 20,000	Minimum: 3	All sectors	NO - except for certain sectors	NO - except for certain sectors
Holding Company	LBP 30,000,000 or USD 20,000	Minimum: 3	Strictly defined by the text of law	NO	YES*
Offshore Company	LBP 30,000,000 or USD 20,000	Minimum: 3	Strictly defined by law, except transactions in Lebanon, banking and insurance	NO	YES*
Limited Liability Company S.A.R.L	LBP 5,000,000 or USD 3,333	Minimum: 3 Maximum: 20	All sectors except for banking, finance, supplies & organized freight	NO - except for certain sectors	NO - except for certain sectors
Branch of Foreign Company	None	N/A	All sectors	NO	NO
Representative Office	None	N/A	All sectors	NO	NO

Source: IDAL/Ministry of Economy and Trade

***Note:** Holding and Offshore companies are not subject to corporate income tax; they only pay a fixed amount of: LBP 1,000,000 for Offshore and a maximum of LBP 5,000,000 for Holding companies.

More details on these types of companies are listed in this booklet with step-by-step instructions as to how you will need to set them up.

SETTING UP A JOINT STOCK COMPANY (JSC) OR S.A.L

Required Documents/Tasks

- » Company's By-Laws or Articles of Association
- » Opening of a bank account confirming the subscription of the company's capital
- » Minutes of the Constitutive General Assembly
- » Minutes of the first Board Meeting
- » Registration Form
- » Commercial Circular
- » Deed of Property/Rent or Occupancy Deed of the company's headquarters

Step by Step - Completing the Registration

- » Documents/Tasks to Complete
- « Documents to Collect

Fees to Pay

STEP 1: COMPLETION OF PRELIMINARY LEGAL TASKS

- » Prepare the company's **By-Laws**, or **Articles of Association**; have them signed by the founders before a Public Notary in whose district the company's head office is located.
- » Hold a **Constitutive General Assembly** to elect a **Board of Directors**.
- » Assemble the newly appointed Board of Directors to elect the company's **Chairman**, appoint a **Principal Auditor** and a **Legal Advisor**.
- » **Complete the Commercial Circular**, and have it signed by the Chairman, and any other person delegated by the Board.
Fill in the Application Form of the company's registration.

 **Pay the Public Notary's fees of: 0.1% of the company's capital, a lump sum of LBP 8,500 / page and a fixed sum of LBP 90,000.**

STEP 2: PAYMENT OF SHARE CAPITAL

- » **Open a bank account** in a Lebanese bank under the name “SAL Under Constitution”. A copy of the By-Laws will be required, in addition to minutes of the Constitutive and first Board Meetings, and legal identification of the founders. Deposit the **capital of the company** (LBP 30,000,000 at least or USD 20,000) in the chosen bank.
- « Obtain a **certificate from the bank**, evidencing the opening of the bank account and the subscription of each founder’s shares.

STEP 3: REGISTRATION AT THE TRADE REGISTER

- » Submit all the following documents at the **Trade Register**, in the Court of Commerce located in the same district (or Muhafaza) as the company’s head office:
 - » The Application Forms of the company’s registration
 - » The company’s By-Laws
 - » Minutes of the Constitutive General Assembly
 - » Minutes of the first Board Meeting
 - » The Commercial Circular
 - » The certificate of bank deposit
 - » Copies of legal identification of all partners/shareholders.
 - » Deed of Property/Rent registered at the municipality, or Occupancy Deed for the company’s headquarters.
- » Ask the **Court of Commerce** to appoint a complimentary auditor for the company.

 **Pay for the Stamp Duty**, the sum of around LBP 250,000, and **registration fees**.

 **Pay the Magistrate Mutual Fund fee which is 50% of the Stamp Duty.**

STEP 4: REGISTRATION AT THE BAR ASSOCIATION

- » Submit a document confirming the appointment of a legal advisor, at the Bar Association.

 **Pay the Bar Association fee** which consists of 0.1% of the company’s capital and a fixed sum of LBP 100,000.

STEP 5: PAYMENT OF DUTIES AT THE MINISTRY OF FINANCE

 **Pay the Stamp Duty** at the Lebanese Ministry of Finance, consisting of a lump sum of LBP 1,000,000 and 0.3% of capital.

- « **Receive** certified copies of the Certificate of Incorporation, Articles of Association, Commercial Circular, and the minutes.
- « A **Tax Identification Number** will be attributed to the company.

Note: The company should apply for commencement of activity (or not) at the Ministry of Finance within two months following registration or it will be subject to a fine worth LBP 2,000,000.

STEP 6: RELEASE OF CAPITAL

- » Submit the following documents to the bank in order to release the capital that has been blocked during the registration phase:
 - » Minutes of the Constitutive General Assembly
 - » Minutes of the first Board Meeting
 - » A certified copy of the Certificate of Incorporation
 - » A certified copy of the By-Laws
 - » A certified copy of the Commercial Circular

SETTING UP A LIMITED LIABILITY COMPANY OR S.A.R.L

Required Documents/Tasks

- » Company's By-Laws or Articles of Association
- » Opening of a bank account confirming the subscription of the company's capital
- » Minutes of the Constitutive General Assembly
- » Registration Form
- » Commercial Circular

Step by Step - Completing the Registration

- » Documents/Tasks to Complete
- « Documents to Collect

Fees to Pay

STEP 1: COMPLETION OF PRELIMINARY LEGAL TASKS

- » Prepare the company's **By-Laws**, or **Articles of Association**; have them signed by the founders before a Public Notary in any district or directly before the Head Clerk of the Trade Register.
- » Appoint one manager or more, a legal advisor, and an auditor (if applicable).
- » **Complete the Commercial Circular**, and have it signed by the manager(s).
- » Fill in the **Application Form** of the company's registration.

 **Pay the Public Notary's fee for the Articles of Association only. The fees consist of 0.1% of the company's capital, a lump sum of LBP 8,500 / page, and a fixed sum of LBP 90,000.**



Note: LLCs have one manager or more, who can be appointed in the articles of association or by an assembly meeting of Partners. An auditor is required only if the capital exceeds LBP 30,000,000 or if the annual turnover is above LBP 750,000,000

STEP 2: PAYMENT OF CAPITAL


- » Open a **bank account** in a Lebanese bank under the name "LLC Under Constitution". A copy of the By-Laws will be required, in addition to the minutes of the Constitutive meeting, and a legal identification of the partners.
- » Deposit the **capital of the company** (LBP 5,000,000 at least or USD 3,333) in the chosen bank.
- « Obtain a **certificate from the bank**, evidencing the opening of the bank account and the subscription of each founder's shares.

STEP 3: REGISTRATION AT THE TRADE REGISTER


- » Submit all the following documents at the **Trade Register**, in the Court of Commerce located in the same district (or Caza) as the company's head office:
 - » The Application Forms of the company's registration
 - » The company's By-Laws
 - » Minutes of the Constitutive General Assembly of partners
 - » The Commercial Circular
 - » The certificate of bank deposit
 - » Copies of legal identification of all partners/shareholders.
 - » Deed of Property/Rent registered at the municipality, or Occupancy Deed for the company's headquarters.
- » Ask the **Court of Commerce** to appoint a complimentary auditor for the company.

-  **Pay for the Stamp Duty**, the sum of around LBP 150,000, and **registration fees**.
-  **Pay the Magistrate Mutual Fund fee, which is 50% of the Stamp Duty.**

STEP 4: REGISTRATION AT THE BAR ASSOCIATION

- » Submit a document confirming the appointment of a legal advisor, at the Bar Association.
-  **Pay the Bar Association fees which consists of 0.1% of the company's capital and a fixed sum of LBP 100,000.**

STEP 5: PAYMENT OF DUTIES AT THE MINISTRY OF FINANCE

 **Pay the Stamp Duty** at the Lebanese Ministry of Finance consisting of a lump sum of LBP 750,000 and 0.3% of capital.

- « **Receive** certified copies of the Certificate of Incorporation, Articles of Association, Commercial Circular, and the minutes.
- « A **Tax Identification Number** will be attributed to the company.

Note: The company should apply for commencement of activity (or not) at the Ministry of Finance within two months following registration or it will be subject to a fine worth LBP 2,000,000.

STEP 6: RELEASE OF CAPITAL

- » Submit the following documents to the bank in order **to release the capital** that has been blocked during the registration phase:
 - » A certified copy of the By-Laws
 - » Minutes of the Constitutive General Assembly
 - » A certified copy of the Certificate of Incorporation
 - » A certified copy of the Commercial Circular

SETTING UP A BRANCH/REPRESENTATIVE OFFICE OF A FOREIGN COMPANY

» Required Documents/Tasks

- » Registration Form
- » Registration Form for the Ministry of Economy & Trade
- » Company's By-Laws or Articles of Association (If applicable)
- » Certificate of Incorporation in the foreign country
- » Company's Corporate Resolution
- » Manager's identification papers or passport
- » Legal Advisor's 'Bar Association' card (where applicable)
- » Deed of Property/Rent registered at the municipality, or Occupancy Deed for the company's headquarters

» Step by Step - Completing the Registration

- » Documents/Tasks to Complete
- « Documents to Collect

Fees to Pay

STEP 1: CERTIFICATION AT THE FOREIGN TRADE REGISTER

- » The following documents must be certified by the Trade Register and/or its equivalent (Public Notary) at the place of incorporation of the foreign company:
 - » Certificate of Incorporation in the foreign country
 - » Copy of the By-Laws, or Articles of Association (if applicable)
 - » The Corporate Resolution* of the company
 - » Copy of the Manager's identification or passport
 - » Deed of Property/Rent registered at the municipality, or Occupancy Deed for the company's headquarters.

Note: The Corporate Resolution of the company sets the latter's objectives and activity, and designates the branch or representative Office's Manager.

STEP 2: LEGALIZATION AND TRANSLATION

- » The documents listed above must also be certified by the Lebanese embassy or consulate located in the country of the foreign company's incorporation.
- » Submit all documents listed above for translation to Arabic by a sworn translator in the country of origin or in Lebanon.

 **Pay the translator's fees**

STEP 3: REGISTRATION AT THE MINISTRY OF ECONOMY & TRADE

- » Submit all translated documents listed above at the **Ministry of Economy & Trade (MoET)**, in addition to the required **Registration Form**.

 **Pay for the fiscal stamps**, the sum of around LBP 400,000.

 **Pay the Registration fees of LBP 1,800,000 and other relevant fees.**

- « Receive a copy of the Notice of Acknowledgement from the Ministry confirming the set-up of the foreign branch or office.

 **Pay the Official Gazette publication fee, to obtain the original Notice of Acknowledgement, and to allow its publication in the Official Gazette.**

STEP 4: REGISTRATION AT THE TRADE REGISTER

- » Submit all translated documents listed above at the Trade Register, in the Court of Commerce located in the same district (or Caza) as the foreign company's branch or office, in addition to:
 - » The copy of Notice of Acknowledgement from MoET
 - » The required Registration Form

 **Pay for the fiscal stamps**, the sum of around LBP 400,000, **and registration fees.**

 **Pay the Magistrate Mutual Fund fees of LBP 900,000.**

STEP 5: FINAL STEPS

- « Receive a Certificate of Incorporation evidencing the formation of the Foreign office or Branch in Lebanon, in addition to certified copies of the By-Laws and Company Resolution.
- « A **Tax Identification Number** will be attributed to the company.

Note: The company should apply for commencement of activity (or not) at the Ministry of Finance within two months following registration or it will be subject to a fine worth LBP 2,000,000.

SETTING UP AN OFFSHORE COMPANY

Required Documents/Tasks

- » Company's By-Laws or Articles of Association
- » Opening of a bank account confirming the subscription of the company's capital
- » Minutes of the Constitutive General Assembly
- » Minutes of the first Board Meeting
- » Registration Form
- » Commercial Circular
- » Deed of Property/Rent or Occupancy Deed of the company's headquarters

Step by Step - Completing the Registration

» Documents/Tasks to Complete

« Documents to Collect

Fees to Pay

STEP 1: COMPLETION OF PRELIMINARY LEGAL TASKS

- » Prepare the company's **By-Laws**, or **Articles of Association**; have them signed by the founders before a Public Notary in whose district the company's head office is located.
- » Hold a **Constitutive General Assembly** to elect a **Board of Directors**.
- » Assemble the newly appointed Board of Directors to elect the company's **Chairman**, appoint a **Principal Auditor** and a **Legal Advisor**.
- » **Complete the Commercial Circular**, and have it signed by the Chairman, and any other person delegated by the Board.
- » Fill in the Application Form of the company's registration.

 **Pay the Public Notary's fees of: 0.1% of the company's capital, a lump sum of LBP 8,500 / page and a fixed sum of LBP 90,000.**

STEP 2: PAYMENT OF SHARE CAPITAL

- » **Open a bank account** in a Lebanese bank under the name "Offshore Under Constitution". A copy of the By-Laws will be required, in addition to minutes of the Constitutive and first Board Meetings, and legal identification of the founders. Deposit the **capital of the company** (LBP 30,000,000 at least or USD 20,000) in the chosen bank.
- « Obtain a **certificate from the bank**, evidencing the opening of the bank account and the subscription of each founder's shares.


STEP 3: REGISTRATION AT THE TRADE REGISTER

- » Submit all the following documents at the **Trade Register**, in the Court of Commerce located in the same district (or Muhafaza) as the company's head office:
 - » The Application Forms of the company's registration
 - » The company's By-Laws
 - » Minutes of the Constitutive General Assembly
 - » Minutes of the first Board Meeting
 - » The Commercial Circular
 - » The certificate of bank deposit
 - » Copies of legal identification of all partners/shareholders.
 - » Deed of Property/Rent registered at the municipality, or Occupancy Deed for the company's headquarters.
- » Ask the **Court of Commerce** to appoint a complimentary auditor for the company.

 **Pay for the Stamp Duty**, the sum of around LBP 250,000, and **registration fees**.

 **Pay the Magistrate Mutual Fund fee which is 50% of the Stamp Duty.**

STEP 4: REGISTRATION AT THE BAR ASSOCIATION

- » Submit a document confirming the appointment of a legal advisor, at the Bar Association.
-  **Pay the Bar Association fee** which consists of 0.1% of the company's capital and a fixed sum of LBP 100,000.

STEP 5: PAYMENT OF DUTIES AT THE MINISTRY OF FINANCE

 **Pay the Stamp Duty** at the Lebanese Ministry of Finance, consisting of a lump sum of LBP 1,000,000 and 0.3% of capital.

- « **Receive** certified copies of the Certificate of Incorporation, Articles of Association, Commercial Circular, and the minutes.
- « A **Tax Identification Number** will be attributed to the company.

Note: The company should apply for commencement of activity (or not) at the Ministry of Finance within two months following registration or it will be subject to a fine worth LBP 2,000,000.

STEP 6: RELEASE OF CAPITAL

- » Submit the following documents to the bank in order to release the capital that has been blocked during the registration phase:
 - » Minutes of the Constitutive General Assembly
 - » Minutes of the first Board Meeting
 - » A certified copy of the Certificate of Incorporation
 - » A certified copy of the By-Laws
 - » A certified copy of the Commercial Circular

SETTING UP A HOLDING COMPANY

» Required Documents/Tasks

- » Company's By-Laws or Articles of Association
- » Opening of a bank account confirming the subscription of the company's capital
- » Minutes of the Constitutive General Assembly
- » Minutes of the first Board Meeting
- » Registration Form
- » Commercial Circular
- » Deed of Property/Rent or Occupancy Deed of the company's headquarters

» Step by Step - Completing the Registration

- » Documents/Tasks to Complete
- « Documents to Collect

Fees to Pay

STEP 1: COMPLETION OF PRELIMINARY LEGAL TASKS

- » Prepare the company's **By-Laws**, or **Articles of Association**; have them signed by the founders before a Public Notary in whose district the company's head office is located.
- » Hold a **Constitutive General Assembly** to elect a **Board of Directors**.
- » Assemble the newly appointed Board of Directors to elect the company's **Chairman**, appoint a **Principal Auditor** and a **Legal Advisor**.
- » **Complete the Commercial Circular**, and have it signed by the Chairman, and any other person delegated by the Board.
- » Fill in the Application Form of the company's registration.

 **Pay the Public Notary's fees of: 0.1% of the company's capital, a lump sum of LBP 8,500 / page and a fixed sum of LBP 90,000.**

STEP 2: PAYMENT OF SHARE CAPITAL

- » **Open a bank account** in a Lebanese bank under the name “Holding Under Constitution”. A copy of the By-Laws will be required, in addition to minutes of the Constitutive and first Board Meetings, and legal identification of the founders. Deposit the **capital of the company** (LBP 30,000,000 at least or USD 20,000) in the chosen bank.
- « Obtain a **certificate from the bank**, evidencing the opening of the bank account and the subscription of each founder’s shares.

STEP 3: REGISTRATION AT THE TRADE REGISTER


- » Submit all the following documents at the **Trade Register**, in the Court of Commerce located in the same district (or Muhafaza) as the company’s head office:
 - » The Application Forms of the company’s registration
 - » The company’s By-Laws
 - » Minutes of the Constitutive General Assembly
 - » Minutes of the first Board Meeting
 - » The Commercial Circular
 - » The certificate of bank deposit
 - » Copies of legal identification of all partners/shareholders.
 - » Deed of Property/Rent registered at the municipality, or Occupancy Deed for the company’s headquarters.
- » Ask the **Court of Commerce** to appoint a complimentary auditor for the company.

 **Pay for Stamp Duty**, the sum of around LBP 250,000, and **registration fees**.

 **Pay the Magistrate Mutual Fund fee which is 50% of the Stamp Duty.**

STEP 4: REGISTRATION AT THE BAR ASSOCIATION

- » Submit a document confirming the appointment of a legal advisor, at the Bar Association.

 **Pay the Bar Association fee** which consists of 0.1% of the company’s capital and a fixed sum of LBP 100,000.

STEP 5: PAYMENT OF DUTIES AT THE MINISTRY OF FINANCE

 **Pay the Stamp Duty** at the Lebanese Ministry of Finance, consisting of a lump sum of LBP 1,000,000 and 0.3% of capital.

- « **Receive** certified copies of the Certificate of Incorporation, Articles of Association, Commercial Circular, and the minutes.
- « A **Tax Identification Number** will be attributed to the company.

Note: The company should apply for commencement of activity (or not) at the Ministry of Finance within two months following registration or it will be subject to a fine worth LBP 2,000,000.

STEP 6: RELEASE OF CAPITAL

- » Submit the following documents to the bank in order to release the capital that has been blocked during the registration phase:
 - » Minutes of the Constitutive General Assembly
 - » Minutes of the first Board Meeting
 - » A certified copy of the Certificate of Incorporation
 - » A certified copy of the By-Laws
 - » A certified copy of the Commercial Circular

CONTACT US

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