PROCLAMATION No. 1150/2019

A PROCLAMATION TO PROVIDE FOR THE AMENDMENT OF COMMERCIAL REGISTRATION AND BUSINESS LICENSING

WHEREAS, it has become necessary to amend proclamation registration and business licensing No.980/2016 to put in place a commercial registration and business licensing regime that is responsive to the needs of doing business through simple, efficient, modern and accessible registration and licensing services;

NOW THEREFORE, in accordance with article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows.

1. Short Title

This proclamation may be cited as the “Commercial Registration and Business Licensing (amendment) Proclamation No. 1150/2019.”
2. **Amendment**

The Commercial Registration and Business Licensing Proclamation No.980/2016 is amended as follows:

1/ article 2 (3) of the proclamation is deleted and replaced by the following new sub article (2):

"2/ "business person" means any person who professionally and for gain carries on any of the activities specified in the commercial code and the Ethiopian Business Licensing Categories."

2/ article 2 (34) of the proclamation is deleted and replaced by the following new sub-article (34)

"34/ "the Ethiopian Business Licensing Categories Directive" means a directive of national application issued by the ministry providing for a list and types of commercial activities for which business licenses are issued in Ethiopia.

3/ article 2 (44) of the proclamation is deleted and replaced by the following new sub-article (44)

"44/ "relevant authority" means Ministry of Trade and Industry or Regional Organs Administering Commercial Activities."

4/ article 2 (45) of the proclamation is deleted and replaced by the following new sub-article (45)

"45/ "Ministry" or "Minister" means the Ministry of Trade and Industry or the Minister of Trade and Industry."
5/ a new sub-article (17) is added following article 4 (16) of the proclamation:

"17/ the ministry shall put in place and follow up the implementation of systems that will make it possible for service recipients to get registration and licensing services without physically appearing at the registering offices by means of information and communication technology."

6/ article 5 (6) of the proclamation is deleted and replaced by the following new sub article( 6):
a new sub-article (10) is added following article 5 (9) of the proclamation:

"6/ memorandum of associations and articles of associations and any amendments and alterations thereto shall be authenticated by a Professional to be assigned by a government body authorized by law to authenticate documents who will based in one stop shop centers to be set up within the commercial registering and business licensing bodies."

10/ a body authorized by law to issue tax identification numbers shall assigned a Professional to the one stop shop centers to be set up within the commercial registering and licensing bodies to issue tax identification numbers;

7/ article 7 (2) of the proclamation is deleted and replaced by the following new sub article (2);
2/ where sole proprietorships or business organizations are established, or registration certificates are issued to any person under this proclamation, the relevant authority shall, by means of accessible information communication technology make public information relating to their registration and licensing.

8/ article 10(5) of the proclamation is deleted;

9/ article 10 (1) of the proclamation is deleted and replaced by the following new sub-article (1)

"1/ the registering office shall before registering ensure any alterations of or a amendment to commercial registration are prepared in accordance with the provisions of the commercial code."

10/ article 11(1) (c) (2) and (8) of the proclamation are deleted and the subsequent sub articles from 3 to 7 re-arranged as sub articles (2) to (6) respectively;

11/ article 11 (6) of the proclamation (as renumbered) is deleted and replaced by the following new sub article (6).

"6/ cancellation of registration of a private limited company shall only be valid a month after the registering authority made it public by means of accessible communication and information technology. Where the cancellation involves sole proprietorships it shall be valid as from the date of such cancellation.

12/ the title of part three of the Proclamation "registration of trade name" is deleted and replaced by the following new title of part three:
Part Three: “Company and Trade Names”

13/ Article 14 and 15 of the proclamation are deleted and replaced by the following new article 14 and 15:

“Title of article 14. Registration of Company Names

“Title of article 15. Registration of Trade Names”

14/ article 16 (1) (c) of the proclamation is deleted and the subsequent from paragraph (d) to (f) are rearranged as paragraph (c) to (e) respectively;

15/ a new sub-article (4) is added following article 16 (3) of the proclamation;

“4/ Trade name expressed under this article shall be applicable to company names;”

16/ a new sub-article (6) is added following article 21(5) of the proclamation;

“6/ licensing bodies issuing licenses pursuant to the proclamation or in accordance with other authorizing laws or through delegated powers shall forward information to the ministry’s commercial registration data center, prepared for the purpose, immediately after issuing licenses;

17/article 27 (2), (6) and (7) of the proclamation are deleted and replaced by the following new sub-articles (2),(6) and (7):

“2/ Where three fourth or above of the capital of private limited companies are lost, they can raise their capital by more than one fourth and get their licenses renewed.
6/ Where a business person has not renewed its business license within the period of renewal under penalty it can renew the license within one year after the end of the period of renewal under penalty upon payment of birr 20,000.

7/ Business license not renewed in accordance with sub-article (6) of this article shall be deemed cancelled. notwithstanding the foregoing, the license under review can be issued without any other penalty as new, provided application is submitted a year after the end of the period for the renewal of licenses.”

3. Effective Date

This proclamation shall enter into force on the date of its publication in the Federal negarit gazette.

Done at Addis Ababa, this 9th day of Auguste, 2019.

SAHLEWORK ZEWDIE

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA