Whereas it is necessary to create conducive environment in every field of commercial activity in line with the free market economic policy;

Whereas it is necessary to improve the commercial registration implementation and business licensing issuance systems in a way that will promote free market economy, and that the systems will enable to attain economic development, and to follow up the elimination of impediments that befall the lawfully engaged business community, to expedite the delivery of service it is supposed to get and that it has been necessary to improve the service delivery so that it begets economic development;

Whereas it has been necessary to support commercial registration activities and the issuance of business licenses with modern technology, in order to make them suitable for data management and to install a system of follow up to tackle illegal activities by employing international business classifications and by putting the necessary criteria in place;

Now therefore in accordance with Article 55(1) of the Constitution of the Federal Democratic Republic of Ethiopia, it is hereby proclaimed as follows:
PART ONE
GENERAL PROVISIONS

1. Short Title

This Proclamation may be cited as “Commercial Registration and Business Licensing Proclamation No. 686/2010”.

2. Definitions

In this Proclamation, unless the context otherwise requires:


2/ “Business Person” means any person who professionally and for gain carries on any of the activities specified under Article 5 of the Commercial Code, or who dispenses services, or who carries on those commercial activities designated as such by law;

3/ “commercial activity” means any activity carried on by a business person as defined under sub article (2) of this Article;

4/ “service” means any commercial dispensing of service for consideration other than salary or wages;

5/ “domestic trade” means wholesale or retail of goods or the dispensing of services or operating as a domestic trade auxiliary in Ethiopia as may be appropriate;

6/ “foreign trade” means the exporting from or importing into Ethiopia of goods for sale or operating as a foreign trade auxiliary;

7/ “goods” means any movable goods that are being purchased or sold or leased or by which any commercial activity is conducted between persons except monies in any form and securities;
8/ “commercial representative” means any person who is not domiciled at the country where the head office of the business organization or business person he represents is situate, bound to such business organization or business person by a contract of employment, and entrusted with the carrying out of any trade promotion activities on behalf and in the name of the business organization or the business person he represents without being a trader himself;

9/ “trade name” shall have the meaning assigned to it under Article 135 of the Commercial Code.

10/ “valid business license” means a business license issued or renewed under this Proclamation in a particular budget year or for which the renewal time with out penalty has not lapsed as provided for under Article 36 of this Proclamation;

11/ “industry” means being any commercial activity, includes the manufacturing of goods and inputs used to produce goods using motor-power-driven equipments or other equipments, agricultural development, engineering services, any other service provision activities and research and development activities;

12/ “manufacturing activity” includes any formulation, alteration, assembling and prefabrication activity carried on by an industry;

13/ “engineering services” means manufacturing, repairing, maintaining and supplying equipments of industrial use or electrical and electronic equipments or other similar equipments, the making of parts, construction consultancy, construction management, consultancy on the erection of equipments, engineering consultancy and pre-design services, engineering design services, supervisory services and is inclusive of the likes;

14/ “domestic investor” and “foreign investor” shall have the meaning assigned to them under Article 2 sub article (5) and Article 2 sub article (6) of the Re-enactment of the Investment Proclamation No. 280/2002;
15/ “appropriate authority” means the Ministry of Trade and Industry or the appropriate regional bureau or the Ethiopian Investment Agency;

16/ “Minister” or “Ministry” means the Minister or the Ministry of Trade and Industry;

17/ “region” means any of those regions specified under Article 47 sub article (1) of the Constitution of the Federal Democratic Republic of Ethiopia and for the purpose of this Proclamation includes the Addis Ababa and Dire Dawa administrations. Also the term “Teklay Gizat” in the Commercial Code shall be read as “region”;

18/ “bureau” means regional trade and industry bureau or another appropriate bureau or regional body empowered to issue investment permit;

19/ “person” means any natural or juridical person;

20/ “regulations” means regulations issued to implement this Proclamation;

21/ “agricultural development” means the production of perennial and annual crops as well as the development of animal and fishery resources, forest, wildlife, and the plantations of floriculture, vegetables and horticulture and products thereof;

22/ “commercial registration” means registration comprising the particulars under Article 105 of the Commercial Code;

23/ “expansion” or “upgrading” shall have the meaning given to them under Article 2 sub article (8) of the Re-enactment of the Investment Proclamation No. 280/2002;

24/ “trade auxiliary” means commercial agents, commercial brokers and commission agents prescribed under Article 44 to 62 of the Commercial Code;

25/ “unfair trade practice” means any act of violation of any provisions of trade related laws;
6/ "መዝገብ መስሪያ ቤት" መለት ሚኒስቴሩ የሚስ restaወል ምዝገባ እና የንግድ ሥም ምዝገባ እንዲያከናውን ሚኒስቴሩ የወከለው ቢሮ የኢትዮጵያ የኢንቨስትመንት ᒋንስ ለማና የሚያስመጣ ሰው፤

7/ "መናስጥ" መለት የንግድ ዕቃዎችን በየብስ ወይም በባህር ወይም በአየር ከውጭ ፈላጊ ወደ ኢትዮጵያ የሚያስመጥ ሰው፤

8/ "ላኪ" መለት የንግድ ዕቃዎችን በየብስ ወይም በባህር ወይም በአየር ከኢትዮጵያ ሰደ ውጭ ሀገር የሚልክ ሰው፤

9/ "የበጀት ዓመት" መለት በኢትዮጵያ የዘመን አቆጣጠር ከሐምሌ እስከ ሐን ያለው ጊዜ ነው፤

10/ "ልዩ የምዝገባ መለያ ቁጥር" መለት የግለሰብ ለማና ወይም የንግድ ማህበራት የግብር ከፋይ መለያ ቁጥር ነው፤

11/ "የጅምላ ሻጭ" መለት የንግድ ዕቃዎችን ᱐ከአምራች ወይም ከአስመጪ ገዝቶ ለቸርጿሪ ወይም የሚሸጥ ማንኛውም ሰው ሲሆን አምራች ወይም አስመጪ የንግድ ዕቃዎችን ለቸርጿሪ ወይም ወይም ለቸርጿሪ ወይም ሲሸጥ የጅምላ ሻጭ ውስጥ እንደተሳተፈ ይቆጠራል፤

12/ "የችርቻሮ ሻጭ" መለት የንግድ ዕቃዎችን ᱐ከጅምላ ሻጭ ወይም ኩገምላ ወይም ከአምራች ወይም ከአስመጪ ገዝቶ ለሸማች ወይም ለተጠቃሚ የሚሸጥ ማንኛውም ሰው ሲሆን ጅምላ ሻጭ ወይም ወይም ለተጠቃሚ ወይም ሲሸጥ የችርቻሮ የንግድ ውስጥ እንደተሳተፈ ይቆጠራል፤

13/ "የፌዴራል መንግሥት የልማት ድርጅቶች" መለት የልማት ድርጅቶች ለማስከት ከሸማች የየዕለት ዓላጊ ጋር የተገናኘ የንግድ ዕቃ ወይም ወይም ወይም ሲሸጥ የችርቻሮ የንግድ ውስጥ እንደተሳተፈ ይቆጠራል፤

14/ "የክልል የመንግሥት የልማት ድርጅት" መለት በክልል መንግሥቱ የሚቋቋም የልማት ድርጅት ነው፤

15/ "መሠረታዊ የንግድ ዕቃ ወይም አገልግሎት" መለት በገበያ ላይ እጥረት በመፈጠሩ የክርስት ተገቢ ያልሆነ የንግድ ይራ ርልያስከትል የሚችል ከሸማቾች የየዕለት ዓላጊ ጋር የተገናኘ የንግድ ዕቃ ወይም ወይም ወይም ሲሸጥ የችርቻሮ የንግድ ውስጥ እንደተሳተፈ ይቆጠራል፤

26/ “registering office” means the Ministry or the branch of the Ministry or bureau delegated by the Ministry to conduct commercial registration and trade name registration or the Ethiopian Investment Agency;

27/ “importer” means any person who imports goods from abroad via land or sea or air into Ethiopia;

28/ “exporter” means any person who exports goods abroad via land or sea from Ethiopia;

29/ “budget year” means the time from the 1st day of Hamle to 30th day of Sene according to the Ethiopian calendar;

30/ “special identification number of registration” means taxpayers identification number of individual business persons or of business organizations;

31/ “wholesaler” means any person who sells goods to a retailer after buying them from a manufacturer or an importer or when a manufacturer or an importer sells goods to a retailer or to a wholesaler is considered to have been engaged in wholesale business;

32/ “retailer” means any person who sells goods to consumers or users after buying them from a wholesaler or a manufacturer or an importer or when a wholesaler or a manufacturer or an importer sells goods to consumers or users is considered to have been engaged in retail business;

33/ “federal public enterprise” means an enterprise established in accordance with Public Enterprises Proclamation No. 25/1992 or a business organization whose shares are totally owned by the federal government;

34/ “regional public enterprise” means a public enterprise established by a regional state;

35/ “basic goods or services” mean goods or services related to the daily need of consumers, the shortage of which in the market may lead to unfair trade practice;
6/ “requirements of professional competence” and “certificate of professional competence” mean requirements set by the relevant sectoral government institution to be fulfilled as appropriate with respect to commercial activities for which business license is issued, concerning, the presence of professionals to perform specific duties, the fulfillment of the necessary premise and equipments in order to carry on the business, the working process necessary for the production of a product or service and the necessary inputs and certificate issued upon fulfillment of these requirements, respectively:

37/ any expression in the masculine gender includes the feminine.

3. **Objectives**

This Proclamation shall have the objectives:

1/ strengthening the situations where the trade sector can be supportive of the economic development of the country;

2/ protecting the trade sector from detrimental and unfair activities by appropriately organizing the systems of commercial registration and business licensing;

3/ facilitating the keeping of data regarding the trade sector by the government;

4/ creating conducive situations for commercial activities.

4. **Scope of Application**

The provisions of this Proclamation relating to business licenses shall apply to any person engaged in any commercial activity other than those specified under Article 30 sub article (1) of this Proclamation.
5. Establishment of Commercial Register

1/ A commercial register administered by the Ministry and which has a nationwide application is hereby established by this Proclamation.

2/ Each bureau or the Ethiopian Investment Agency, in accordance with the power delegated to it by the Ministry and pursuant to this Proclamation, shall conduct commercial registration.

6. Registration in the Commercial Register

1/ No person shall engage in any commercial activity which requires business license without being registered in the commercial register.

2/ Any person shall be registered in the commercial register at the place where the head office of his business is situated.

3/ Any person shall register in the commercial register only once, even though he carries on different commercial activities in different regions.

4/ Any person who opens branch offices in many places shall inform the registering office where his branch office is situated, the address of the branch office and his special identification number of registration by completing the appropriate application form and attaching photocopies of his commercial registration certificate and business license before commencing operation.

5/ As provided for under Article 105 of the Commercial Code, when any person is being registered in the commercial register, the trade name shall be included in the commercial registration by verifying that it is unlikely to create conflict with the interest of another business person.

6/ Any person, who is not registered in the commercial register in accordance with the laws which were in force prior to the coming into force of this Proclamation, but who has been carrying on a commercial activity under a license from any authorized government body, shall be registered pursuant to this Proclamation with in 12 months from the effective date of this Proclamation.
7/ Founders or members of a business organization shall sign their memorandum and articles of association at the Documents Authentication and Registration Office, according to standardized samples of memorandum and articles of association sent to the same office by the registering office, before applying for commercial registration, except any amendments to these signed and registered memorandum and articles of association.

8/ Before signing their memorandum and article of association, founders or members of a business organization shall get the verification of the registering office that another business person has not occupied the name of the business organization.

9/ Where the successors and the spouse of a sole business person who was engaged in transport business, do not want to form a business organization to resume the business, one of the successors or the spouse can be registered in the commercial register according to the power of attorney given to him by the other successors and/or the spouse.

10/ The agreement of founders or members of a business organization on the valuation of contribution in kind shall be stipulated in the memorandum of association or in the amendment of the memorandum of association.

7. Application for Registration and Decision

1/ Any Application to register in the commercial register shall be submitted to the registering office by a person who wants to engage in a commercial activity by completing the application form and attaching the documents stipulated in this Proclamation at least one month before he starts operation.

2/ Where any application to register in the commercial register that has been submitted to the registering office is found acceptable, the registering office shall register the applicant and issue to him a certificate of registration upon payment of the prescribed fee in the regulation.
3/ When the registering office rejects the application for registration submitted to it pursuant to sub article (1) and (2) of this Article, it shall notify the applicant in writing the reasons thereof.

4/ The Ministry shall prepare forms that shall be used for registration purposes.

5/ The Ministry shall determine the number of photographs and copies of documents that shall be attached with the application for registration.

6/ The registering office shall verify the accuracy of details stated in the application form and documents attached thereto.

7/ Copies of memorandum and article of association to be submitted in accordance with this Proclamation shall be original copies and authenticated.

8/ The registering office shall enter in the trade register, the taxpayer’s identification number of the applying individual business person or the business organization issued by the tax collecting office, as special identification number of registration. The registering office shall use the finger print registered by the tax collecting office for individual business person.

9/ The registering office shall request the tax collecting office, in writing, to give the business organization applying for registration a taxpayer’s identification number, before registering it. The tax collecting office shall inform the registering office, in writing of the taxpayer’s identification number it has issued to the business organization which is under formation.

10/ Foreign investors to be engaged in the mining sector, federal public enterprises, commercial representatives, branches of foreign companies, foreign traders that come to operate in Ethiopia by winning international bids, organizations that are permitted to engage in commercial activity and foreign investors intending to buy an existing enterprise in order to operate it as it stands shall be registered with the Ministry.

11/ Regional public enterprises shall be registered with the bureaus.
12/ Foreign investors shall be registered only with the Ministry or the Ethiopian Investment Agency.

13/ With out prejudice to the provision of Article 6 sub article (2) of this Proclamation, those business persons who engage in commercial activities for which license is issued by the Ministry may directly apply to the Ministry for registration.

14/ An objection submitted in accordance with the law against the registration of a person or a business organization in the commercial register, may, result in prevention from being registered.

8. **Forwarding of Information and Documents Relating to Registration**

1/ The bureau or the Ethiopian Investment Agency, which has made commercial registration under this Proclamation, shall forward to the Ministry the particulars of the registration in a form designed for this purpose.

2/ The Ministry shall register in the central register information forwarded to it pursuant to sub article (1) of this Article and those registered by itself, pursuant to Article 5 sub article (1) of this Proclamation.

9. **Legal Personality of Business Organizations**

1/ Business organizations shall acquire legal personality by registering in the commercial register without being publicized in a newspaper as provided for under Article 87, 219, 220, 223 and 224 of the Commercial Code for their establishment or amendments to their memorandum of association.

2/ The commercial register of business organizations shall be made open for the reference of third parties.

10. **Commercial Registration of Sole Business Persons**

Where the applicant is a sole business person he shall submit the following documents together with his application format:

1/ passport size photographs of the applicant taken within six months time,

2/ photocopies of the kebele identification card or copies of valid passport of the applicant,
3/ where the applicant is a foreign investor his investment permit,

4/ where the applicant is a foreigner considered as a domestic investor, a document issued by Ethiopian Investment Agency to testify this,

5/ a document which testifies that he has attained the age of 18,

6/ the exact address of the head office and branch offices of his business if any, and

7/ if the office of his business is his own a title deed or if it is a leased one an authenticated contract of lease and a verification issued by kebele administration as to the address of the office.

11. Commercial Registration of a Business Organization Other than a Share Company

1/ Where the applicant is a business organization other than a share company, under formation; the founders or their attorney shall submit the following documents as may be appropriate, together with the application format:

a) where the application is signed by an attorney; a power of attorney given by all of the founders, photocopies of kebele identification card or valid passport of the attorney and the manager and the passport size photographs of the manager taken within six months time,

b) original copies of memorandum and articles of association,

c) where there are foreign nationals as members of the business organization; documents evidencing that the foreign nationals are considered as domestic investors or their investment permits and photocopies of pages of their valid passports,
d) where there is a foreign juridical person involved in the business organization under formation; its certificate of incorporation, originals and authenticated copies of its memorandum and article of association or similar document, a notarized minutes of resolution passed by the authorized organ of the juridical person to join the business organization and an investment permit where the juridical person is a foreign business organization,

e) documents prescribed under sub-article (6) and (7) of Article 10 of this Proclamation, and

f) documents mentioned from paragraph (a) to (d) of this sub-article shall be submitted after authentication by appropriate bodies in Ethiopia.

2/ The manager of a business organization other than a share company shall not be a manager in more than one any business organization at the same time.

3/ Before the registration of a business organization other than a share company in the commercial register, there shall be submitted a bank statement that the capital of the business organization to be contributed in cash has been deposited and all appropriate documents relating to contribution in kind.

4/ The registering office shall write a letter to the bank for the capital to be contributed in cash of the business organization other than a share company, under formation, to be deposited in a blocked bank account.

5/ After a business organization other than a share company has entered commercial register and obtained legal personality, testimonials issued by appropriate government office, which show all contributions in kind have been transferred to the newly formed business organization, shall be submitted to the registering office.

6/ Where the commercial registration of the business organization is completed, the registering office shall write a letter to the bank to release the capital of the business organization kept in a blocked account.
12. Commercial Registration of a Share Company

1) Where the applicant is a share company; under formation, the founders or their attorney shall submit the following documents as may be appropriate, together with the application:

   a) where the application is signed by an attorney, the original copy of power of attorney given by all the founders, photocopies of kebele identification card or passport of the attorney and the passport size photographs of the manager taken within six months time,

   b) a bank statement showing that at least one fourth of the par value of the subscribed shares of the company is deposited in a blocked account,

   c) original copies of minutes of resolution of the subscribers of the company and such other documents as may be associated with the resolution,

   d) original copies of memorandum and articles of association of the company,

   e) documents stipulated under sub article (1)(c) and (d) of Article 11 of this Proclamation, if necessary,

   f) information and documents prescribed under sub article (6) and (7) of Article 10 of this Proclamation;

   g) documents mentioned from paragraph (a) to (e) of this sub-article shall be submitted after authentication by appropriate bodies in Ethiopia.

2) The manager of a share company shall not be a manager in more than one any business organization at the same time.

3) The registering office shall write a letter to the bank, for a quarter of the capital of the share company under formation as mentioned in sub article (1) (b) of this Article to be deposited in the bank in a blocked account.

4) The provisions of sub article (3), (5) and (6) of Article 15 of this Proclamation shall apply to commercial registration of a share company.
5) The founders of a share company to be established by public subscription as provided for under Articles 317 to 322 of the Commercial Code, in order to start the formation of the company, shall in advance obtain the written permission of the registering office.

13. **Commercial Registration of Branch of a Foreign Business Organization**

Where the applicant is a branch of a foreign incorporated business organization the attorney shall submit the following documents for registration after being authenticated by appropriate bodies in Ethiopia together with the application:

1) notarized minutes of resolution passed by the authorized organ of the foreign business organization evidencing a decision to open a branch in Ethiopia and investment permit,

2) certificate of incorporation of the business organization,

3) original copy of the power of attorney of the permanent agent of the company in Ethiopia together with photocopies of his kebele identity card or pages of valid passport,

4) original copies of memorandum and articles of association or similar documents of the business organization, and

5) information and documents prescribed under sub article (6) and (7) of Article 10 of this Proclamation.

14. **Commercial Registration of a Federal Public Enterprise or Regional Public Enterprise**

Where applicant is a public enterprise established by the federal government or a public enterprise established by a regional state:

1) the law of its establishment,

2) the letter of appointment of the manager and the passport size photographs of the manager taken with in six months time,
where the application is signed by an agent, document of agency issued by head of the enterprise and copy of the agent’s kebele identity card or passport,

4) documents prescribed under sub article (6) and (7) of Article 10 of this Proclamation, shall be submitted together with the application for registration.

15. Commercial Registration of a Commercial Representative

Where the applicant is a commercial representative of a foreign-based business organization or sole business person:

1) authenticated documents by appropriate bodies in Ethiopia:

a) proof of registration and juridical existence of the principal business organization in the country of its registration or in the country where the principal business person operates,

b) where the principal is a business organization its original copies of memorandum and article of association or similar documents;

2) a bank confirmation for having brought into the country a minimum of USD 100,000 (One Hundred Thousands United States Dollar) for office operation and salary expenditure for the budget year,

3) an authenticated proof of appointment of the representative by the principal business person as its commercial representative and photocopies of his kebele identity card or passport,

4) documents prescribed under sub article (6) and (7) of Article 10 of this Proclamation, shall be submitted to the Ministry together with the application.

16. Alteration and Amendment of Commercial Registration

1) Any alteration or amendment of a commercial register shall be submitted by completing the appropriate application form within two months from the date the alteration or amendment has been made.
2/ For the implementation of sub article (1) of this Article the applicant shall submit the following documents together with the application:

a) where the alteration or amendment is to the registration of a business organization, minutes of resolution of the share holders of the business organization to make the alteration or the amendment,

b) where the alteration or amendment is to admit a new foreign national individual, document evidencing that the individual is considered as a domestic investor or his investment permit or the permit given by the Ministry to buy the shares of an existing company and photocopies of pages of his passport, and

c) where the new member is a juridical person its original copies of memorandum and article of association, certificate of incorporation or similar document, a notarized minutes of resolution or letter of its decision to join the business organization as passed by its authorized organ, if it is a foreign company, an investment permit or a permit given by the Ministry to buy the shares of an existing company.

3/ The registering office shall give verification, for the submission and acceptance of alteration or amendment of commercial registration and shall notify the applicant and the concerned bodies in writing by citing the details of the date of acceptance and the entry of alteration or amendment of the commercial register. Without this written verification, the alteration or amendment of the registration shall not be considered to have been entered in the commercial register.

4/ The registering offices shall strikeout alteration or amendment of registration that it believes is unduly altered or amended and inform details of the rejection to the applicant.

5/ Where it is appropriate, criteria set in this Proclamation for commercial registration shall be applicable to alteration or amendment of commercial registration.
6/ በተወሰነ መሆኑን መዝገቡ ያተወስነበት ይገኝ ማህበራት ይሆናሉ፣ በወደ መመለከት በየመስጠቱ ከመስጠቱ ይህ ያስር ያቀረቡ ያሆናል።

07. ከአዋጅ ያስር ያስር ያስር

1/ ከአዋጅ ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስር ያስру

6) Amendments or alteration of memorandum and articles of association to be submitted pursuant to this Proclamation shall be in original copies and authenticated.

17. Cancellation of Registration

1) Without prejudice to the provision of Article 112, 113 and 226 of the Commercial Code, the registering office shall decide to cancel the registration upon his being aware of the fact that either the business person has ceased to operate his business or there is a lawful decision prohibiting him from carrying on his business or has violated this Proclamation or where his registration has not been renewed or the business person has submitted false information or documents for registration.

2) The registering office shall, before making its decision pursuant to sub article (1) of this Article, require the business person to submit his opinion, except where the business person ceased to operate his business or has requested the cancellation of his commercial registration or has failed to get his registration renewed. If, however, the business person cannot be contacted at his registered address, the registering office shall make its decision on the basis of the available information.

3) The business person whose registration is cancelled shall get upon his request a certificate of cancellation of registration on payment of the fee prescribed by the regulation.

4) Cancellation of the registration of business organizations shall be effective from the date of publication of a notice of cancellation in a newspaper at the expense of the applicant. Any other cancellations of commercial registration shall be effective from the date of the entry of the cancellation in the register.

5) The provisions of Article 8 of this Proclamation shall apply to the forwarding of documents relating to the cancellation of registration.

6) A business person who has been cancelled from a commercial register, because of his violation of this Proclamation or the regulation, can be registered again a year after the cancellation of his registration, unless there is a legal or an administrative reason, which prevents him from being registered again.
08. **Renewal of Commercial Registration**

1) Renewal of commercial registration shall be made every year or for the future 5 years all together, within the time after the completion of the budget year of the registration, which is set for the renewal of business license without penalty as provided for under Article 36 sub article (2) of this Proclamation.

2) The provision of Article 36 sub article (13) of this Proclamation shall apply to the renewal of commercial registration of the business persons, for whom a different accounts budget year other than the one provided for in this Proclamation has been designated by the Ethiopian Revenue and Customs Authority.

3) The commercial registration shall be cancelled if its renewal has not been made pursuant to sub article (1) and (2) of this Article.

09. **Issuance of Substitute Certificate of Registration**

1) Any person, whose certificate of registration is lost or damaged, may apply in writing to the registering office that made the earlier registration and obtain a substitute certificate of registration.

2) A person whose registration certificate is damaged or lost, shall, request for issuance of a substitute by submitting a written application signed by him or the manager, to the registering office explaining how the registration certificate got damaged or lost.

3) Upon receipt of the application with the explanation, the registering office shall, if it is a damaged certificate, cause its return and issue a substitute registration certificate on payment of fee as prescribed in the regulation.

18. **Effective Date of Registration**

Any commercial registration shall be effective from the date of the registration of the applicant in the commercial register.
21. Request for Copies of Entries

1) Any person requesting for a copy of an entry made in a commercial register or a copy of an extract of entry or a certificate of no entry or a certificate of cancellation of registration shall submit a written request to the registering office.

2) The registering office shall issue to the applicant the required copy or certificate upon payment of the appropriate fee prescribed in the regulation.

PART THREE
REGISTRATION OF TRADE NAME

22. Establishment of Trade Name Register

1) A trade name register to be administered by the Ministry is hereby established by this Proclamation.

2) The Ministry or the branch of the Ministry or regional bureaus or the Ethiopian Investment Agency based on the delegation given to it by the Ministry shall conduct trade name registration as indicated herein under while conducting commercial registration.

23. Duties of the Ministry

The Ministry shall:

1) conduct trade names registration;

2) register in the central trade name register particulars of trade names registration forwarded to it by each bureau or the Ethiopian Investment Agency and deposit related documents;

3) immediately forward information requested by each bureau or the Ethiopia Investment Agency before the bureau or the Agency decides to register a trade name submitted to it;

4) delegate and assist regional bureaus and the Ethiopian Investment Agency for the proper application of the provisions of this Proclamation on trade name registration.
24. Registration of Trade Name

1) Any person desiring to engage in a commercial activity shall register his trade name at the place where he is registering in the commercial register.

2) Where the applicant is a foreign business organization it shall together with the application, submit to the registering office it’s properly authenticated commercial registration and trade name registration certificate issued by the country in which it is registered or any evidence which testifies the same.

3) The registering office upon ascertaining that the trade name submitted for registration pursuant to sub article (1) of this Article:

   a) is not identical or misleadingly similar to the trade names previously registered; or

   b) is not misleading other business persons and the society, in spite of the fact that it is not previously registered; or

   c) the part of the trade name desired to be owned solely by the applicant is not a descriptive or a generic or a common name; or

   d) that the trade name is not represented only by numbers; or

   e) is not similar to the names of public bodies or public enterprises; or

   f) is not similar to the name of any political party or labour union or any other association or aid organization; or

   g) a proper authorization has been obtained to use as trade names the names of renowned people or leaders of countries, if the name is so represented; or

   h) the trade name of the business operated by a sole business person indicates the type of business carried on; or
i) is not among trade names well known in other countries or is not the one that has international recognition, unless an authorization by the owner to use it has been secured, even though not registered as a trade name in Ethiopia; or

j) is not submitted by adding prefix or suffix to an already registered trade name; or

k) where the trade name is an acronym that it is meaningful or is representative of the name of the applicant or where it is composed of the names of the members of a business organization that it contains the beginning letters of the members; or

l) where it is intended to use the names of countries as trade names of business organizations, that citizens coming from the countries are establishing the business organizations; or

m) where it is intended to use a trade name of a business organization or a sole business person registered in another country as a trade name of a business organization or a business of an individual business person, that an authorization is obtained and that the same is authenticated in Ethiopia; or

n) does not have similar reading sound with an already registered trade name; or

o) is not contrary to morality or public order;

shall, at the expense of the applicant, cause the publication in a newspaper which has a nation wide distribution, of a notice indicating the subsequent registration of the trade name.

Where with in 15 days following publication of the trade name in a newspaper pursuant to sub article (3) of this Article, no objection is lodged against the registration of the trade name with lawful ground to prevent the registration of the trade name, the registering office shall issue to the applicant a trade name registration certificate after the expiry of the 15 days period upon the applicants payment of the necessary fee.
5/ የምዝገባ መረጃ ሲለማስተላለች የብለኝ ከማረጉ የተመጨረሻ የራሳቸውን የወል መጠሪያዎች እንደማነፃፀሪያነት መጠቀም አይቻልም፡፡

6/ የሚወስድ መሠረታዊ የብለኝ ለመወሰን የወል መጠሪያዎች በቀረቡት የንግድ ስም ውስጥ የተካተትን ገላጭ ወይም የወል መጠሪያዎች እንደማነፃፀሪያነት መጠቀም አይቻልም፡፡

7/ የምዝገባ መረጃ ሲለማስተላለች የብלת በየት የአንቀፅ ያረጋገጡ የአንቀፅ የሁለትን የወል መጠሪያዎች የወል መጠሪያዎች ያለበትን ምክንያት ከመግለጽ ለአመልካቹ በፅሁፍ መልስ ይሰጠዋል፡፡

8/ የእነወንድ ለሸም እንደተመዘገቡ የንግድ ስም ውስጥ በዚህ አዋጅ መሠረት እንደተመዘገቡ ይቆጠራሉ፡፡

25. **Forwarding of Registration Information**

1/ ይህንም ከሆነ ከሚኒስቴር እና ይህንም ከሚኒስቴር በዚህ አንቀፅ ለመስጠት በቀረቡት የጋበታች ያስተላልፋል፡፡

2/ የሚህወስድ ለመስጠት በዚህ አስገኝ የአንቀፅ የከስድ የerule (1) የሚህወስድ የስር ይህንም እንደተመዘገቡ የሸም ያለበትን የወል መጠሪያዎች ይህንም ያስተላልፋል፡፡

26. **Effects of Entry of a Trade Name in the Trade Name Register**

1/ የሚህወስድ ሊወገድ የወል መጠሪያዎች ያስተላልፋል፡፡

2/ የሚህወስድ የሚያስገኝ የአንቀፅ የከስድ የerule (2) የሚህወስድ የስር ይህንም ከመግብ ያስገቡ ይህንም ያስተላልፋል፡፡

1/ የንግድ ስም በሸም የሚባለው የሚያስገኝ የአንቀፅ የከስድ ያስተላልፋል፡፡

2/ የሚህወስድ የሚያስገኝ የአንቀፅ የከስድ የerule (3) የሚህወስድ የስር ይህንም ከመግብ ያስገቡ ይህንም ያስተላልፋል፡፡
3/ The translation of a trade name in a language other than the language it has been registered in the commercial register or in the trade name register, shall not be registered as a trade name unless it is proven that it does not entail an unfair commercial competition against the owner of the trade name that has been previously registered in the commercial register or in the trade name register.

27. Making Alteration or Amendment

The provisions of Article 24 of this Proclamation shall apply to a business person who desires to alter or amend a trade name he has already registered.

28. Cancellation of a Trade Name Registration

1/ The registering office shall cancel a trade name registration when it ascertains that:

a) the commercial registration of the business person has been cancelled; or

b) the owner of the trade name requests for the changing of the trade name, or

c) it is found out that the registration was made fraudulently.

2/ Before canceling the registration of the trade name pursuant to sub article (1) (C) of this Article, the registering office, shall, by means of a letter sent to the registered address of the business person, give him the opportunity to submit his reply. The trade name registration shall be cancelled where the reply of the owner of the trade name is found to be unsatisfactory or he fails to respond with in 30 days of receipt of the letter or cannot be contacted at his registered address.

3/ Where a trade name registration is cancelled, the registering office shall issue a certificate of cancellation to the former owner of the trade name upon payment of the appropriate fee.

4/ Unless the owner of a trade name, which has been cancelled from a trade name register pursuant to sub article (1)(c) of this Article, has been cancelled from the commercial register, the trade name already cancelled shall be replaced by a new trade name.
29. Substitute Trade Name Registration Certificate

The provisions of Article 19 of this Proclamation shall apply, as may be appropriate, for obtaining of a substitute of a trade name registration certificate.

PART FOUR
BUSINESS LICENCE

30. Power to Issue Business License

1/ Notwithstanding the provisions of other relevant laws, the appropriate authority shall issue licenses as may be appropriate, except those licenses issued by other relevant government institutions for the following commercial activities:

a) prospecting and mining of minerals;

b) various water works services, excluding water works construction services;

c) banking, insurance and micro finance services;

d) air transport services and other aviation services;

e) commercial activities involving the use of radioactive materials and radiation emitting equipment;

f) telecommunication services;


g) the business of generating or transmitting or distributing or selling electricity;

h) repairing and maintaining of arms and firearms and sale of explosives;

i) sea and inland water ways transportation services;

j) multimodal transport services;

k) the business of warehouse receipt system;

l) trade in tobacco and tobacco products.
2/ Without prejudice to the generality of sub article (1) of this Article, the list of commercial activities for which the Ministry or the bureau issue business licenses shall be determined by the Ministry based on international commodity or services or industrial classifications.

3/ The requirements of professional competence to be satisfied for licenses to be issued for commercial activities covered by this Proclamation shall be defined in the respective directives issued by the relevant sectoral government institutions.

4/ The appropriate authority may set requirements for professional competence, in collaboration with other appropriate organs, for businesses it issues licenses and for which requirements of professional competence are not set by other government offices.

5/ When the Ministry issues a business license of export or import pursuant to sub article (2) of this Article the license cannot be validly used unless the good is clearly indicated in the license.

6/ Those government bodies which issue business licenses for businesses mentioned under sub article (1) of this Article, shall, when renewing the business licenses, request the license holder to submit clearance statements for the payment of taxes and other revenues due to be paid to the government pursuant to sub article (8) (a) of Article 36 of this Proclamation.

31. Obtaining Business License

1/ No person shall carry on a commercial activity without obtaining a valid business license.

2/ Without prejudice to the provisions of Article 42 and 60(1) of this Proclamation, the appropriate authority may order the closure of the business of the person who is found engaged in a commercial activity without a valid business license.

3/ A business person, who has registered the address of his branch office pursuant to Article 6 sub article (4) of this Proclamation, shall not be required to obtain another business license for the same commercial activity for which he opened a branch.
4/ Where any business person violates the provisions of this Proclamation in a region where he registered and operates his branch office, the bureau of the region in which the branch office is registered may take appropriate measures pursuant to this Proclamation or may remind the appropriate authority which has issued the license to take measures.

5/ Any violation of the provisions of this Proclamation committed by the branch office shall be considered to have been committed by the head office or at the place of the issuance of the business license.

6/ The bureau shall inform in writing, the measure it has taken, to the appropriate authority that has issued the business license to the business person, in one-month time.

### 32. Application for Business License

1/ Any person desiring to engage in a commercial activity shall submit to the appropriate authority application for business license by completing an application form.

2/ The applicant, shall together with his application pursuant to sub article (1) of this Article, submit:

- a) a newly issued or renewed commercial registration certificate,
- b) his or his manager’s passport size photographs taken within six months time,
- c) if he is a foreign investor his investment and residence permits,
- d) if he is a foreign citizen desiring to be considered as a domestic investor, a document issued by the Ethiopian Investment Agency evidencing the same and his residence permit,
- e) where the application is submitted by an attorney, an authenticated power of attorney and photocopies of the attorney’s kebele identity card or passport,
3/ Any applicant requesting for the issuance of a business license, shall supply the documents prescribed under sub article (6) and (7) of Article 10 of this Proclamation.

4/ Where the applicant is a foreign investor and requests for a business license desiring to buy and run an enterprise in its existing situation; shall, in addition to the documents provided for under sub article (2) of this Article, submit to the Ministry photocopies of his passport and document evidencing the sale of the enterprise from the Privatization and Public Enterprises Supervising Agency or where the purchase is from private, an authenticated document evidencing the conclusion of the sale, as may be appropriate.

5/ Where the applicant is a business organization, it shall together with the application submit the following documents to the appropriate authority:

a) commercial registration certificate,

b) authenticated original copies of memorandum and article of association of the business organization,

c) passport size photographs of the manager taken with in six months time,

d) where the application is submitted by an attorney, an authenticated power of attorney and photocopies of kebele identification card or passport of the attorney, and

e) documents prescribed under sub article (2) (c), (d), (f) and (g) of this Article.
6/ ከመልካቹ የፌዴራል መንግሥት የልማት በክልል የመንግሥት ድርጅት ከሆነ፡-

6/ Where the applicant is a federal public enterprise or a regional public enterprise, it shall together with the application submit the following documents to the appropriate authority:

a) commercial registration certificate,

b) the law of its establishment,

c) the appointment letter of the manager and his passport size photographs taken with in six months time,

d) where the application is submitted by an attorney, an authenticated power of attorney and photocopies of the attorney’s kebele identification card or passport, and

e) documents prescribed under sub article (2) (g) of this Article.

7/ ለስለመመሪያው የሚመለከት የሙያ ብቃት ስለሟሟላቱ በሚመለከቱ የመንግሥት ቤት ያሳውቃል፡፡

7/ When an alteration or amendment is made to a business license, passport size photographs of the license holder or of the general manager shall be attached to the original and copy of the business license.

8/ ይህ መስታコーヒー የማህበር የመንግሥት የሚሰጡ የመንግሥት ቤቶች ያለው ባለሥልጣን በፊት ማረጋገጫ ይለጠፋል፡፡

8/ There shall be submitted a certificate of professional competence in testimony of the fulfillment of the requirements set by the relevant government office in a directive, for the business a business license has been requested, and a statement signed by the applicant. The appropriate authority shall inform the concerned government office about the implementation of the directive.

9/ ይህ መስታコーヒー የማህበር (8) የተለያዩ የምስክር ወረቀት፣ የሚሰጡ የመንግሥት ቤቶች ያለው ባለሥልጣን ያስላይውም ያስተካከል እና ያስፈቀድ በቀረበበት ያስቀርባል፡፡

9/ Without prejudice to the provision sub article (8) of this Article government offices which issue certificates of professional competence or certificate of ownership, for commercial activities require certificate of competence, may remind the appropriate authority to demand the submission of the certificates before issuing business license.
33. Issuance of Business License

1/ Where an application for business license is submitted to the appropriate authority pursuant to Article 32 of this Proclamation, it shall issue a business license to the applicant upon payment of the appropriate fee by ascertaining that the condition set by this Proclamation are fulfilled and that the commercial activity intended to be carried on by the applicant is not prohibited by law.

2/ Where the appropriate authority ascertains that the application for business license pursuant to Article 32 of this Proclamation is not acceptable, it shall notify the applicant in writing of the reasons for rejecting the application.

3/ Where the successors and the spouse of a sole business person who was engaged in transport business do not want to form a business organization, a business license can be issued in the name of one of the successors or the spouse in accordance with the power of attorney given to him by the other successors and/or the spouse after being registered in the commercial register pursuant to sub article (9) of Article 6 of this Proclamation.

34. Rights and Duties of a Business Person Holding a Business License

Any person to whom a business license has been issued have the following rights and duties:

1/ may carry on any commercial activity so long as such activity is with in the scope of the field of activity for which the license is issued, abide by the prohibitions and restrictions imposed by the provisions of sub article (2),(3), (4), (5) ,(6) ,(7) and (8) of this Article and other laws, and depending on the type of commercial activity he is engaged in, to supply goods and services to consumers and users or to manufacture goods;

2/ shall carry on the various businesses for which business licenses have been issued in separate places or premises, where carrying on such activities at the same place or premise endangers public health and safety or property;
3/ shall not concurrently, carry on different activities where doing so entails damage to the consumers or customers; or gives rise to conflict of interests;

4/ shall display a price list for his goods and services by posting such list in a conspicuous place in his business premise or by affixing price tags on the goods;

5/ shall comply with what the nature of the business demands and render service as directed by public notice;

6/ shall display his business license in a conspicuous place within the business premise;

7/ shall not assign the business license to the benefit of any person or pledge or lease it; and

8/ When the dissolution of a business organization is ordered by court of law, the business organization shall not use for operation the business license obtained in its own name.

### 35. Permit for Expansion and Upgrading

1/ Any person desiring to produce goods or dispense service by expanding or upgrading an existing industry, or agricultural development or a service business, may apply to the appropriate authority to obtain a permit by attaching the documents specified under Article 32 of this Proclamation.

2/ After examining the documents submitted to it and ascertaining that it is satisfactory, the appropriate authority shall issue to the applicant the expansion or upgrading permit.

3/ Where the appropriate authority rejects the application submitted to it pursuant to sub article (1) of this Article it shall notify the applicant in writing of the reasons of rejection.
4/ Any person desiring to obtain an expansion or upgrading permit shall submit together with the application, commercial registration certificate, business license previously issued to him and passport size photographs of him or the manager taken within six months time.

5/ The permit to be issued pursuant to sub article (2) of this Article, shall serve only until the completion of the expansion or the upgrading and it shall not be used for manufacturing or production and marketing or for dispensing services.

6/ A business person who has completed the expansion or the upgrading, before starting manufacturing or production or dispensing service, may apply to the appropriate authority by attaching the necessary documents, to obtain a business license to manufacture goods or produce agricultural products or to dispense services.

7/ Where the appropriate authority ascertains that the expansion or upgrading is capable of manufacturing goods or producing agricultural products or dispensing services, shall, issue business license to the applicant upon submission of documents specified under Article 32 of this Proclamation and by the payment of the appropriate fee prescribed in the regulation.

8/ Where the appropriate authority rejects the application submitted to it pursuant to sub article (6) and (7) of this Article, shall inform the applicant, in writing, of the reasons for the rejection of the application.

36. Validity Period and Renewal of Business License

1/ A business license issued pursuant to Article 33 of this Proclamation shall be valid unless cancelled on the grounds specified under Article 39 of this Proclamation and as long as it is renewed pursuant to sub article (2) of this Article.
2/ Unless the business license is renewed within four months after the expiry of the budget year in which the license has been issued or renewed upon payment of the appropriate fee, the business license shall not, in anyway, be put in use.

3/ After the expiry of the time for renewal of business licenses without penalty provided for under sub article (2) of this Article, the business licenses shall be renewed without penalty in the following months of Hidar and Tahisas.

4/ The holder of a business license who has failed to have it renewed within the time specified under sub article (2) and (3) of this Article, shall have it renewed within the time, from Tir 1 to Sene 30 by paying in addition to the renewal fee, a penalty of Birr 2,500 (two thousand five hundred) for the month Tir and Birr 1,500 (one thousand five hundred), for the next each month of delay.

5/ A business license not renewed within the time provided for under sub article (4) of this Article shall be cancelled after the expiry of the time made available for the renewal of the business license with penalty.

6/ Where a business license is cancelled because of the failure of the business person to renew his business license within the time of renewal with penalty; he can obtain the cancelled business license within one year after the cancellation, only when the reason for not getting the license renewed in due time is found to be acceptable by the higher official of the appropriate authority and upon payment of the double of the penalty provided for under sub article (4) of this Article.

7/ A businessperson who has not got permission to obtain his business license again under sub article (6) of this Article shall obtain the same business license without penalty one year after the cancellation of the business license.

8/ When the license holder appears for the renewal of his license, shall submit:
a) a clearance statement written to the appropriate authority at its address for the payment of income tax, other taxes, land use fee, employee’s income tax, municipality services fees and any other payment due to be paid to the government,

b) a renewed commercial registration certificate, and

c) the appropriate application form for the renewal of business license.

9/ Clearance statement issued pursuant to sub article (8) (a) of this Article for the payment of taxes or other government revenues shall not be acceptable, if, it is written so as to address several bodies, does not indicate the type of business it has been issued for and does not attest the payment of the tax and other government revenues.

10/ Clearance statement issued by the tax collecting office pursuant to sub article (8) (a) of this Article for the payment of taxes and any other government revenues, shall, lose its validity, if not used for the renewal of the business license within one month time from the date of its issuance.

11/ The appropriate authority shall renew the business license when it finds that the application is complete upon payment of the appropriate fee or when it rejects the application, it shall inform the applicant in writing the reasons of its rejection.

12/ A business person who changes his business’s address shall present clearance statement for the complete payment of government tax and any other revenues, to the appropriate authority of his new business address from the place of his former business operation.
13/ The computation of time of renewal of business licenses provided for in this Proclamation for business persons who use different accounts budget year otherwise than provide for in this Proclamation, as authorized by the Ethiopian Revenues and Customs Authority, shall commence from the beginning of the authorized accounts budget year.

14/ The requirements set in this Proclamation, to be met for the issuance of a new business licenses, shall be applicable to the renewal of business licenses.

37. **Suspension of Business License**

1/ The appropriate authority may, until such time as the short comings indicated below are rectified, suspend a business license where the license holder:

   a) has failed to maintain the standards of health and sanitary conditions, environmental protection, safety measures and the quality of his products or services or has done any other illegal act in connection with his commercial activity or that he failed to observe the conditions under which the business license is issued, as confirmed by the concerned government institution or the appropriate authority; or

   b) has failed to supply accurately and on time the information requested by the appropriate authority pursuant to this Proclamation; or

   c) has, in any way, violated this Proclamation or the regulation.

2/ Where a business license is suspended under sub article (1) of this Article, the appropriate authority shall notify the license holder, in writing, of the reasons of suspension and the measures to be taken to rectify the shortcomings with in a fixed period of time.
### Measures to be Taken During Suspension

The appropriate authority may seal the business of a business person whose business license has been suspended pursuant to Article 37 of this Proclamation.

### Cancellation of Business License

1/ Without prejudice to sub article (3) of this Article the appropriate authority may cancel a business license, where the holder there of:

- a) is found to have obtained or renewed his license by submitting false document or for any purpose submit a false document or false information; or

- b) is found using the license for a purpose other than that for which it was issued or for unfair trade practice; or

- c) has committed the faults specified in Article 37(1) of this Proclamation twice; or

- d) has failed to comply with the provision of Article 37(3) of this Proclamation; or

- e) has become bankrupt or ceased to operate his business; or

- f) has failed to renew his business license pursuant to Article 36 of this Proclamation; or

- g) his commercial registration has been cancelled.
2/ Where the appropriate authority or the concerned government institution has confirmed; that the business is dangerous to public health and safety or the national economy, a business license may be suspended and the business may be sealed until such time as the appropriate authority decides to cancel the license pursuant to sub article (1) of this Article.

3/ The appropriate authority, before deciding to cancel the license for the reasons specified in sub article (1) of this Article shall require the license holder by letter sent to his registered address to submit his written opinion on the anticipated cancellation of the license. The license shall be cancelled where the license holder has not submitted his opinion within 30 days from the day the letter was received by him or his opinion is not adequate.

4/ Unless a business person who has voluntarily ceased his business; returns his business license to the appropriate authority within the time of renewal of license without penalty, he can obtain the business license again only one year after, starting the expiry date of the time of renewal of license without penalty.

5/ A business person whose business license has been cancelled for any reason provided for in this Proclamation; other than those provided for under sub article (7) of Article 36 and sub article (4) of this Article, shall obtain that same business license which has been cancelled only two years after, starting from the date of cancellation.

6/ A businessperson who returns his business license to the appropriate authority pursuant to sub article (4) of this Article or who wants to obtain the same business license as new, after being cancelled pursuant to sub articles (6) and (7) of Article (36) of this proclamation, shall submit a tax clearance statement for the duration he used the returned or the cancelled business license.

40. Issuance of a Substitute Business License

1/ Any person who has his business license lost or damaged may obtain a substitute by applying in writing to the appropriate authority, which issued the license.
<table>
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<td>41.</td>
<td><strong>Issuance of Business License Upon Transfer of Business</strong></td>
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<tr>
<td>1/</td>
<td>When a business is transferred to another person, the previous license shall be returned and the person to whom it is transferred shall obtain a business license in his name.</td>
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<td>2/</td>
<td>Where a business is lawfully transferred to another person it shall, in advance be published in a newspaper at the expense of the person to whom it is transferred.</td>
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<td>3/</td>
<td>The appropriate authority, after verifying the transfer is being made lawfully, it shall issue a business license in the name of the person to whom the business is transferred, upon payment of the appropriate fee.</td>
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<td>4/</td>
<td>When the appropriate authority ascertains the application submitted to it pursuant to sub article (1) of this Article is not acceptable, it shall inform the applicant in writing of the reasons of the rejection of the application.</td>
</tr>
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<td>5/</td>
<td>There shall be submitted a tax clearance statement for the duration the former license holder used the business license.</td>
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<tr>
<td>42.</td>
<td><strong>Commercial Activities Carried on Under Other Licenses</strong></td>
</tr>
<tr>
<td>Any person, who, by using another license, has been carrying on a commercial activity which is subject to the provisions of this Proclamation, without having the appropriate business license, shall apply to the appropriate authority by completing the relevant form to obtain the appropriate business license within 12 months from the coming into force of this Proclamation.</td>
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43. **Submission of Information**

1/ The appropriate authority may call upon license holder to submit information regarding his operations either periodically or as otherwise specified, and it shall be the duty of the license holder to submit such information within the specified time limit.

2/ Information submitted by license holder under sub article (1) of this Article, shall be used for the purpose of enabling the appropriate authority to carry out its duties.

44. **Inspection**

1/ The sectoral government offices which, pursuant to sub article (3) of Article 30 of this Proclamation have issued directives on professional competence requirements or issued certificates of professional competence or the appropriate authority may conduct follow up and inspection activity, in order to ensure the observance of the conditions subject to which any business license is issued.

2/ Any inspector shall show his authorization paper and identification card to the person that is the owner of the business whose business premises are to be inspected or to the agent of such person.

3/ The appropriate sectoral government office shall inform the appropriate authority, as to the administrative measure to be taken, when the business person acts otherwise than the requirements on which the business license was issued or when he commits a fault.

**PART FIVE**

**CERTIFICATE OF COMMERCIAL REPRESENTATIVE**

45. **Issuance of Certificate for a Commercial Representative**

1/ Any person, desiring to engage himself as a commercial representative, shall, before starting operation, be registered with the Ministry and get a certificate of commercial representative.
2/ A commercial representative may not offer goods or services for sale or enter into contract with clients in the name of his principal.

46. Application for Certificate of Commercial Representative

1/ Any person desiring to obtain a certificate of commercial representative pursuant to Article 45 of this Proclamation, shall, by completing the appropriate application form submit to the Ministry, the following documents together with the application:

   a) certificate of commercial registration in the commercial register of the Ministry,

   b) a statement of activities to be carried on by the commercial representative,

   c) a bank statement ascertaining that he has brought into the country a minimum of USD 100,000 (hundred thousand American Dollars) during the budget year of the issuance of certificate for salaries and operational expenditure of the budget year,

   d) the exact address of the office of the commercial representative;

   e) if the premise of the office of commercial representative is his own a title deed or if it is a leased one an authenticated contract of lease and a verification issued by kebele administration as to the address of the premise,

   f) where the applicant is a foreign national his statement of undertaking that he will produce a residence and work permit from the appropriate government institutions immediately after the issuance of certificate of commercial representative.

2/ The Ministry shall, after having ascertained that the documents submitted pursuant to sub article (1) of this Article are complete, issue the certificate of commercial representative upon payment of the appropriate fee.
47. Activities Permitted for Commercial Representatives

The following activities are permitted for commercial representatives:

1/ to promote in Ethiopia, products and services of the principal;

2/ to study projects that will enable the principal to make investments in Ethiopia; and

3/ to promote export products of Ethiopia in the country of the principal.

48. Renewal of Certificate of Commercial Representative

1/ Any person, who has obtained a certificate of commercial representative, shall have it renewed within four months from the beginning of the budget year upon payment of the appropriate fee.

2/ Where the commercial representative fails to get renewed his certificate of commercial representative within the time specified under sub article (1) of this Article, the provisions of sub article (3), (4) and (5) of Article 36 of this Proclamation shall apply.

3/ Any commercial representative, requesting for the renewal of the certificate of commercial representative, shall, by completing the appropriate application form submit the following documents to the Ministry together with the application:

   a) a bank statement for the transfer into the country of the amount of money stated under sub article (1) (c) of Article 46 of this Proclamation, for the budget year,

   b) where the commercial representative is a foreign national, work and residence permits renewed for the current year.

4/ Where the Ministry finds that the application submitted is complete, it shall renew the certificate of commercial representative upon payment of the appropriate fee.
5/ Where the Ministry rejects the application submitted to it pursuant to sub article (3) of this Article, it shall notify the applicant in writing of the reasons of rejection.

6/ A commercial representative who appears for the renewal of his certificate of commercial representative, shall submit a tax clearance statement given by the tax collecting office for the payment of employment income tax due to be paid by him and his employees.

49. Suspension of Certificate of Commercial Representative

1/ the Ministry may until such time as the shortcomings indicated below are rectified, suspend, a certificate of a commercial representative, where the commercial representative:

a) in connection with his operation, has committed illegal activities or failed to observe the conditions under which the certificate of commercial representative is issued and this is verified by the Ministry or a concerned person;

b) has failed to supply accurately and on time the information requested by the Ministry;

c) has, in any way, violated this Proclamation or the regulation.

2/ where a certificate of commercial representative is suspended under sub article (1) of this Article, the Ministry shall notify the commercial representative, in writing, of the reasons of suspension and the measures to be taken to rectify the shortcomings, within fixed period of time.

3/ the commercial representative, who has received a written notification pursuant to sub article (2) of this Article, shall have the obligation to rectify the shortcomings within the fixed period of time.

4/ the Ministry may seal the office of a commercial representative whose commercial representative certificate is suspended until such time as the shortcomings are rectified.
5. A suspended commercial representative certificate shall not be renewed during the suspension. When the suspension is lifted the provisions of sub article (3), (4) and (5) of Article 36 of this Proclamation shall apply.

50. Conditions Under Which Commercial Representative Certificate may be Cancelled

1/ The Ministry may cancel a certificate of commercial representative where the commercial representative:

   a) is reluctant to submit information required by the Ministry; or

   b) is found to have submitted false information to the Ministry; or

   c) has ceased to act as a commercial representative or has failed to renew his commercial registration or the commercial registration has been cancelled; or

   d) is proved to have engaged in an unauthorized activity; or

   e) has been found working for other business persons other than the principal.

2/ The Ministry shall, before deciding to cancel the certificate pursuant to sub article (1) of this Article, give a one-month period to the commercial representative, within which he may submit his written opinion.

3/ The Ministry shall pass decision after examining the opinion submitted by the commercial representative within the time specified in sub article (2) of this Article; cancel the certificate where the commercial representative fails to appear within this time limit or the opinion submitted is not adequate.

4/ Where a certificate of commercial representative is cancelled in accordance with this Article the commercial representative whose certificate is cancelled shall obtain a certificate of commercial representative again only after two years from the cancellation of the certificate.
51. **Request for a Substitute Certificate of Commercial Representative**

Where a commercial representative whose certificate has been lost or damaged applies to the Ministry he shall be subject to the provision of Article 40 of this Proclamation.

**PART SIX**

**TRADE PROMOTION AND EXHIBITIONS**

52. **Coordination of Promotion of Trade**

1/ In order to develop and expand domestic trade, the bureau shall, in agreement with the concerned government institutions:

   a) establish domestic trade exhibition centers in different places and encourage their establishment;

   b) encourage the establishment of market halls in different places;

   c) provide educational and professional support to business persons.

2/ The Ministry shall provide support towards the establishment of trade exhibition centers upon request from regions.

3/ In order to develop and expand Ethiopia’s foreign trade, the Ministry shall:

   a) undertake, in agreement with other concerned government institutions, measures to promote the country’s foreign trade;

   b) provide educational and professional support to businesspersons.

4/ The appropriate authority may establish and administer a trade promotion fund, comprised of monies derived from government budgetary provisions, voluntary contributions by associations established in the trade sector and business persons, and assistance or donations from other sources, for the purpose of conducting market studies, disseminating market information and promoting domestic and foreign trade generally.
5/ The collection and expenditure of the trade promotion fund pursuant to sub-article (4) of this Article shall be determined by regulations.

53. Permission to Hold Local Trade Exhibitions

1/ The holding of a trade exhibition locally, in which local or foreign products or both are to be displayed, requires the prior permission from the bureau of the region in which the exhibition is to be held.

2/ The bureau shall issue directives on the implementation of the issuance of permissions for local trade exhibitions.

54. Permission to Hold a Foreign Trade Exhibition

1/ Any person intending to hold any Ethiopian trade exhibition in a foreign country or facilitate Ethiopia’s participation in any trade exhibition organized in and by a foreign country or organization shall obtain a prior written permission of the Ministry in order to coordinate participants and enable them participate in such trade exhibition.

2/ No person by his private participation shall display any goods or services of Ethiopia in a trade exhibition organized in a foreign country with a view to advertising such product, without having a written permission of the Ministry.

3/ Any trade exhibition sponsored by a foreign government or a foreign organization intended to display foreign products in Ethiopia shall obtain prior written permission of the Ministry.

4/ Directives to be issued by the Ministry shall govern the issuance of permit for foreign trade exhibitions.
55. Regulation of Imports and Exports

The Ministry may, in the national interest, with the approval of the Council of Ministers, declare the importation into or exportation from Ethiopia of any goods to be subject to general or special licenses, prescribe the conditions and fees payable for the issuance of such licenses and impose a ban on the importation or the exportation of certain goods and services.

56. Regulation of Supply of Services and Spare Parts

1/ A business person or an agent who imports agricultural, industrial and construction machinery, mechanical appliances and motor vehicles, shall during the life span of such machinery, appliances and motor vehicles:

   a) continue to supply their spare parts by maintaining at all times a stock of such spare parts in his store, which however, shall not be less than the minimum level set by the Ministry in consultation with the appropriate government institution, so long as the spare parts are not out of manufacture or the said spare parts can not be adequately found elsewhere;

   b) maintain at all times complete servicing facilities to purchasers at reasonable prices.

2/ Where a business person fails to comply with the provisions of sub-article (1) of this Article, such business person shall be deemed to have violated the provisions of Article 37 (1) (c) of this Proclamation and, for this reason, administrative and penal actions shall be taken against him pursuant to Article 37 (2) and (3), Article 38, 39 and 60 of this Proclamation.
3/ Where it is necessary to replace monopoly practices with competitive ones in those areas of activity referred to under sub article (1) of this Article, the Ministry may issue a directive which enables it to oblige foreign suppliers represented by sole agents to have more than one agent or to determine any sole agent to have a minimum threshold market share or to have a market share not exceeding a certain percentage.

57. Power Delegated to the Investment Organ

The Ethiopian Investment Agency or any regional executive body empowered to give investment permit shall:

1/ carry out its functions pertaining to commercial registration and issuance of business licenses delegated to it under Article 24 of the Reenactment of the Investment Proclamation No. 280/2002, in compliance with this Proclamation and the regulation;

2/ collect registration and license fees in the name of the appropriate authority and forward the money to the Ministry of Finance or the finance bureau, as the case may be, and notify the appropriate authority of this fact;

3/ forward to the Ministry or to the bureau, as appropriate, quarterly report of the performance of delegated activities and documents relating to commercial registration and issuance of license.

58. Power to Issue Public Notices

The Ministry may, when it deems it necessary, issue public notices in order to carry out its powers and duties.
$9. TRANSITORY PROVISIONS

1/ Any business license issued or renewed in accordance with law during the budget year this Proclamation has come into force shall be deemed to have been issued or renewed pursuant to this Proclamation.

2/ Public notices and directives issued pursuant to Commercial Registration and Business Licensing Proclamation No. 67/1997 shall be implemented until public notices and directives to be issued pursuant this Proclamation replace them.

60. PENALTY

Without prejudice to administrative measures that may be taken by the registering office or the appropriate authority pursuant to this Proclamation and unless the offence is punishable with more seff penalty under other applicable laws and when the commission of the crime has been ascertained by court:

1/ any person who engages in commercial activities without having a valid business license shall be punished with fine from Birr 150,000 (one hundred fifty thousand) to Birr 300,000 (three hundred thousand) and with rigorous imprisonment from 7 (seven) to 15 (fifteen) years and the goods and/or the service delivery equipments and/or manufacturing equipments with which the business was being conducted shall in addition be confiscated by the government;

2/ any person who has intentionally got himself registered in the commercial register or has got his trade name registered or has obtained a business license or a commercial representative certificate or has got his commercial registration or his business license or his commercial representative certificate renewed using false information shall be punished with fine from Birr 60,000 (sixty thousands) to Birr 120,000 (one hundred twenty thousands) and with rigorous imprisonment from 7 (seven) to 12 (twelve) years;

3/ any person who violates other provisions of this Proclamation or the regulations or a public notice which the Ministry may issue pursuant to this Proclamation shall be punished with fine from Birr 30,000 (thirty thousand) to Birr 60,000 (sixty thousands) and with rigorous imprisonment from 3 (three) to 5 (five) years;
4/ with out prejudice to the provision of sub article (3) of this Article any civil servant or official who is assigned to perform duties related to commercial registration and issuance of business license and who by taking bribes or through nepotism or favoritism or other illegal relationships, made or caused registration or renewed registration or caused the renewal of registration or issued or caused the issuance or renewed or caused the renewal of licenses or commercial representative certificate otherwise than provided for in this Proclamation shall be punished with rigorous imprisonment from 10 to 15 years;

5/ the penalty provided for under sub article (4) of this Article shall also be applicable to the person who has given a bribe;

6/ the relevant provisions of the Revised Proclamation to Provide for Special Procedure and Rules of Evidence on Anticorruption No. 434/2005 shall apply for the implementation of the provision of sub article (4) of this Article.

61. Submission of Complaints on Administrative Decisions

Any person or a business person or a commercial representative against whom an administrative decision has been taken by the registering office or the appropriate authority may lodge appeal in connection with his complaints to regular courts only on matters of law.

62. Power to Issue Regulations

The Council of Ministers or the councils of regional governments may issue regulations in order to implement this Proclamation.

63. Repealed and Inconsistent Laws

1/ The following laws are here by repealed:
a) Commercial Registration and Business Licensing proclamation No. 67/1997 /as amended/;

b) Federal Government Commercial Registration and Business Licensing Council of Ministers Regulations No. 13/1997 /as amended/;


2/ No other law or customary practice, which is inconsistent with this Proclamation, shall have effect with respect to matters governed by this Proclamation.

64. Effective Date

This Proclamation shall enter into force up on the date of publication in the Federal Negarit Gazeta.

Done at Addis Ababa 24th day of July, 2010

GIRMA WOLDEGIORGIS

PRESIDENT OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA