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Proclamation No.980/2016

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**Proclamation No. 980/2016 Commercial Registration and Business  
Licensing Proclamation**

WHEREAS, it has become necessary to put in place a fair, modern, fast and accessible system of commercial registration and business licensing services; to close loopholes in legislation and working procedures and, hence, enable the business community and the society obtain the services they require and expect from the commercial system, to increase the societies satisfaction and contribute to the comprehensive economic changes in the nation;

WHEREAS, It is found necessary to support commercial registration and licensing activities with modern technology in order to make them suitable for data management, to combat illegality and make data accessible to the government, the society and concerned authorities;

It is found imperative that the commercial system maintains principles of transparency, accountability and good governance and, in so doing, realize the nation's vision;

NOW, THEREFORE, this Proclamation has been promulgated in pursuance of Article 55/1/ of the Federal Democratic Republic of Ethiopia.

**Part One gENERAL**

1. **Short Title**

This Proclamation may be cited as the “Commercial Registration and Licensing Proclamation No. 980 /2016”.

2. **Definitions**

In this Proclamation unless the context requires otherwise:

- 1/ “Commercial Code” means the Commercial Code of Ethiopia;
- 2/ “business person” means any person who professionally and for gain carries on any of the activities specified in 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 services for consideration other than salary or wages;
- 5/ “domestic trade” includes wholesale or retail of goods or the dispensing of services or the supply of live animal to the market after buying from producer or directly after fattening in Ethiopia as may be appropriate;
- 6/ “foreign trade” means the exporting from or importing into Ethiopia of goods and services for sale;
- 7/ “commercial agents” means a person not bound to a business person by a contract of employment and carrying out independent business activity, who is entrusted by a business person to represent him permanently in a specified area and to make agreements in the name and on behalf of the business person;
- 8/ “goods” means any moveable 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;
- 9/ “commercial representative” means any person who is not domiciled in the country where the head office of the business organization or the 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 business person himself;
- 10/ “Trade Name” means a name that a given business person uses for his business or known by the society as such;
- 11/ “name of business” means a name that is used by a business organization for commercial registration and by which such business organization is recognized as a legal person by the registering office or third party;

- 12/ “valid business license” means a business license issued or renewed in the budget year pursuant to this Proclamation or a valid business license which may be renewed without penalty pursuant to this Proclamation;
- 13/ “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, engineering services, any other service provision activity and research and dissemination activities;
- 14/ “manufacturing” includes any formulation, alteration, assembling or processing or agricultural development or mine exploration and development or operation activity carried out by using industry;
- 15/ “engineering service” means repairing or maintaining equipments of industrial use or electrical or electronic equipments or other similar equipments, construction consultancy, construction management, consultancy on the erection of equipments, engineering consultancy and predesigned services, engineering design services, supervisory services and is inclusive of the likes;
- 16/ “domestic investor” means an Ethiopian or a foreign national permitted by the relevant organ to be deemed as domestic investor, who invests his capital in business activities;
- 17/ “foreign investor” means a foreign national or a business organization who brings capital into the country and invested in a business sector permitted in accordance with the Investment Proclamation or has invested in a business sector entirely owned by a foreign national or, in a business established in partnership with Ethiopian national;
- 18/ “unfair trade practice” means any act of violation of any provision of trade related laws;
- 19/ “agricultural development” means a business activity engages in the production of any plant or animal or fisheries development or animal by-products;
- 20/ “commercial registration” means registration to be made pursuant to the Commercial Code and this Proclamation;
- 21/ “registering office” means the relevant authority that undertakes commercial registration and trade name registration;
- 22/ “importer” means any person who imports goods or services from abroad into Ethiopia;
- 23/ “exporter” means any person who exports goods and services from Ethiopia to abroad;
- 24/ “special identification number of registration” means taxpayer’s identification number issued by the concerned government office to a business persons, business organization or commercial representative;
- 25/ “wholesaler” means any person who sells goods to retailers or governmental and non-governmental organizations or cooperatives by wholesale after having bought such goods from producers or importers;
- 26/ “retailer” means any person who sells goods to consumers or end users after buying such goods from producers, importers or wholesaler;
- 27/ “federal public enterprise” means an enterprise established in accordance with the relevant law or a business organization whose shares are totally owned by the Federal Government;
- 28/ “regional public enterprise” means an enterprise established in accordance of regional state laws or a business organization whose shares are totally owned by the Regional States;
- 29/ “basic goods or services” means goods or services related to the daily needs of consumers, the shortage of which in the market may lead to unfair trade practice or a good or services that is announced as basic goods or services through public notices;
- 30/ “certificate of competence” means a certificate issued by the concerned sectoral government offices to a certain relevant commercial activities in accordance with directives issued by the Ministry upon verifying that the required competence is fulfilled pursuant to this Proclamation and other relevant laws;
- 31/ “chamber of commerce and sectoral associations” means chambers established at each hierarchy by business persons for the observance of their common interests pursuant to the law of the country;
- 32/ “sectoral associations” means associations established by business persons engaged as manufacturers or service providers in the same commercial activity or based on the same gender or in any other manner to support commercial activities;
- 33/ “franchise agreement” means an agreement concluded for consideration between the franchiser and the franchisee in order to undertake business activities by using the trade name of the known product or service

in order to share the nature and experience of the work under the leadership of the owner of the products and the service that have got recognition;

- 34/ “Ethiopian Business License Issuing Category” means a business license issuing category incorporating agricultural and industrial products and various service business sectors in which commercial activities are undertaken at the national level;
- 35/ “property” means movable and immovable property and includes intellectual property rights;
- 36/ “administrative measure” includes measures such as written reprimand, sealing, cancellation, suspension or other similar measures to be taken by the relevant authority;
- 37/ “transaction at similar level” means a type of transaction between/among wholesalers or between/among retailers;
- 38/ “relevant sector office” means executive office empowered to issue certificate of competence or carry out other similar activities;
- 39/ “company” means a limited liability business organization;
- 40/ “holding company” means a company incorporating two or more limited liability companies and issued with a special registration certificate and managed by the holder;
- 41/ “boarder trade” means a type of commercial activity through which a persons or business persons residing at boarder areas undertake their commercial activities through bilateral agreements or unilateral decisions of the countries sharing border with Ethiopia pursuant to the border trade directive issued by the Ministry, including crossing the border of the country;
- 42/ “budget year” means the period from Hamle 01 to Sene 30, according to the Ethiopian calendar or a period on the basis of the approved Memorandum and Articles of Association of the business organization or a period determined in another manner;
- 43/ “inspector” means an officer designated by the relevant authority to inspect that the commercial activities are carried out in accordance with law;
- 44/ “relevant authority” means the Ministry of Trade or Regional organs administering commercial activities;
- 45/ “Ministry or Minister” means the Ministry of Trade or the Minister of Trade;
- 46/ “region” means any of those regions specified under Article 47(1) of the Constitution of the Federal Democratic Republic of Ethiopia and includes the Addis Ababa and Dire Dawa Cities Administrations ;
- 47/ “person” means any natural person or juridical body;
- 48/ any expression in a masculine gender includes the feminine.

### 3. Scope of application

This Proclamation shall be applicable to any business persons, sectoral associations, commercial representatives and any other person engaged in commercial activity other than those specified under Article 21(4) of this Proclamation.

### 4. Powers and duties of the relevant authority

- 1/ The Ministry shall, pursuant to this Proclamation, establish and administer a central commercial register and trade name register which has nationwide application; and make open and accessible to the public at large.
- 2/ The Ministry shall undertake commercial registration and trade name registration.
- 3/ The regional organs administering commercial activities and the Investment Commission may undertake commercial registration and trade name registration when delegated by the Ministry.
- 4/ The Ministry shall enter the commercial registration and the trade name registration data into the central data base; and the regional organs administering commercial activities and the Investment Commission shall transfer to the central database the data they registered through delegation.
- 5/ The Ministry shall issue certificates to organs upon which it confers legal personality under special condition and to entities that are issued special certificates.



## **6. Conducting Commercial Registration**

- 1/ An application for commercial registration shall be submitted before the commencement date of commercial activity by filling a prescribed form and attaching documents specified under the regulations and directives issued for the implementation of the Proclamation.
- 2/ Where an application submitted for commercial registration is found acceptable by the registering office, the registering office shall register the application, upon payment of service fee, and issue a certificate of registration to the applicant; provided, however, if the application for registration is rejected, the registering office shall immediately notify the applicant in writing by stating the reason for rejection.
- 3/ Foreign business persons engaging in mining sector, federal public enterprises, commercial representatives, foreign business persons, foreign business persons that engage in business by winning international bids, foreign business person desirous of acquiring a local business in its present condition and engage in business, associations authorized to engage in business under other laws, and sectoral associations to be organized at federal level as well as foreign branch offices of chambers of commerce whose engagement is found to be important by the Minister shall be registered by the Ministry.
- 4/ Regional public enterprises and sectoral associations organized at different hierarchies of the regions shall be registered by regional organs administering commerce.
- 5/ Any person who wants to engage in business category to which the license is issued by the Ministry, may directly apply to the Ministry for commercial registration.
- 6/ An objection filed in accordance with law shall bar a sole proprietor or a business organization from registration in the commercial register.

## **7. Validity of Commercial Registration and Legal Personality of Business Organizations**

- 1/ Business organizations shall attain legal personality upon registration.
- 2/ Business organizations shall be publicized on a newspaper having nationwide circulation at the time of their establishment.
- 3/ The commercial register shall be open to the public at large; third parties are also entitled to look into the register.
- 4/ Any commercial registration shall be valid as of the date of the applicant's registration in the commercial register in accordance with the provisions of this Proclamation.

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

- 1/ The regional organs administering commercial activities or the Ethiopian Investment Commission, upon conducting commercial registration pursuant to this Proclamation shall immediately forward the documents of the registration to the data base of the Ministry.
- 2/ The Ministry shall immediately enter into the Central Commercial Register the data forwarded to it pursuant to sub-article (1) of this Article and documents of registration conducted by itself.

## **9. Taxpayer's Identification Number**

- 1/ The registering office, before entering into the commercial register the business organization or the commercial representative applying for registration, shall request in writing the tax collecting authority to assign taxpayer's identification number.
- 2/ The tax collecting authority shall notify the registering office the taxpayer's identification number assigned to a business organization under establishment or a commercial representative.
- 3/ The registering office shall enter into the commercial register the taxpayer's identification number assigned by the tax collecting authority to the business person or the commercial representative applying for registration as special identification number of registration.

## **10. Alterations or Amendments to a Commercial Registration**

- 1/ Any alternation or amendment on commercial organization registration shall be registered with the registering office within 60 days after its authentication by a notary.
- 2/ Where the application for registration of alternation or amendment on commercial registration is accepted, the registering office shall issue confirmation of acceptance of the alteration or amendment to the commercial registration and notify the applicant and concerned entities in writing details of the alteration or amendment entered into the commercial register. Until written confirmation is issued, it shall not be recognized that the alteration or amendment submitted is entered in the commercial register.

- 3/ The registering office may cancel any alteration or amendment already entered in the commercial register if it believes that it was registered inappropriate and shall notify the applicant in writing the detail grounds of the cancellation.
- 4/ Requirements stated in this Proclamation for commercial registration shall be applicable for alternations or amendments to a commercial registration, as appropriate.
- 5/ Original copies of memorandum and articles of associations of business organizations to which amendments and alterations are made shall be authenticated by the notary when they are submitted to registering office pursuant to this Proclamation.

#### **11. Cancellation of Commercial Registration**

- 1/ Without prejudice to the provisions of the Commercial Code, the registering office may cancel a commercial registration, without any precondition, where:
  - a) the business person abandons his business activity for any reason;
  - b) an administrative measure is taken or court decision is passed on the business person not to continue with his business;
  - c) the business person was registered by submitting false information or document;
  - d) the business person is found to have violated this Proclamation or regulations and directives issued for the implementation of this Proclamation;
  - e) the business person fails to obtain a business license within one year after being entered in the commercial register.
- 2/ Where a business person engaged in manufacturing or engineering or other similar investment commercial activities after getting registered pursuant to paragraph (e) of sub-article (1) of this Article is able to produce sufficient and acceptable evidence to justify the causes of incompleteness of investment activities and for not obtaining business license, his registration may remain valid if he applies within two years during which business license renewal period runs and gets approval.
- 3/ Any business person whose commercial registration is cancelled pursuant to sub-article (1)(a) of this Article may conduct the same registration again at anytime.
- 4/ The registering office shall, before cancelling the commercial registration pursuant to paragraph (b) of sub-article (1) of this Article, send a written letter to a business person at his registered address and give him opportunity to submit his objection, if any.
- 5/ Where the business person, within 30 days after receipt of the letter, fails to submit his objection or his objection is not legally valid, or it is not possible to find the business person at his registered address, the commercial registration shall be cancelled from the register.
- 6/ The business person whose registration is cancelled pursuant to paragraph (b), (c) and (d) of sub-article (1) of this Article may be reregistered after one year to be counted from the date of cancellation of his registration, unless there is administrative measure or court decision which prevents such re-registration.
- 7/ Cancellation of registration of business organization shall come into force one month after publication of notice of cancellation on a newspaper having wider circulation at the expense of the applicant; in the case of sole proprietor, however, the cancellation shall become effective as of the date of its entry into the register and without the need to publicize.
- 8/ If a business license of a business person is cancelled, his commercial registration shall also be cancelled, unless other additional business licenses are issued based on the same commercial registration.

#### **12. Issuance of Substitute Certificate of Commercial Registration**

Any business person whose certificate of commercial registration is lost or damaged may obtain a substitute certificate of registration pursuant to the criteria set forth in the regulations issued for the implementation of this Proclamation.

#### **13. Issuance of Copies of Entries**

- 1/ Any person or business person requesting a copy of entry made in commercial register, a copy of an extract of entry, a certificate of no entry or a certificate of cancellation or registration shall submit a written application to the registering office.





- 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 maintain of arms and firearms and sale of explosives;
  - i) sea and inland water ways transportation services;
  - j) multimodal transport services;
  - k) broadcasting services.
- 5/ Government organs authorized to issue business licenses for the types of businesses listed under sub-article (4) of this Article shall, when issuing and renewing business license, make sure that the requirements provided for in this Proclamation and the regulation and directives issued hereunder are met.

**22. Obtainment of Business license**

- 1/ No person shall engage in a business activity without having a valid business license.
- 2/ A business person having a valid business license pursuant to this Proclamation shall not be required to obtain additional business license for branches he open for the same type of business activity.
- 3/ A business person licensed to engage in manufacturing business shall not be required to obtain a business license to wholesale his products only at the same address of his manufacturing facility or at such other address of his registration.
- 4/ A business person licensed to engage in a manufacturing business shall not be permitted to sell his products on retail; provided, however, that types of products in respect of which retail sales is permitted shall be determined by a regulations to be issued by the Council of Ministers.
- 5/ A licensed importer shall not be required to obtain a separate business license to wholesale products he import at his address of business registered at the time of commercial registration.
- 6/ No licensed importer shall retail goods he import; provided, however, based on type of business and national significance, types of products in respect of which retail sales is permitted under special condition shall be determined in a regulations to be issued by the Council of Ministers.

**23. Application for business license**

Any person desiring to engage in a commercial activity shall submit to the appropriate authority an application for business license by completing application form prepared for this purpose accompanied with important documents prescribed in the regulations issued by the Council of Ministers.

**24. Issuance of Business license**

- 1/ Where an application for business license is submitted to the relevant authority pursuant to this Proclamation, regulations and directives issued hereunder, it shall issue a business license to the applicant upon payment of appropriate service fee by ascertaining that the requirements set are fulfilled and that the business activity intended to be carried on is not prohibited by law.
- 2/ Where the relevant authority ascertains that the application for business license is not submitted by fulfilling the requirements provided in this Proclamation, regulations and directives issued hereunder, it shall reject the application and notify the applicant in writing the reasons for rejecting the application.
- 3/ Where the successors and the spouse of a sole proprietor person who was engaged in a business, do not want to form a business organization to resume the business, 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 registered pursuant to this Proclamation.

**25. Rights of a Business Person Issued Business license**

Any person issued with a business license shall have the following rights:



- 7/ Where renewal of the business license is not permitted pursuant to sub-article (4) of this Article, the business person may obtain the same business license without penalty one year after cancellation of the business license.

**28. Period of Validity of a Business license**

- 1/ A business license issued pursuant to this Proclamation shall remain valid provided that it is renewed and is not cancelled pursuant to the provisions of the Proclamation.
- 2/ Without prejudice to Article 27(6) of this Proclamation, the business license shall be invalid, if not renewed within six months after the expiry of the budget year in which it has been issued or renewed upon payment of the appropriate fee,.

**29. Suspension of Business license**

- 1/ A relevant authority may suspend business license on the following grounds:
  - a) Where the business person fails to meet occupational, health and sanitation, environmental protection, accident prevention standards and qualities of goods and services;
  - b) Where the business person fails to discharge obligations of a business person clearly specified in this proclamation;
  - c) Where the business person fails to provide information accurately and timely upon the request of the relevant authority;
  - d) Where it is verified that the license was issued or renewed based on falsified document;
  - e) Where the license is used by the holder for an unauthorized purpose;
  - f) Where the business person is unavailable at the registered address;
  - g) Where the business person is found to have violated the Commercial Code, the Proclamation, the regulations and directives issued hereunder,the license may be suspended by the authorized official;
- 2/ In the case of suspension of business license on the grounds of violation of the provisions of this Proclamation, regulations or directives issued hereunder; when a relevant sector office verifies violation of provisions of the Commercial Code or a court of law passes an order of suspension, the business facility shall be immediately sealed;
- 3/ When business license is suspended due to violation of the provisions of this Proclamation, regulations and directives issued hereunder, the relevant authority shall notify the holder of the business license in writing the cause of the suspension and measures that need to take within reasonable period of time to rectify the shortcomings that led to the suspension.
- 4/ Where the defects caused the suspension of the business license is rectified within the time prescribed under sub-article (3) of this Article, the suspension shall be lifted and the business license become valid.
- 5/ The suspension of certificates of competence by relevant competence assuring institutions shall entail suspension of the corresponding business license without any precondition.

**30. Cancellation of Business licenses**

- 1/ A relevant authority may cancel business license on the following grounds:
  - a) where the business person terminates his business activity by his own choice;
  - b) where it is verified that the business license was issued or renewed based on falsified document;
  - c) where the business person has utilized the business license for an unauthorized purpose;
  - d) where the business person fails to rectify defects that resulted in the suspension of his business license within the time given;
  - e) where the business person is declared bankrupt;
  - f) where the business person fails to have his license renewed under the provisions of this Proclamation;
  - g) where the commercial registration of the business person is cancelled under this Proclamation.
- 2/ A business person who had terminated his business activities under paragraph (a) of sub-article (1) of this Article and returned his license within the statutory timeframe of renewal of licenses may obtain the license again at any time of his choice; provided, however, if he had failed to return the business license before expiry

the period of renewal without to pay penalty, he shall only be allowed to obtain the business license again after a year has elapsed since expiry of the period of renewal without penalty.

- 3/ The relevant authority, before deciding to cancel the business license pursuant to paragraph (b), (c) and (d) of sub-article (1) of this Article, shall notify the business person at his registered address by a letter to submit his objection in writing, if any; if the objection of a business person is not found to be satisfactory or the business person fails to submit his objection within 30 days of receipt of authority's letter, his license shall be cancelled. Under such circumstances, he shall only be able to obtain the same business license after two years.
- 4/ A business person who terminates his business activities but does not return the business license within the statutory period of renewal shall be allowed to obtain another business license for a commercial activity included in the same business category he had issued license and cancelled after one year of expiry of the period of renewal without penalty.
- 5/ Where a business person whose business license is returned or cancelled is desirous of obtaining the same business license again he shall submit confirmation letter of settlement of tax liability for the period the returned or cancelled business license was valid.
- 6/ Cancellation of certificates of competence by competence assuring institutions shall entail cancellation of the corresponding business license without any precondition.

### **31. Obtainment a Substitute Business license**

- 1/ A business person who has his business license lost or damaged may obtain a substitute business license when he meets with his application the requirements provided for in the regulations issued hereunder.
- 2/ A business person whose license is damaged shall return such damaged when he applies for a substitute.
- 3/ The relevant authority to which the application is made under sub-article (1) of this Article shall require presentation of evidence from appropriate body or police and upon payment of appropriate fee issue the substitute business license.

### **32. Issuance of Business license Upon Transfer of a Business**

- 1/ A business may be transferred to another person through sale, donation, inheritance or in a similar manner.
- 2/ A business may be transferred pursuant to sub-article (1) of this Article, provided that it is published on a newspaper having nationwide circulation by the expense of the business person and no objection is lodged against or any suspension order issued after one month of publication.
- 3/ Tax clearance evidence from the tax collecting authority for the period the license had been in use shall be presented before the transfer of a business.
- 4/ The relevant authority shall verify appropriate information, make sure the former business license is returned and issue the same business license to the business person to whom the business is transferred.
- 5/ Where the relevant authority rejects the application made under this Article, shall notify the applicant in writing and the reasons thereof.

## **Part Five Miscellaneous Provisions**

### **33. Commercial Representative**

- 1/ Any person interested to engage as a commercial representative shall get registered on the commercial register of the Ministry before commencing his business and obtain a special certificate.
- 2/ Any person desires to obtain a special certificate of commercial representative shall meet the requirements specified in the regulations issued hereunder and submit accompanied with his application.
- 3/ Any person issued with the special certificate of commercial representative shall:
  - a) only be allowed to promote in Ethiopia the products and services of the company he represents;
  - b) conduct market survey and trade expansion that could help the company in investing in Ethiopia in the future;
  - c) promote Ethiopian export products in the country where the company he represents is stationed.
- 4/ A commercial representative shall, on behalf of company he represents, not engage in supply goods or services to customers and clients or shall not enter contracts with the customers.
- 5/ A commercial representative shall not work on behalf of other business persons, in any manner, other than the business person he represents.

- 6/ Any person who has been issued a special certificate commercial representative shall meet the requirements specified in the regulations issued hereunder for renewal and have his certificate renewed.
- 7/ The provisions of this Proclamation regarding issuance of substitute business license, renewal and cancellation, as appropriate, shall be applicable on a commercial representative.

**34. Holding Company**

- 1/ Private limited companies intending to establish holding company shall do so in a manner that it would not disturb competition and shall be registered with the Ministry.
- 2/ The holder company shall jointly and severally liable with its member companies to claims of third parties.
- 3/ The holder company shall keep annual financial records and other information, including that of its member companies; and shall provide access to such documentation whenever requested by relevant authority.
- 4/ The existing special certificate of registration shall be altered by notifying to the registering office when members are terminating or new members are joining a holding company.
- 5/ A holder company shall submit detailed information about itself and the member companies and get registered upon fulfillment of the criteria determined in the regulations issued hereunder and obtain a special certificate of registration as a holding company.
- 6/ The requirements for registration for holding companies shall be determined in regulations to be issued hereunder.

**35. Boarder Business**

- 1/ Special boarder business license shall be issued by the Ministry or by offices delegated by the Ministry.
- 2/ Special boarder business license shall be issued based on boarder trade accords or by unilateral decision pertaining to limited types of products only.
- 3/ The procedures for issuance of special boarder business licenses shall be determined in regulations to be issued hereunder.

**36. Foreign Trade Exhibition**

The conditions to grant permission to hold foreign trade exhibitions shall be determined in regulations to be issued by the Ministry.

**37. Franchise Registration**

- 1/ The registration of the franchise shall be conducted pursuant to the provisions of the regulations issued hereunder.
- 2/ The franchisee shall function on the same standard as the franchiser.
- 3/ Clients shall obtain the same product and service from the franchisee as they would have gotten from the franchiser.

**38. Sole Importer and Distributor**

- 1/ It shall be prohibited to operate as sole importer or distributor.
- 2/ Notwithstanding sub-article (1) of this Article, based on the type of business and its national significance, the Council of Ministers may issue regulations on sectors of business in which sole importation or distribution may be allowed.

**39. Duties of a Commercial Agent**

Commercial Agent shall have the following duties:

- 1/ promote the products of the company he represents;
- 2/ promote products of our country in foreign markets;
- 3/ participate in international tenders legally representing the company and follow up performances;
- 4/ execute contracts on behalf of the company he represents.

**40. Branch Offices of Foreign Chambers of Commerce**



- 2/ Inspectors shall only inspect business establishments at government working hours.
- 3/ Without prejudice to the provision of sub-article (2) of this Article, inspectors that inspect business establishments during out of working hours shall possess a letter issued by the relevant authority for such purpose.

**46. Administrative Measures**

The relevant authority shall take administrative measures provided in this Proclamation and the regulations issued hereunder against any person who violates the provisions of this Proclamation, regulation and directives issued hereunder.

**47. Grievances against administrative measures**

- 1/ Any person aggrieved by the decisions of relevant authority on matters covered in this Proclamation, regulation and directives issued hereunder may submit his grievance to the head of the relevant authority within 10 days.
- 2/ The head of relevant authority to which the petition is submitted shall notify his decision to aggrieved person in writing within five days; if the head of relevant authority fails to notified such decision within the specified time, the aggrieved person may lodge his petition to a court of law having jurisdiction.
- 3/ Any person aggrieved by the decision given or if the head of relevant authority fails to notify pursuant to sub-article (2) of this Article may lodge appeal in connection with his grievance to regular court having jurisdiction only on issues of law.

**48. Duty to Cooperate**

Any person shall have duty to cooperate with relevant authority for the enforcement of the Commercial Code, the Proclamation, the regulations and directives issued hereunder.

**49. Penalty**

- 1/ Any person who prepared or used false certificate of commercial registration, business license or special certificate of commercial representation shall, without prejudice to the confiscation of his merchandise, service provision and manufacturing equipments, 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) years to 15 (fifteen) years.
- 2/ Any person engaged in business activity without having a valid license or any business person who has been engaged in a business out of the scope of his business license shall, without prejudice to the confiscation of merchandise, service provision and manufacturing equipments, 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) years to 15 (fifteen) years.
- 3/ Any person or business person who undergoes or attempts to undergo commercial or trade name registration or obtains or attempts to obtain business license or special certificate of commercial representation upon presentation of false documents or uses or attempts to use such documentation for renewal of his business license or the special certificate of commercial representation shall, without prejudice to the confiscation of any benefits he may have earned, be punished with fine from Birr 60,000 (sixty thousand) to Birr 120,000 (one hundred twenty thousand) and with rigorous imprisonment from 7 (seven) years to 12 (twelve) years.
- 4/ Any business person who have transferred his business license to a third party by way of sale, lease, donation or in a similar fashion shall be punished with fine from Birr 50,000 (fifty thousand) to Birr 100,000 (one hundred thousand) and with rigorous imprisonment from 5 (five) years to 10 (ten) years; if the business license has been transferred to a foreign national the fine shall be from Birr 200,000 (two hundred thousand) to Birr 300,000 (three hundred thousand) and the imprisonment shall be from 7 (seven) years to 15 (fifteen) years.
- 5/ Any business person who has fails to notify change of his business address to the registering office within the period specified in the regulations issued hereunder shall be punished with fine from Birr 5,000 (five thousand) to Birr 10,000 (ten thousand) and with simple imprisonment not exceeding three months.
- 6/ Any business person who fails to notify the registering office within 30 days changes that warrant amendments in the commercial registration pursuant to this Proclamation shall be punished with fine from

Birr 5,000 (five thousand) to Birr 10,000 (ten thousand) and with simple imprisonment not exceeding three months.

- 7/ Any business person who refuses to provide information or attempts to obstruct the duties of workers or supervisors sent by a relevant authority as part of activities for the enforcement of this Proclamation, regulations or directives issued hereunder shall be punished with fine from Birr 5,000 (five thousand) to Birr 10,000 (ten thousand) and with simple imprisonment not exceeding three months.
- 8/ Any person who violates the other provisions of this Proclamation shall be punished with fine from Birr 10,000 (ten thousand) to Birr 30,000 (thirty thousand) and with simple imprisonment from one year to three years.

**50. Transitory Provision**

Notwithstanding Article 51(1) of this Proclamation, administrative issues pending before the coming into force of this Proclamation shall be resolved pursuant to Business Registration and Licensing Proclamation No. 686/2010 (as amended);

**51. Inapplicable Laws**

- 1/ The Business Registration and Licensing Proclamation No. 686/2010 (as amended) is hereby repealed.
- 2/ No, law or customary practice, inconsistent with this Proclamation, shall have effect with respect to matters governed by this Proclamation.

**52. Power to Issue Regulations and Directives**

- 1/ The Council of Ministers may issue Regulations necessary for the implementation of this Proclamation.
- 2/ The Ministry may issue directives necessary for the proper implementation of this proclamation and regulations issued under sub article (1) of this article.

**53. Effective Date**

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

Done at Addis Ababa 5<sup>th</sup> day of August, 2016

M ULATU TESHOME (Dr.)

PRESIDENT OF THE FEDERAL  
DEMOCRATIC REPUBLIC OF ETHIOPIA