

Last Updated on 06 January 2017
Business Registration and Licensing
Procedures in Ethiopia

By the end of the 2015/2016 fiscal year, the House of Peoples' Representative passed many laws regarding the Ethiopian business spectrum. A wave of new proclamations, regulations and directives on taxes, business registration and licensing, etc have been passed, issued or announced. We have written in this article the procedures on the commercial registration and business licensing in Ethiopia.

1. The Ethiopian Standard Industrial Classification (Download)

2. Commercial Registration and Business Licensing Proclamation No. 980/2016 (Download)

Many businesses have been asking 2merkato.com to post the procedures for the new licensing regulation in Ethiopia based on Proclamation No. 980/2016. We have written the highlights of the regulation here . And the procedures can be found below. According to the information we obtained from the Ministry of Trade office, the Subcity Trade offices, one can get licensed for as many businesses as possible. However, only one major group will be there on one license. As many as 9 sub-groups can be put on one license if these categories fall under the same Major Group. Some types of subcategories require certificate of professional competence given by the concerned body of the government. The Ethiopian Standard Industrial Classification contains detail references of what type of businesses should get certificates of professional competence from where. It has been a while since the standard was given and there has been many amendments. However, the core remains the same.

1. What is new?

2. Major Divisions of the new licensing standard

3. Commercial Registration Procedures

4. Business Licensing Procedures

What is new?

These are some of the new additions/requirements

Bank statements/ asset evaluation are no longer required to attest the registered capital of a business.

Certificate of competency issued by the concerned governmental body. This used to be done for a few categories only. Now the majority is required to have this certificate.

A title deed for own offices or an authenticated contract of lease (by Document Authentication and Registration Agency) if it's leased.

General forms of business such as General Import, General Export are not allowed. The subcategory has to be

specified as per the Ethiopian Standard Industrial Classification.

Major Divisions for the Ethiopian Business Licensing Categories

According to the Ethiopian Standard Industrial Classification (ESIC), which is developed based on the International Standard Industrial Classification (ISIC), the South African Standard Industrial Classification and Ethiopia's existing economic realities, there are ten divisions and in total there are over 1000 different sub-categories.

1. Agriculture, Hunting, Forestry and Fishing
2. Mining and quarrying
3. Manufacturing
4. Electricity, Gas and Water Supply
5. Construction
6. Wholesale and Retail Trade, Repair of Motor Vehicles, Motor Cycles and Personal and Household Goods; Hotels and Restaurants; Import and Export
7. Transport, Storage and Communication
8. Financial Inter mediation, Insurance, Real Estate and Business Services
9. Community, Social and Personal Services
10. Private Household Exterritorial, Non-governmental Organizations, Representatives of Foreign Governments and Other Activities not Adequately Defined

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Highlights of Proclamation 980/2016 in regards to Registration Procedures:

Commercial registration of a sole business person (Article 10)
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.

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Commercial registration of Share Company (Article 12)

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 manager 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 Article 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 manger 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 Article 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.

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Commercial Registration of a Business Organization Other than a Share Company(Article 11)

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 Article 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 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.

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Commercial Registration of Branch of a Foreign Business Organization (Article 13)

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 and photocopies of his kebele identity card or pages of valid passport,
4. original copies of memorandum and Article 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.

Commercial Registration of a Federal Public Enterprise or Regional Public Enterprise (Article 14)

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 within six months time,
3. 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.

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Commercial Registration of a Commercial Representative (Article 15)

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.

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Alteration and Amendment of Commercial Registration (Article 16)

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

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Cancellation of Registration (Article 17)

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 can canceled 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 canceled 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.

Renewal of Commercial Registration (Article 18)

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 canceled if its renewal has not been made pursuant to sub Article (1) and (2) of this Article.

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Issuance of Substitute Certificate of Registration (Article 19)

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.

Effective Date of Registration(Article 20)

Any commercial registration shall be effective from the date of the registration of the applicant in the commercial register.

Request for Copies of Entries(Article 21)

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.

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Highlights of Proclamation 686/2010 in regards to Licensing Procedures:

Application for Business License (Article 32)

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,
 - f. a document evidencing the capital allocated for the commercial activity, and
 - g. a recommendation given by concerned government office, which testifies that the business premise in which the business is to be conducted is suitable for the intended business.
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. 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 within 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)

f. of this Article.

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. 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. 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.

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Issuance of Business License (Article 33)

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.

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Rights and Duties of a Business Person Holding a Business License (Article 34)

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 within 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.

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Permit for Expansion and Upgrading (Article 35)

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.

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Validity Period and Renewal of Business License (Article 36)

1. A business license issued pursuant to Article 33 of this Proclamation shall be valid unless canceled 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 provided for under sub Article (4) of this Article shall be canceled after the expiry of the time made available for the renewal of the business license with penalty.

6. Where a business license is canceled because of the failure of the business person to renew his business license within the time of renewal with penalty; he can obtain the canceled 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.

Suspension of Business License (Article 37)

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
- c. appropriate authority pursuant to this Proclamation; or
- d. 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.

3. The license holder 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. A suspended business license shall not be renewed. When the suspension is lifted the provisions of Article 36 of this Proclamation shall apply to it.

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Cancellation of Business License (Article 39)

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

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 canceled.

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 canceled 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 canceled 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 canceled 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 canceled pursuant to sub Article (6) and (7) of Article (36) of this proclamation, shall submit a tax clearance statement for the duration he used the returned or the canceled business license.

Issuance of a Substitute Business License (Article 40)

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.

2. When a request for a substitute business license is made, a tax clearance statement given from the tax collecting office shall be submitted.

3. A business person whose license is damaged shall return it when he applies for a substitute.

4. The appropriate authority to which application for a substitute business license is submitted under sub Article (1) of this Article, shall issue to the applicant a substitute upon payment of fee prescribed by the regulations and upon signing a liability undertaking for the lost business license by the applicant.

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Issuance of Business License Upon Transfer of Business (Article 41)

1. 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.

2. 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.

3. 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.

4. 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.

5. There shall be submitted a tax clearance statement for the duration the former license holder used the business license.