

Branches in Lebanon

The Branches of foreign companies are regulated under Lebanese law by Art 1-7 Arrêté 96/LR dated 30 January 1926.

The Branch constitutes an indivisible part of the legal entity of the foreign company. Hence, it does not have a separate presence or legal patrimony, nor does it have Bylaws of its own.

The Branch may undertake in Lebanon the same business activity undertaken by the foreign company in its home country, as evidenced in its Bylaws and in the decision relating to the opening of such Branch.

The process to be followed for the registration of the Branch of a foreign company in Lebanon may be summarized as follows:

First, the foreign company should constitute a set of documentation to be submitted at the Companies' Department at the Ministry of Economy and Trade. These documents, which will have to be translated into Arabic by a sworn translator upon their submitting to the Ministry, are:

- The Bylaws of the company duly stamped by the Commercial Register of the original place of registration of the company abroad, by the foreign country's Ministry of Foreign Affairs, by the Lebanese Embassy and by the Lebanese Ministry of Foreign Affairs.
- A Decision by the Board of Directors, or the General Assembly or any competent body of the company deciding to open either a Branch in Lebanon; this decision shall also appoint the manager of the Branch for Lebanon and state its prerogatives relative to the constitution and further operation of the Branch. This Decision should be stamped by the foreign country's Ministry of Foreign Affairs, by the Lebanese Embassy and by the Lebanese Ministry of Foreign Affairs.
- A Power of Attorney giving authority to a lawyer to represent the foreign company in Lebanon for the registration and operation of the Branch. This power of attorney is required when it is not the manager for Lebanon that is completing the registration process in his personal capacity, and it should be stamped by either the Notary Public if issued in Lebanon, or the foreign company if issued by the latter abroad.

Also, foreign banks or insurance companies willing to constitute a Branch in Lebanon would require, in the first case, the prior approval of the Insurance Companies Department at the Ministry of Economy and Trade, and in the second case the prior approval of the Central Bank of Lebanon.

Furthermore, any substantial amendment to the situation of the foreign company - such as a change of name, capital, object, manager's prerogatives for Lebanon, etc. - must be logged with the Ministry of Economy and Trade in order to keep the Branch's file updated.

The costs associated for the registration and publication at the Official Gazette of a Branch varies from USD/2,100/ for Branches because the latter have to be registered at the Commercial Register of the district where it is exercising its activity.