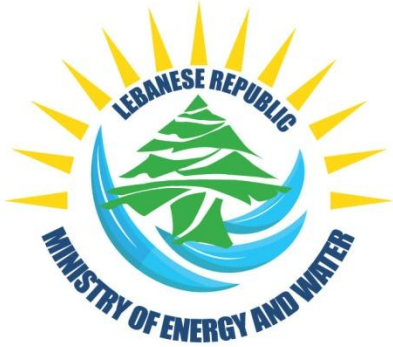


# IOC's in the Lebanese Law and Regulations



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" a Right Holder is any **joint stock company** which is participating in Petroleum Activities through an Exploration and production Agreement or a petroleum license."

PRL Chapter 1 Definitions



*"An Exploration and Production Agreement shall be awarded to **pre-qualified joint stock companies.**"*

PRL Article 15



**Affiliate:** in relation to a Right Holder, any legal or physical entity as a parent company which directly or indirectly controls a Right Holder or any legal entity which is directly or indirectly controlled by such company (PAR)





## Application Phase

### Applicant

- shall have an **appointed legal representative who shall reside in the Republic of Lebanon** or such other place as approved by the Minister of Energy and Water. (PAR Chapter 1 {7}).
- A Petroleum Right may only be awarded to a legal person incorporated, registered and headquartered in a **jurisdiction fully transparent** to Lebanese authorities. (PAR Chapter 1 {7}).



# Awarding Phase

- The **Right Holder** shall establish and maintain a **legal presence in Lebanon** for the purpose of fulfilling Right Holder's obligations. (PAR Chap 1{7}).
- When a legal person is awarded an exclusive Petroleum Right and the legal person is not Lebanese, then **the Right Holder shall at least establish and maintain a branch in Lebanon**. (PAR Chap 1{7}).
- Regarding the branch of the company in Lebanon the Right Holder shall appoint a **General Manager** for this branch and shall notify the Petroleum Administration of the identity of the individual so appointed within thirty days after becoming a Right Holder. (PAR Chap 1{7}).
- A Right Holder shall no less than thirty days after the entry into force of an EPA, have in place and maintain **an organization in Lebanon appropriately staffed and authorized to manage all aspects of rights and obligations and the petroleum activities shall be conducted and supplied from a base located in Lebanon**. (PAR Chap 1{8}).

# Special Conditions

- Companies operating in petroleum activities are joint-stock companies with subject matter exclusively dealing with :
  - **undertaking petroleum activities.**
  - **obtaining petroleum licenses.**
  - **signing Exploration and Production Agreements.**
  - **activities of petroleum refining.**
  - **gasification and liquefaction of natural gas.**

# Special Conditions

- The foreign companies wishing to undertake petroleum activities **shall duly establish branches in Lebanon.**
- Any **qualified Company** shall, before signing the EPA, duly **register at the Commercial Register of Beirut as a branch of a foreign Company in Lebanon.**
- The **capital of Company**, which registration is required in Lebanon or the capital assigned to Company's branch in Lebanon, **shall be a billion Lebanese pounds.**

# Special Conditions

- All company's **shares** shall be **nominal shares**.
- The Company or Company's branch shall, as per its share in the licenses and the Exploration and production Agreement, **be capable of financing** the petroleum activities it achieves, **for a rate not less than twenty-five percent from its own funds**.
- After obtaining the primary approval, the Company **shall pursue registration at the Ministry of Economy and Trade and then at the commercial register of Beirut**.
- The Petroleum Administration shall basically approve the registration of Company's branch in Lebanon for the **companies registered within systems enjoying transparency**.



## Special Conditions

- The companies or branches of companies wishing to undertake petroleum activities shall be compelled **to establish in Lebanon specialized bodies for the management of the activities belonging to their petroleum works**, and the said bodies shall be **qualified in order to be able to solely manage most of the petroleum activities undertaken by the Company**.
- The companies or branches of companies duly registered are entitled to **participate in more than one licensing round**.
- The companies or branches of companies **shall be subject to Lebanese tax**.

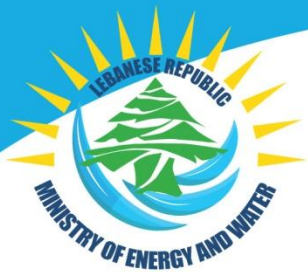


# Registration of an IOC branch in Lebanon

Ministry of Economy And Trade

• **BOD resolution:**

- To **establish a branch** for the company in Lebanon.
- To **appoint a person** who is residing in Lebanon or **a lawyer** and give him a power of attorney **to represent** the company and **sign** on behalf of the company and **submit applications** and sign all documents for this purpose.
- To appoint the **manager** of this branch in Lebanon.



• Requested documents:

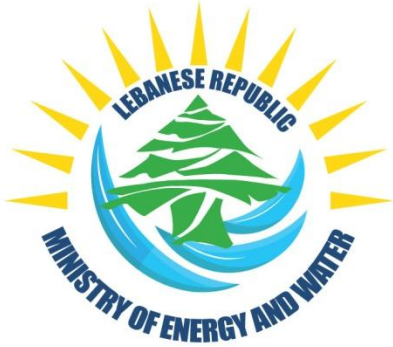
- The **articles of association** of the company **sealed and certified** by the **commercial register** in the country of the mother company, the **Lebanese embassy** in this country, and the **Ministry of Foreign Affairs in Lebanon**.
- The articles of association shall be **translated into Arabic by a sworn translator** certified and sealed by the **Ministry of Justice in Lebanon**.
- The articles of association **shall mention clearly** the **name of the company** as registered in the commercial register, the place of the **headquarter** of the mother company, its **address, capital**, and the **subject** of the company.
- **Original documents** with the translated documents.

## Commercial Register

- **Requested documents:**

- **Duplicates** certified and sealed by the **Ministry of Economy and Trade** of all the **documents submitted to the Ministry.**
- A **copy of the announcement** of the branch establishment published in the official Gazette.
- A **document proving that the branch has its own office in Beirut .**  
**(leasing, contract etc.....).**

# Thank You



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