



CENTER FOR INTERNATIONAL
PRIVATE ENTERPRISE



A Users' Manual on Registering and Operating CSOs, BMOs, and Business Start-Ups in Ethiopia

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FORWARD

The first edition of this document – originally titled *Users' Manual on Ethiopia's CSO Law* – was issued by the African Civic Leadership Program (ACLP) and the Agency for Civil Society Organizations (ACSO) of the Federal Democratic Republic of Ethiopia in October 2019. Its purpose was to support the establishment and development of Civil Society Organizations (CSOs) after the 2019 revision of the Ethiopian CSO Law and to support CSO engagement in development, democratization, and peacebuilding in Ethiopia.

ACLP and the Center for International Private Enterprise (CIPE) joined together to revise this manual in consideration of new developments and added a chapter on registering businesses and business membership organizations (BMOs) in light of the important role that businesses and BMOs play in civic participation. ACLP and CIPE acknowledge the efforts of all organizations and individuals that supported the information collection and preparation of this edition and hope that CSOs and BMOs find it a useful guide for their day-to-day activities.

DISCLAIMER

The opinions expressed herein are those of the authors and do not necessarily reflect the views of CIPE or ACLP.



ACRONYMS

ACSO or “the Agency” – Agency for Civil Society Organizations

AoA – Articles of Association

CIPE – Center for International Private Enterprise

CSO – Civil Society Organization

CSP – Charities and Societies Proclamation No. 621/2009

CSR – Charities and Societies Regulation No. 168/2009

DARA – Document Authentication and Registration Agency

ESIC – Ethiopian Standard Industrial Classification

LJAAC – Legal and Justice Affairs Advisory Council

MoA – Memorandum of Association

MoR – Ministry of Revenues

MoTI – Ministry of Trade and Industry

OCSP – Organizations of Civil Society Proclamation No. 1113/2019

PLC – Private Limited Company

SC – Share Company



CENTER FOR INTERNATIONAL
PRIVATE ENTERPRISE



CHAPTER ONE:

Introduction

CHAPTER 1: INTRODUCTION

In partnership with the African Civic Leadership Program (ACLP), the Center for International Private Enterprise (CIPE) is proud to present a revised edition of the original manual, ***A Users' Manual on Registering and Operating CSOs, BMOs, and Business Start-Ups in Ethiopia***, a legal guide for Ethiopian Civil Society Organizations (CSOs), Business Start-ups, and Business Membership Organizations (BMOs).

The original guide was produced in 2019 through a partnership between ACLP and the Agency for Civil Society Organizations (ACSO). The 2019 edition of the manual aimed to guide citizens, CSOs, and other interested parties through the steps required to establish an Ethiopian CSO while raising awareness about legal changes to CSO governance implemented in the 2019 CSO Proclamation (OCSP). CIPE and ACLP have revised the manual with the primary objective of clarifying specific elements of the guide, and expanding the audience to include business membership organizations (BMOs) and individual businesses in recognition of the important role that each of these groups play in supporting civic life in Ethiopia. As part of this revision, additional sections on the registration process for businesses and business membership organizations have been added.

A Users' Manual on Registering and Operating CSOs, BMOs, and Business Start-Ups in Ethiopia outlines the legal and regulatory requirements for establishing CSOs, businesses, and BMOs in Ethiopia. It also helps CSOs and associations identify the most suitable path and timeline for the registration of their organizations and the government bureaus and ministries responsible for the registration process. CIPE and ACLP hope that this joint effort provides a comprehensive understanding of the current legal environment for the registration and operation of CSOs, BMOs, businesses, and start-ups in Ethiopia.

Center for International Private Enterprise (CIPE)

CIPE works with private-sector organizations across Ethiopia to promote market-based economic reform and participatory political dialogue on matters of economic policy. To date, CIPE has supported more than 100 private sector and civil society organizations across all of Ethiopia, from Addis Ababa and the highland states to emerging regions like Afar, Somali, Benishangul-Gumuz, and Gambela. The CIPE East Africa Regional Office is home to the CIPE Civic Engagement Hub, an incubator, co-working space, and resource center for new and growing Ethiopian civil society organizations and civic-minded entrepreneurs. For more information, please visit civicengagementhub.cipe.org.

African Civic Leadership Program (ACLP)

The African Civic Leadership Program (ACLP) is a US-based non-profit organization established in March 2016. ACLP implemented its flagship fellowship program with partners drawn from public and private universities, local and international civil society organizations, and grassroots organizations working to advance the cause of social justice and public interest law.

1.1 LIMITATIONS OF THE CHARITIES AND SOCIETIES PROCLAMATION NO. 621/2009

Freedom of Association is one of the fundamental human rights guaranteed in the FDRE Constitution and the international human rights instruments adopted by Ethiopia. Article 31 of the Constitution provides that citizens shall have the right to organize for any lawful cause, and the same is enshrined in international and regional conventions to which Ethiopia is a party. Civil Society Organizations (CSOs) are the principal manifestations of the exercise of freedom of association. They are also useful vehicles for the protection and advancement of other human rights. The main purpose of any legislation designed to regulate this sector should therefore be creating an enabling environment for the establishment and operation of CSOs. This is also imperative given the role of civil society organizations as some of the main actors in bringing about sustainable development and democratization in Ethiopia.

In this regard, international standards and best practices require that laws designed to regulate CSOs shall aim to support and create a conducive environment for CSOs rather than focusing on restrictions and penalties. The standards also require that the registration of CSOs shall be easy, expedient, and transparent. The function of the regulatory agency shall be building the capacity of CSOs and ensuring compliance with the law without too much intrusion in the internal affairs of the organizations. CSOs shall always have the right to appeal decisions of the regulatory body in court. Moreover, CSOs shall be entitled to seek, access, and utilize funding from any lawful source, and their founders and members shall be free to decide on the objectives the CSOs seek to accomplish.

The Charities and Societies Proclamation no. 621/2009 (CSP), which regulated the CSO sector until 2019, significantly departed from the constitutional and international standards both in letter and in spirit in several aspects.

First, the law was premised on an artificial dichotomy between non-governmental organizations and CSOs. CSOs were defined as mass-based organizations such as women

and youth associations, while all non-governmental organizations which received foreign funding were characterized as agents of foreign actors with no local constituency. This dichotomy effectively excluded most of the CSOs in the country from having a say on issues related to human rights, gender equality, and governance. This ideological premise led to the classification of CSOs into Ethiopian charities/societies and resident charities/societies and the discriminatory treatment of the latter in terms of areas of operation, reporting requirements, and the right of appeal to courts.

Second, the CSP failed to meet international and constitutional standards by limiting the freedom of persons to choose the objectives of CSOs they form by stipulating that CSOs could only be established to implement objectives enumerated under Article 14 of the Proclamation, while the constitution provides for freedom of association for any lawful cause.

Third, the law discriminated among CSOs by stipulating that CSOs working on development and service delivery could access foreign funding, while those working on human rights, gender equality, rights of disabled persons, rights of children, justice sector support, or promotion of religious and ethnic tolerance were required to raise 90% or more of their funds from local sources. In addition to breaching the constitutional principle of equality before the law and curtailing freedom of association, this requirement also inhibited the work of CSOs on human rights issues, and hence had an adverse effect on the protection of human rights in general and the rights of vulnerable groups in particular.

Fourth, in practice, the law forced development CSOs to abandon a rights-based approach and limit themselves to service delivery, thereby impeding numerous initiatives by these CSOs to empower citizens by educating them about their rights. Due to the difficulty of raising funds from local sources (because of abject poverty, lack of culture of contributing to a cause, and fear of reprisal for supporting human rights CSOs), the few human rights CSOs in the country were forced to either change their mandates or had to operate at a very reduced scale.

Fifth, the CSP discriminated between CSOs by stipulating that only Ethiopian Charities and Societies had the right to appeal decisions of the Agency to prevent their registration or suspend or dissolve them in court. In effect, these meant that if their freedom of association was violated, citizens could not appeal to court simply because their source of funding was foreign.

Sixth, the Directives issued by the Agency prohibited charities from networking with other like societies. Foreign and resident charities were not allowed to set up consortiums with Ethiopian charities. CSOs were also discouraged from forming networks because their contributions to networks were counted as administrative costs.

Seventh, the 70/30 directive classified most program expenses as administrative costs and provided that the administrative costs of CSOs could not exceed 30% of their budget. This restriction made it difficult for CSOs to retain staff, work in remote areas, commission research, or organize training and research as expenses, since these activities were classified as administrative and would make them unable to meet the restrictions in the Directive.

Eighth, the law stipulated that CSOs could engage in income generation only in areas related to their purpose, thereby putting human rights CSOs at a disadvantage as their activities cannot be commercialized.

Finally, the law gave broad powers to the Charities and Societies Agency to suspend, dissolve, and take other administrative actions on CSOs without sufficient safeguards against abuse.

For the above reasons, the law was decried as repressive by the international community, negatively impacting Ethiopia's image globally.

Following the coming to power of a reformist leadership in Ethiopia in April 2018, the Government of Ethiopia announced its intentions to revise repressive laws. It established the Legal and Justice Affairs Advisory Council (LJAAC) to advise on revisions and changes in this regard. The CSO Law Reform Working Group established under the LJAAC conducted a detailed diagnostic study of the CSP. The findings of the study revealed that the CSP fell below constitutional and international standards for the reasons mentioned above and others. The Working Group advised the LJAAC that the CSP should be replaced by a new law that facilitates the exercise of freedom of association by removing the restrictions on CSOs. Based on this advice, the Working Group drafted a new CSO law using international standards and best practices as a benchmark. Both the findings of the diagnostic study and the Working Group's draft were discussed in detail with stakeholders including CSOs, sector administrators, the Charities and Societies Agency, political parties, and the media. Consultation forums were organized in all nine regions and Addis Ababa and Dire Dawa in collaboration with the Ethiopian Charities and Societies Forum, and separate discussions were held with foreign charities and CSOs working on disability

rights. Amendments were made to the draft based on these consultations. The draft was subsequently approved by the Council of Ministers and promulgated by the Parliament into a law with some changes in March 2019.

1.2 MAJOR CHANGES INTRODUCED BY THE CSO PROCLAMATION NO. 1113/2019

As stated above, the Civil Society Organizations Proclamation No. 1113/2019 (OCSP) is the result of a rigorous analysis of the defects and shortcomings of the CSP to ensure the constitutional right to freedom of association in Ethiopia. Based on international standards and best practices, as well as the findings of the diagnostic study of the CSP, the new law seeks to create an enabling environment for CSOs in Ethiopia.

The law recognizes the right of citizens to organize for any lawful purpose; removes the classification of CSOs on the basis of their source of income; guarantees the right of CSOs to seek and access funds from any lawful sources and to engage in business activities to generate income for their activities; redefines administrative costs to exclude program-related costs and limit them to expenses which are truly administrative; provides for broader representation of CSOs in the Board of the CSO Agency; provides for an easy and expedient registration process; ensures the right of all CSOs to appeal decisions of the Agency (including refusal to register, suspension of registration, and dissolution by the Board of the Agency) in court; and emphasizes that the primary duty of the CSO Agency is to support and build the capacity of CSOs, while punitive measures come only as a last resort and only after giving CSOs the opportunity to rectify their mistakes and have a fair hearing. Measures taken by the Agency are therefore subject to administrative review by the Board and judicial review by courts.

The new law removes restrictions on forming networks or consortiums and provides for the establishment of networks of networks as well. The law has also introduced the concept of self-regulation, with the belief that the primary actors in ensuring compliance are the CSOs themselves, and provides for a statutory CSO Council which will issue a code of conduct for CSOs and gives it legal backing to enforce that code. The following table summarizes the changes introduced by the OCSP.

TABLE 1: SUMMARY OF MAJOR CHANGES INTRODUCED BY THE CSO LAW

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Preamble	<p>Recognizes:</p> <ul style="list-style-type: none"> • Citizens' right to exercise freedom of association • Responsibility to facilitate role of charities and societies in development 	<p>Recognizes:</p> <ul style="list-style-type: none"> • Instrumental role of freedom of association for protection of other rights • Role of CSOs in making government transparent, accountable, and participatory • Need for enabling environment for CSOs to support development and democratization • Importance of balancing freedom and accountability in the sector • Value of nurturing volunteerism and charity culture in the society • Need to address shortcomings of CSP
Scope of Application	<ul style="list-style-type: none"> • CSOs working in more than one region, or in Addis Ababa and Dire Dawa • Foreign charities • CSOs working in one region only if they get foreign funding 	<ul style="list-style-type: none"> • Foreign CSOs and local CSOs operating in Addis Ababa, Dire Dawa, or in more than one region • <u>Does not apply to</u> CSOs working in one region only, regardless of source of income

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Composition of CSA Board	CSOs underrepresented with only 2 of the 7 Board members coming from CSOs	Equitable and inclusive representation of CSOs in the Board: 3 members from government, 3 from CSOs, 2 from the National Federation of Disability Associations, 2 from youth and women's associations, and one independent expert
Powers of Regulatory Agency/CSA	<ul style="list-style-type: none"> • Focused on sanction and control • Gave too much discretion to the Agency without a possibility of judicial review in the majority of cases • Were too broad and intrusive, making it difficult for the Agency to exercise them 	<ul style="list-style-type: none"> • Facilitate and coordinate activities of CSOs • Support CSOs to have internal self- regulation and governance systems • Encourage and support volunteerism and charity • Establish CSO Support Fund • Prepare list of liquidators and monitor their performance • Develop guidelines to ensure that development activities of CSOs are (to the extent possible) aligned with government plans • Research and advise government on the role of CSOs in development, human rights protection, and democratization

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Powers of the Board	Were generic in nature and did not empower the Board to hold the Agency accountable	<ul style="list-style-type: none"> • Set directions to ensure full exercise of freedom of association and public benefit from the sector • Review appeals from decisions of the Agency Director • Evaluate performance of the Agency Director and his deputies • Issue Rules of procedure for the Complaint Review Committee and follow up on its implementation • Issue directives to enable organizations to carry out their activities in accordance with this Proclamation • Examine and approve annual activity plans and reports submitted to it by the director
Types of CSOs	Classification based on: <ul style="list-style-type: none"> • Source of income (Ethiopian charities, Ethiopian resident charities) • Types of beneficiaries (charities, societies) • Structure (charitable endowments, charitable institutions, charitable trusts, charitable committees) • Place of incorporation (foreign charities, Ethiopian charities/ societies) 	Classification based on: <ul style="list-style-type: none"> • Structure (Board-led CSOs, membership-based CSOs) • Place of establishment (foreign organizations, local organizations) • Structure (charitable trust, charitable endowments, and charitable committees) • <u>NOT</u> source of income

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Consortiums	<ul style="list-style-type: none"> Societies could not form consortiums with charities Ethiopian charities could not form consortiums with resident and foreign charities No direct implementation of projects 	<ul style="list-style-type: none"> No restrictions on forming consortiums Additional mandates for consortiums: Articulate the voice of members and advocate for their rights Build capacity of members and support resource mobilization Conduct research and advocacy activities in areas of member engagement No competition with members Consortium of consortiums allowed
Objectives of CSOs/Area of Operation	<ul style="list-style-type: none"> Only objectives specified in Article 14 of the CSP allowed Only Ethiopian charities and societies allowed to work on human rights, gender equality, child rights, disabled persons' rights, legal aid, promotion of tolerance No restriction on objectives as long as they are lawful 	<ul style="list-style-type: none"> Organizations can be established to work in Ethiopia and abroad, or at the regional or global level No restriction on access to funding from lawful sources

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Registration of Local CSOs	<p>Article 68 of CSP; Article 3 of CSR</p> <ul style="list-style-type: none"> • Certificate of legal personality (registration) required within 30 days <p>Requirements:</p> <ul style="list-style-type: none"> • Founding minutes, bylaws, objectives and regions of operation • Photos and IDs of founders, officers, and members • Type of organization and logo • Statement on percentage of income generated in Ethiopia • "Other documents/information required by the Agency" – in practice, this included a support letter from a sector administrator 	<p>Article 57 of OCSP</p> <ul style="list-style-type: none"> • Maximum registration period of 30 days <p>Requirements (Article 58 (1) of OCSP)</p> <ul style="list-style-type: none"> • Founding minutes, bylaws, objectives, and regions of operation • Photos and IDs of founders • Name and logo, if any • Completed registration form provided by the Agency • No other requirements or preconditions

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Registration of Foreign CSOs	<p>Article 68 of Proclamation No 621/200CSP; Article 4 CSR</p> <ul style="list-style-type: none"> Maximum registration period of 30 days (several months in practice) <p>Requirements:</p> <ul style="list-style-type: none"> Duly authenticated certificate of registration showing the establishment of the organization in its country of origin Proof of the decision of its competent organ to operate in Ethiopia Letter of recommendation from Ministry of Foreign Affairs (MoFA) Project proposal Detailed information about country representative Other information as required by the Directives of the Agency 	<p>Article 58 (2) of OCSP</p> <ul style="list-style-type: none"> Maximum registration period of 45 days <p>Requirements:</p> <ul style="list-style-type: none"> Authenticated certificate of incorporation Bylaws of the organization Resolution to open a branch in Ethiopia Power of attorney for country representative Recommendation letter from Ethiopian Embassy in home country or from MoFA 2-year action plan No other requirements or preconditions
Licensing	Registration was confused with licensing	<ul style="list-style-type: none"> ACSO does only registration No requirement for licensing unless prescribed by other laws
Renewal	Renewal of registration every three years	No renewal requirement – registration is permanent

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Accounts and Reporting	<p>Article 78-79 of CSP, Directive No. 8/2004</p> <ul style="list-style-type: none"> Annual statement of account (and in practice audit report) required CSOs whose annual cash flow does not exceed ETB 50,000 (Fifty thousand Birr) can submit receipts, payments account, and statement of assets and liabilities instead of statement of account Accounts of all CSOs shall be examined by a certified auditor or an internal auditor Agency can at any time appoint an auditor: <ol style="list-style-type: none"> In accordance with the directives issued by the Minister of Justice Where it appears that it is better to appoint an external auditor If the accounts of a CSO are not audited within five months of the end of its financial year Annual activity report to be submitted within 3 months of end of the financial year or within such period as the Agency may for special reason require 	<p>Article 71-75 of OCSP</p> <ul style="list-style-type: none"> Organizations with an annual income of less than ETB 200,000 (Two hundred thousand Birr) allowed to submit statement of account instead of audit report Agency may appoint external auditor if a CSO fails to audit its account within 5 months, or upon the request of 1/3 of the members of the organization, donors, or government signatories of the project agreement Agency to keep public records of CSOs, including annual reports CSOs to make their activity and audit reports accessible to members and beneficiaries CSOs required to get Agency permission to open bank account (Agency to respond to such requests within 5 days), and banks obliged to send details of accounts when requested by ACSO

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Accounts and Reporting (Cont.)	<ul style="list-style-type: none"> • CSOs obliged to report about all bank accounts of the CSO when requested by the Agency • Type and number of CSO receipts to be registered with the Agency • Income Receipts to indicate, among others, the name and address of donor, name of CSO, serial number of receipt, amount and type of income, date, name of officer, and signature • Payment vouchers need the approval of the concerned officer, and payment shall be effected upon submission of necessary documents • Income from domestic and foreign sources to be recorded separately • Admin and program expenses to be recorded separately • Increase or decline in unrestricted net assets to be clearly shown • Financial report to show income from domestic and foreign sources, admin and program expenses with percentage • Letter from the Agency required to open a bank account or change signatories 	

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Supervision of CSOs and Administrative Sanctions	<p>Article 84-92 of CSP</p> <ul style="list-style-type: none"> Agency can institute inquiries on any CSO's or class of CSOs' administrative accounts when requested by ACSO No requirement of good cause for investigation A CSO is required to inform the Agency about place and time of meetings seven days before the meeting No requirements on expediency of investigation 	<ul style="list-style-type: none"> ACSO authorized to conduct investigation upon receiving information from the public, donors, or government organs, or based on information obtained by the Agency during the performance of its work Investigation only when there is good cause Investigation must be expedient and not impede CSO's activities
Suspension and Dissolution	<p>Suspension</p> <p>Agency may:</p> <ul style="list-style-type: none"> Suspend an officer and order the appointment of another officer where 1/3 of the members of the organization and donors agree that is necessary to protect its property Prevent the CSO from entering into certain obligations or making certain types of payments Order debtors of the CSO not to pay without the approval of the Agency or deposit the payment in a certain place or bank 	<ul style="list-style-type: none"> ACSO Director may suspend CSO for maximum of 3 months in the event of serious violation Suspension subject to Board approval to continue, and appealable to court Administrative measures: <ol style="list-style-type: none"> Warning Grave warning Suspension Fair hearing guaranteed Dissolution on Board decision, appealable to court

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Suspension and Dissolution (Cont.)	<p>Agency may suspend a CSO if:</p> <ul style="list-style-type: none"> • The CSO fails to comply with the order of the Agency to amend its bylaws or name • CSO's reports or accounts are false • CSO breaches the provisions of the CSP, the CSR, Directives of the Agency, or its own bylaws • CSO fails to provide information to the Agency upon request • The CSO's registration was fraudulent • The CSO is used for unlawful purposes or for purposes prejudicial to public peace, welfare, or security • The CSO fails to rectify the reasons for suspension, fails to renew its license, commits a crime, or violates the proclamation • Dissolution upon decision of the Supreme organ of the CSO, cancellation by the Agency, or insolvency • No fair hearing guarantee 	
Right of Appeal	<p>Right of appeal to court allowed only for Ethiopian Charities and Societies</p>	<p>Every CSO has the right to appeal to court from the decision of the Agency and from the decisions of the Board</p>

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Income Generation and Utilization	<ul style="list-style-type: none"> Income generation allowed only in areas related to the objectives of the CSO and could not cover administrative costs Administrative costs could not exceed 30% and were defined narrowly to include expenses which are in reality program costs, such as consultancy fees, fees for trainers, project staff salary, etc. 	<ul style="list-style-type: none"> CSOs allowed to engage in any lawful business activity to generate income, but needs to keep its accounts separate Administrative costs of a CSO established for public benefit or third parties cannot exceed 20%, but are defined narrowly and expressly excludes program costs: <u>administrative costs are defined as costs that are essential for running the organization</u> and are not related to program/ project activities, such as support staff salaries and maintenance expenses
Self-Regulation	<p>No provisions on self-regulation</p>	<ul style="list-style-type: none"> ACSO required to support CSOs to put in place systems of self-regulation and accountability CSOs Council to be established and given power to issue code of conduct to CSOs, use enforcement mechanisms, represent the sector in the Board, and advise Agency on registration and regulatory issues

SECTION	CSP/OLD LAW	OCSP (WHAT IS NEW)
Financial Support to CSOs	<p>CSOs not allowed to get more than 10% of their budget from foreign sources if they work on human rights, democracy, gender equality, child rights, disabled rights, and/or tolerance and justice sector support, including legal aid</p>	<ul style="list-style-type: none"> • No restriction on accessing funds for any lawful activities, as long as the source of funds is lawful • Foreign organizations encouraged to give technical and financial support to local CSOs • CSO Fund established by law to encourage volunteerism and support CSOs working with vulnerable groups

SCOPE OF APPLICATION

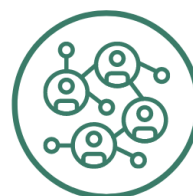
The CSO Law applies to the following organizations



Foreign CSOs



CSOs operating in
Addis Ababa and
Dire Dawa



Local CSOs operating
in more than one region

Hence, if the CSO you work with has offices in Addis Ababa or Dire Dawa or operates in more than one region, it must be registered by and report to the Agency for Civil Society Organizations (ACSO).

If your organization works in only one region, it will have to be registered by the regional authority in charge of registration of CSOs. In most regions, this is done by the regional Bureau of Finance and Economic Development (BOFEDs), or by the Attorney General's Office of the Region. The constitutions of regional states provide that laws issued by regional parliaments shall not go against federal law. Accordingly, regions are expected to issue laws which are consistent with the CSO law and give full effect to the constitutional right to freedom of association.

There are two caveats regarding the applicability of the law to religious organizations. First, the law does not apply to ministerial (worship) activities of religious organizations. If a religious organization plans to engage in a charitable activity, it should establish an independent CSO for that purpose. This charity wing must be registered and regulated by the CSO Law. Religious organizations are currently registered by the Ministry of Peace until a law is enacted regarding their registration and operation.

Remember – the law will not apply to the following organizations:

- Religious organizations
- Community-Based Organizations (CBOs) such as the Idir (burial societies), Equb (traditional saving societies), and other traditional or religious entities
- Chambers of commerce and sectoral associations, trade unions, political parties, and associations covered by other laws

1.4. UNDERSTANDING PROGRAM COSTS VS. ADMINISTRATIVE COSTS

A major concern about the CSP was the way it defined administrative costs. As stated above, the CSP stated that the administrative costs of CSOs could not exceed more than 30% of their budget. Moreover, the CSP, the CSR, and subsequent directives issued by the Agency defined administrative costs to include costs normally recognized as program-related. In this regard, Article 2(14) of the CSP defined administrative costs to include “costs incurred for emoluments, allowances, benefits, purchasing goods and services, travelling and entertainments necessary for the administrative activities of a Charity or society.” Directive No. 2 of the Agency further stated that administrative costs included:

“...all expenses for goods and services used for office work including consumption items, payment for utilities, maintenance, audit services, promotion, all vehicle purchase maintenance and fuel expenses, all consultancy fees, legal service fees, cost of holding different meetings including those held for preparing plans and reports, registration fees, training fees, cost of trainings including refreshments and development of training manuals, per diems for trainers, salaries of project, management, admin and support staff, as well as maintenance fees.”

This effectively classified much of the program costs as administrative expenses, thereby making it difficult to comply for most of CSOs.

The OCSP introduced a major departure both in terms of percentage and definition of administrative costs. In terms of percentage, the OCSP is more stringent, as it reduces the ceiling of administrative costs from 30% to 20%. However, it offers a much narrower definition of administrative costs:

*"...expenses which **are not related to the project activities** of an Organization but are necessary to ensure the continuity of an Organization and related to administrative activities, and shall include: salaries and benefits of administrative employees; purchase of consumables and fixed assets and repair and maintenance expenses related to administrative matters; office rent, parking fees, audit fees, advertisement expenses, bank service fees, fees for electricity, fax, water and internet services; postal and printing expenses; tax, purchase and repair of vehicles for administrative purposes, and procurement of oil and lubricants for the same; insurance costs, penalties and attorney fees."*

This definition is critical in two aspects. First, it expressly excludes project-related expenses from the definition of administrative costs. Hence, salaries of project and program staff, including program and project coordinators, project officers, specialists, experts, etc., are considered program and not administrative costs. Second, administrative expenses incurred in the implementation of projects, such as salaries of project accountants, project managers, guards, cleaners, and employees at project sites; project office rent and utilities; expenses related to the purchase of vehicles and fuel; purchases of consumables for projects; and any other expenses related to projects are treated as program and not administrative costs.

On the other hand, costs which are incurred by a CSO to continue as an organization whether or not it has projects are treated as administrative costs. These include rent of the head office of the CSO; cost of utilities (electricity, water, telephone, internet) of the head office of the CSO; salaries of administrative staff of the CSO (as opposed to administrative staff of a particular project); bank, audit, and legal service fees incurred by the CSO; and the cost of goods and services for its administrative department/activities.

As stated above, what makes a given cost program/operational or administrative is not the type of the cost (for example, whether it is rental or consultancy fees) but the **purpose** for which it was incurred. If the cost is incurred in connection with the implementation of the CSO's project, it will be treated as a program cost. On the other hand, if the cost is incurred in connection with the organization's administration then it will be considered an administrative cost.

It is worth noting that the rule on program and administrative costs will apply only to CSOs established for the benefit of the general public or that of third parties. This is because the purpose of setting a limit on administrative costs is to ensure that funds obtained in the name of the public or certain social sections such as women, children, or persons with

disabilities are spent for public benefit to the extent possible. On the other hand, CSOs established to advance the benefit or interest of their members rather than the public at large or non-members will not be subject to the rule on administrative costs. For instance, a lawyer's club or a bird watchers association would not be subject to this rule.

Note that the Agency is further given authority to issue directives exempting certain types of CSOs from the application of the rule on administrative costs.



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CHAPTER TWO:

The Agency for Civil Society Organizations

CHAPTER 2: THE AGENCY FOR CIVIL SOCIETY ORGANIZATIONS

2.1 OBJECTIVES OF THE AGENCY

The Proclamation established the Agency for Civil Society Organization (ACSO) with the principal objective of ensuring the exercise of the constitutional right to freedom of association while ensuring accountability and maximum public benefit. ACSO's objectives are therefore supportive and regulatory. Its supportive/enabling objectives include creating a conducive environment for the registration and operation of CSOs in Ethiopia, building the capacity of CSOs, nurturing a culture of volunteerism, and facilitating smooth working relationships between CSOs and government entities. The regulatory objectives of the Agency primarily focus on ensuring that CSOs have internal governance systems that ensure transparency, accountability, and participation, promoting self-regulation in the CSO community, and supervising the work of CSOs to ensure maximum public benefit. The focus on support and regulation is a significant departure from the old CSO law, which emphasized control and punishment.

In essence, therefore, the Agency aims to facilitate the exercise of freedom of association by making the registration of CSOs easy and swift, helping CSOs to have the necessary capacity for self-regulation both internally and as a community, and promoting good working relationships with federal and regional government bodies. The regulatory objectives of the Agency will be accomplished through monitoring the activities of CSOs by examining their activity and financial reports, conducting investigations, taking the necessary administrative action in the event of alleged malpractices, and supporting the enforcement of the code of conduct to be issued by the CSO Council. In all these activities, ACSO is expected to ensure that CSOs have fair opportunity to defend themselves, including the right to appeal its decisions.

2.2 POWERS AND RESPONSIBILITIES OF THE AGENCY

The powers and duties of the Agency are outlined under Article 6 of the Proclamation, and include mandates relating to registration of CSOs, monitoring and follow up, research and documentation, coordination and support, and other administrative activities. Of these, registration and monitoring are explained in section 4.2.

The research and documentation mandate requires the Agency to establish a comprehensive database that contains information on the number of CSOs in the country, including their

registration by the Agency and regional governments, areas of operation, types of beneficiaries, and the like, and publish the information offline and online. This database shall be accessible to the public, including researchers, academicians, the media, and policy think- tanks. In addition, the Agency shall also conduct research and analysis regarding the role of CSOs in development and democratic governance, highlighting the trends, challenges, and opportunities in their work, and advising the government on further supporting CSOs in this regard.

ACSO's coordination role involves developing guidelines and directives to ensure that development activities of CSOs are aligned with government development plans. However, this simply is intended to ensure complementarity between the activities of CSOs and the government in the area of development, and by no means allows the Agency to dictate what each CSO does when it comes to development issues. The directives are bound to be general and advisory in nature and cannot restrict the freedom of CSOs to determine their objectives and mandate, priority areas, or modalities and approaches.

The other area of coordination is facilitating collaboration between CSOs and government institutions at the federal and regional levels, including sector administrators. This is mainly done through administrative support as the need arises and through the establishment of joint forums. Beyond resolving operational problems, these forums are intended to be avenues for joint planning and monitoring of development activities, as well as sharing knowledge and feedback on the activities, best practices, and policy and practical lessons on both sides. CSOs should therefore use these forums to influence government policies and operations in a manner that advances public interest, including the rights and benefits of those social sections they work with or represent.

ACSO also has the responsibility to prepare a list of liquidators and monitor their performance in the dissolution of CSOs. It also has a mandate to administer the Civil Society Fund. These mandates mark clear departures from the past, where the old Charities and Societies Agency had the power to dissolve CSOs, liquidate them, and administer their property with no clear guidelines or institutional capacity. This led to corruption and misuse of resources. The new CSO law rightly gives the mandate to dissolve CSOs to the courts, and in some cases to the Board of the Agency. The law also envisages that following dissolution, the assets of a CSO shall be in the custody of professional liquidators, like the assets of dissolved commercial entities. The Agency's mandate is limited to drawing a list of competent liquidators and supervising them.

Another welcome development is the establishment of the Civil Society Fund, which will be administered by the Agency. As stated under Article 86, the main sources of the fund are properties of CSOs dissolved (under both the old and the new CSO laws), as well as subsidies from the government. The Agency may allocate this fund to those CSOs which are doing highly valuable community work with limited resources. Detailed directives on the administration of the fund will be issued by the Agency.

In addition to the above responsibilities, the Agency has mandates to work closely with government agencies to fight money laundering and financing of terrorism, promote a culture of volunteerism, and notarize the constitutive documents of CSOs. Although the Agency principally operates in Addis Ababa, it is expected to ensure accessibility to CSOs by opening branches in the regions or delegating regional authorities to provide some of its services in the regions.

2.3 STRUCTURE OF THE AGENCY

The Agency has a Board of Directors composed of CSO and government representatives, and a management structure headed by a Director General and their deputies.

2.3.1 THE BOARD

The Board is composed of three representatives from government bodies, seven CSO representatives, and one expert. The expert and the three government representatives are appointed by the Attorney General. Of the seven civil society representatives, three are elected by the CSO Council, while the National Federation of Disability Associations, women's associations, and youth associations will designate two members each. The Chairperson of the Board is appointed by the Attorney General. The term of the Board members is three years, subject to re-election. However, the terms of the two of the representatives from the Government and CSOs shall be four years to ensure continuity and institutional memory. However, these representatives cannot be re-elected (Article 10(3) of the Proclamation).

The Board has powers to set policy directions for the Agency in line with its objectives, examine and approve plans and reports of the Agency, monitor and follow up on the implementation of the law by the Agency, hear appeals from the decisions of the Director of the Agency including refusal to register or suspend a CSO, dissolve CSOs in cases of grave breach of the law or failure to rectify grave violations of the law, and issue directives for the implementation of the Proclamation.

2.3.2 THE DIRECTOR AND DEPUTY DIRECTOR

The Director General is accountable to the Attorney General and is expected to manage the operations of the Agency in line with the general directions of the Board. Specifically, the Director will represent the Agency in relations with third parties; prepare the annual work plan, budget, financial and activity reports of the Agency; hire and administratively manage employees; and make final decisions at the level of the Agency on matters related to registration and operations of CSOs. Internally, therefore, decisions made by a registration or monitoring and supervision officer at the Agency can be appealed to the concerned team leader, the head of the Registration/Monitoring Directorate, and eventually to the Director General.

The deputy Director(s) will assist the Director in planning, coordinating, and directing the activities of the Agency and act in the absence of the Director.



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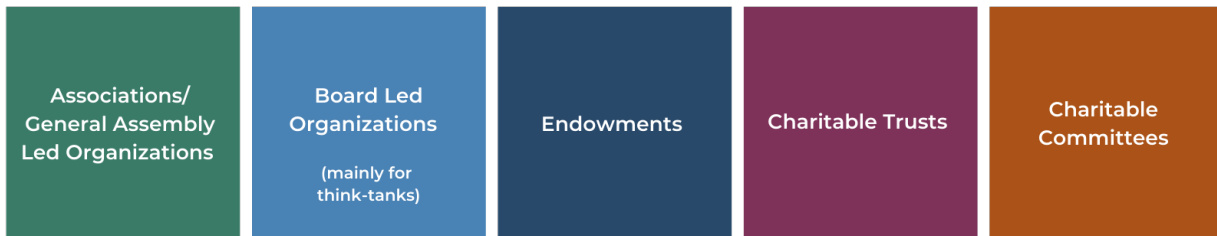


CHAPTER THREE:

Types of Civil Society Organizations

CHAPTER 3: TYPES OF CIVIL SOCIETY ORGANIZATIONS

TYPES OF CHARITIES AND SOCIETIES



As you might recall, the old law classified organizations by source of income (Ethiopian resident charities and Ethiopian charities), cause/beneficiaries (whether they work for members or third parties), structure (charities, societies, endowments, trusts, charitable institutions, and committees), and country of establishment (foreign charities vs Ethiopian/ resident charities).

The new law has done away with the first two classifications because they unduly limit freedom of association. The classification based on income in effect contravenes the constitutional right to freedom of association by putting undue financial restrictions on CSOs working on human rights, gender equality, disability rights, child rights, democracy, and conflict resolution issues. The false dichotomy between charities and societies overlooks the fact that a CSO might work for the benefit of its members and for the public at large or a certain section of society, which is typical of professional associations that aim to enhance the contributions of their members to the society while at the same time building the capacity of their members and ensuring their integrity.

The new law therefore classifies CSOs in terms of structure and country of formation as discussed below.

3.1 FOREIGN VS. LOCAL CSOS

3.1.1 FOREIGN CSOS

Foreign CSOs are those which are established abroad and operate in Ethiopia through a branch office which is registered by the Agency. The new CSO law has lifted the barriers set by the old Charities and Societies Agency on foreign CSOs that seek to establish a branch in Ethiopia for the purpose of providing financial or technical support to local CSOs or other entities. Accordingly, foreign CSOs are free to set up branch offices in Ethiopia

to engage in direct project implementation or provision of technical and financial support to local CSOs, or both. The law also encourages foreign CSOs to work in partnership with local CSOs and build the capacity of the latter. They are also allowed to work on issues related to human rights and democracy. However, they are not permitted to directly lobby political parties. They also need to get permission from the National Electoral Board of Ethiopia to engage in election monitoring or voter education.

3.1.2 LOCAL CSOS

Local CSOs are organizations established in Ethiopia by two or more persons who may be Ethiopians or foreigners residing in Ethiopia. However, CSOs established by foreign residents are not permitted to lobby political parties. Such organizations have full freedom to pursue any lawful cause which is non-profit and does not aim to hold political power. Also, according to article 62 sub 5, unless it is permitted by another law, Foreign Organizations and Local Organizations which are established by foreign citizens which are residents of Ethiopia may not engage in lobbying political parties, voter education, or election observations. Local CSOs do not include religious organizations and non-profit entities established by other laws, such as trade unions, chambers of commerce and sectoral associations, political parties, or traditional self-help associations such as eddir, senbete, and equb.

There are different types of local CSOs. These include associations, board-led organizations, charitable endowments, charitable trusts, and charitable committees (see Art. 18 of the CSO Law). Please note that this classification is based on the structure and governance of CSOs.

- **Associations:** The CSO law defines an association as an organization formed by five or more members and governed by a General Assembly as its supreme decision-making organ. In contrast with the societies under the old law, associations may be established to promote the rights and interests of their members, to work for the benefit of the public at large or sections of the society (such as women, pastoralists, or persons with disabilities), or to advance any objective which the members deem useful (e.g., birdwatching or reading books).

Article 2.1. of the law defines CSOs as “non-partisan, non-governmental, not for profit entities established by two or more persons,” and the term “person” is defined under Article 2 (17) to include natural and juridical persons such as companies and CSOs. Associations and other types of CSOs could therefore be established by juristic

persons or natural persons or both. Please note that the characteristic feature of an association is that it is membership-led, which means that its general assembly is the highest decision-making organ. In terms of structure, some associations have a management board and an executive director (with staff) in addition to the General Assembly. Others might have an executive committee led by a president/chairperson, vice president/vice chairperson, secretary, and treasurer/finance head without having a separate management or secretariat. The latter structure is usually adopted by youth, women, and professional associations, while most CSOs adopt the former. The law does not prescribe a particular form of structure but requires that the Memorandum of Association shall define the structure of a CSO.

- **Board-Led CSOs:** These are CSOs in which the Board is the supreme/ultimate decision-making organ. Board-led CSOs may be established by two or more founders who might be natural or juristic persons. The founders will designate the first Board members whose number is between five and thirteen in the Memorandum of Association. The appointment and term of Board members is determined by the Memorandum of Association. A Board-led CSO shall in addition to the Board have a management body which is composed of the executive director/manager and their team. Members of the Board or their relatives by consanguinity or affinity are not allowed to work in the management team. This structure is typically used by think tanks and other CSOs which have a thematic, rather than constituency-based, focus of work.
- **Charitable Endowment:** This is an organization by which a certain property is perpetually and irrevocably designated/given by donation or will or the order of the Agency for a purpose that is solely charitable. A Charitable Endowment shall have a manager, an auditor, and the necessary staff. The Board is the supreme organ of the endowment, and it shall have at least three members.
- **Charitable Trust:** This is an organization by virtue of which specific property is constituted solely for a charitable purpose to be administered by three to five persons, called trustees, in accordance with the instructions given by the instrument constituting the charitable trust. Like a charitable endowment, a trust is established by donation or will or by the order of the Charities and Societies Agency. It is different from an endowment in that it is administered by trustees rather than a manager and a board. It may be established for a definite or indefinite period per Art. 33 (1).

- **Charitable Committee:** This is a body composed of five or more individuals who have come together with the intent of soliciting money or other property from the public for purposes that are charitable. Such committees may, for instance, be established to mobilize funds to help people in situations of emergency such as natural calamities. A committee which has raised a lot of money could be converted into a charitable endowment. The committee shall have a president, a treasurer, and an auditor. Charitable Committees may not collect funds or perform any other activities without acquiring an approval from the Agency. The committee shall also submit a detailed statement of accounts to the Agency about the funds it has collected, and its members will be jointly and severally liable for obligations and debts arising from the activities of the committee, such as embezzlement of funds. In other words, a member of the committee could be held liable to pay the debts of the Committee and later recover from the other members their share in the debts.
- **Consortiums and Consortium of Consortiums:** One area where the new CSO law has changed relates to the formation and mandates of consortiums. The old law placed different restrictions on the formation and mandates of consortiums. For instance, Ethiopian charities were not allowed to form consortiums with foreign or Ethiopian resident charities, and charities were not allowed to network with societies. Furthermore, contributions of members to consortiums were treated as administrative expenses. This made the formation and operation of consortiums extremely difficult. The law did not also provide clear rules on the establishment of a consortium of consortiums, thereby making the legality of such consortiums precarious.

The OCSP had introduced positive changes that eliminate these restrictions. Accordingly, the restrictions on forming consortiums are effectively removed, as are the income-based classifications (Ethiopian vs resident, etc.). Accordingly, local CSOs can form consortiums with foreign CSOs and vice versa with no restriction on the basis of source of income or mandate. Similarly, associations can form consortiums with board-led organizations or other types of CSOs.

The new law has also lifted the previous restrictions on the mandates of consortiums. Accordingly, the law has outlined an illustrative list of objectives of consortiums, which may include but are not limited to: support and coordinate efforts of CSOs for the achievement of common objectives; facilitate sharing of ideas, information, and experience; build the capacity of member CSOs and support their resource

mobilization initiatives; enhance the ethical and professional standards of member organizations; articulate the voices of members and advocate for a better enabling environment for their work; conduct research and policy advocacy activities in the sectors in which members operate; and implement projects in collaboration with members. However, consortiums are not allowed to engage in activities that directly compete with their members as this will impede genuine collaboration and networking. That is, according to Art 56 sub 3, consortiums are not allowed to directly implement projects.

Special emphasis needs to be placed on the provision of the law which allows sectoral consortiums to engage in research and policy advocacy. In this regard, consortiums should play a key role in 2 of policy engagement given the specialized knowledge, experience, and research capacity of their members. The contribution of consortiums in this regard is far-reaching as it combines both advocacy and advisory services to government in specific areas such as health, education, human rights, disability rights, women's rights, pastoralists' issues, and the like.

Finally, the law expressly recognizes the right of consortiums to form their own network/consortium, which is called a consortium of consortiums. This could be done at various levels, whether geographic (regional, national) or thematic. The ultimate consortium of consortiums of course is the CSO Council established under the Proclamation to enhance self-regulation and represent the sector in dealings with Government and other stakeholders.

Remember: All types of CSOs except Charity Committees are required to register to operate.



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CHAPTER FOUR:

Guiding Principles for Establishing CSOs
and the Registration Process

CHAPTER 4: GUIDING PRINCIPLES FOR ESTABLISHING CSOS AND THE REGISTRATION PROCESS

4.1 GUIDING PRINCIPLES FOR ESTABLISHING CSOS

Civil Society Organizations (CSOs): Civil Society Organizations are voluntary associations of persons for non-profit purposes which the members find useful. The core principles guiding the formation of CSOs are set out under Article 16 of the Proclamation, and underscore the voluntary and non-profit nature of CSOs. In this regard, Article 16(2) of the Proclamation stipulates four principles:

First, membership in any association shall be voluntary, meaning both entry into and exit from a CSO is a matter of choice for any person. Accordingly, a member cannot be forced to continue membership in an organization against their will.

Second, is the principle of non-discrimination. While an organization has the right to set admissibility criteria for new members, these criteria need to be lawful and relevant to the objectives of the organization rather than being arbitrary. Accordingly, a CSO may not set membership criteria that discriminate on the basis of age, sex, ethnicity, disability, political outlook, religion, social, economic, or other status. However, this does not mean that professional associations or associations of particular groups such as youth, women, or the elderly may not set different levels of participation/membership. For instance, a women's association can have men as associate members although men cannot be full members. The same is true of associations of persons with disabilities, youth, or the elderly. Such associations are established to protect the interests of a particular section of the society or that of their members, and the membership criteria should align with their objectives.

Third, CSOs are essentially non-profit organizations. This does not, however, mean that a CSO cannot engage in income-generating/business activities to advance its objectives. The law allows a CSO to engage in any lawful income generation activity, so long as the profit generated therefrom is not distributed among its members but is used to cover the operational or administrative expenses of the CSO. In such cases, the business run by the CSO shall have a separate account and will be subject to the relevant tax and commercial laws.

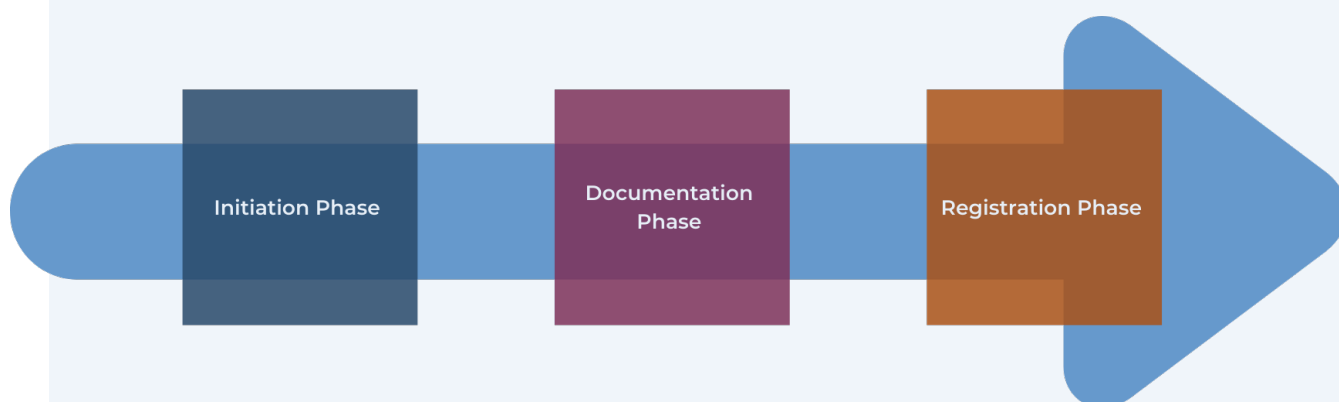
Fourth, the internal governance of CSOs shall be based on democratic principles. Members will have equal right to deliberate on any relevant matter affecting the

organization using the meeting procedures set in the Memorandum of Association and by laws of the CSO. Each member will have an equal vote during decision-making and any provision in the Memorandum of Association or the charter which contravenes this will be of no effect. Members have the right to elect and be elected to positions of leadership within the CSO (including the Board, the General Assembly, or other committees). Members also have the right to make informed decisions by accessing the relevant documents of the CSO, including its audit reports, minutes, activity, financial reports, and work plans. In other words, decision-making processes within a CSO should be transparent, accountable, and deliberative/participatory.

The Memorandum of Association and bylaws of a CSO are expected to incorporate and abide by the abovementioned principles.

4.2 THE REGISTRATION PROCESS

Under the OCSP and as per the workings of the ACSO, there are three distinctive phases in the registration process of a CSO. These phases are the initiation phase, the documentation phase, and the approval/registration phase. It is crucial to point out at this juncture that this registration process does not apply to charitable committees, which are capable of operating as a CSO without registration. Furthermore, the activities or tasks to be performed in each phase may vary depending on the type of CSO (Local/Foreign or Association/Board-led/Endowment/Trust/Consortium) applying for registration.



Initiation phase: As the name implies, a single individual, an organization, or a group of like-minded individuals/organizations will decide to form a CSO under Ethiopian law or have an already existing foreign CSO registered in Ethiopia. For local CSOs, the founders should outline the objectives of the CSO and choose the type of organizational set-up to be adopted by the CSO. The founders should also take preparatory steps for the formation of the CSO, such as informing potential members (i.e., for Associations), scouting potential

board members (i.e., for Board-led CSOs) or vetting potential partnering CSOs (i.e., for Consortia). Once the founders have done the preparatory work, they should then proceed in calling the founding assembly or board meeting.

Documentation phase: The founding members must draw up, record, and submit to the Agency several documents deemed necessary for registration under the OCSP and subsequent directives of the ACSO. Regardless of the type of organization being registered, all CSOs undergoing registration in Ethiopia must hold either a founding general assembly or a founding board meeting. During this process, the founders must present a draft Memorandum of Association for the assembly or board's approval. Furthermore, the founders must record minutes of the assembly or meeting which include a decision on the name of the CSO, area of operation, work plan, location of headquarters, list of board members, appointment of director, and logo (optional). In addition to the CSO's approved MoA and founding assembly/meeting minutes, the Agency requires the physical presence of all board members and the director of the CSO (or their duly authorized agent) when receiving an application for registration. The applications for registration must also include ID-size photos and a copy of each of the board members' and director's ID.

Apart from the generally required documents, the Agency requires additional documents based on the organizational set-up of the CSO. Founders of professional associations seeking registration as a CSO in Ethiopia must present a document proving their educational or professional competence. Similarly, the founding organizations of a consortium or consortia must present each organization's ACSO registration certificate with the application for registration.

Applying organizations should submit the following documentation:

- Two copies the signed minutes of the founding meeting of the organization. The minutes should include the names, addresses, and roles of all the founding members, the reasons for the establishment of the organization and what its objectives are, and should also indicate the ratification of the Memorandum of Association and other relevant issues. These minutes could also include the decision of which bank and branch has been identified for the organization's account and who will be the co-signers;
- Application form (Annex I) signed by the founder, board or executive committee member, or general manager of the organization;

- Application forms (Annex II) signed by each of the founders, board members, and management of the organization with a recent photograph and copy of identification. These individuals are required to verify the forms in person at a later stage;
- Two copies of the Memorandum of Association signed on all pages by the founders (if the number of the founders exceeds 10, only the chairperson, vice chairperson and secretary are required to sign it);
- Two copies of signed minutes of the meeting appointing board or executive committee members
- Hard and soft copy of the logo of the organization, if any;
- If the organization is a professional association, copies of the educational qualifications of the founders from recognized universities or certificate of competence from the relevant government institution.

NB:

- You may check the Telegram page of the Agency (t.me/agency_for_civil_society) to get application forms for registration and any latest information thereon. There is the potential for some back and forth before these documents are approved by the officers of the Agency; organizations are advised to submit draft documents before signing them.

Registration phase: Finally, once all of these documents are submitted, the Agency will make the necessary investigations to ensure the applicant CSO's compliance with the law. This investigation, which can lead to an approval or denial of the CSO's registration, may take a maximum of 30 days for local CSOs and 45 days for foreign CSOs. By virtue of article 57(3), when the Agency fails to grant a certificate of registration within the above prescribed period, the applicant may file a complaint before the Agency's board up to 30 days after that deadline lapses. The board shall examine the complaint and make a determination on the matter within a period of 60 days. If the applicant is still dissatisfied with the decision of the board, the applicant may lodge an appeal before the Federal High Court up to 30 days after the board's decision is received. Once an organization is registered it will have full legal personality.

After verifying the submitted documents, ACSO will issue:

- A letter to the Ethiopian Press Agency for a public notice regarding the name and logo of the organization and should report back in ten days with copies of the publications. (The notices on Addis Zemen and Ethiopian Herald currently cost ETB 1200 (Twelve hundred Birr). This total may vary over time;
- A Certificate of Registration upon payment of ETB 600 (Six hundred Birr). This total may vary over time;
- A letter to the bank allowing the opening of the CSO's account;
- A letter to the printing press selected to make the stamp of the organization, signature stamp of the general manager, and the printing of various receipts. (This has to be preceded by a bidding process for the task and signed minutes of the board or the executive committee making the selection).



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CHAPTER FIVE:

Rights and Duties of CSOs under the
2019 CSO Law

CHAPTER 5: RIGHTS AND DUTIES OF CSOS UNDER THE 2019 CSO LAW

5.1 FREEDOM OF OPERATION

Freedom of operation is one of the fundamental rights protected by the new CSO Proclamation and as such, CSOs are free to determine their purposes and activities. CSOs are allowed to work in the political, economic, social, and cultural life of society, and particularly are allowed to be involved in all matters pertaining to public policy and public affairs. In this regard, Article 62(1) of the Proclamation states, *“an organization shall have [full] right to engage in any lawful activity to accomplish its objectives”*. The law recognizes freedom of operation in its fullest sense and is in line with the FDRE Constitution and international human rights instruments. Accordingly, a CSO can work on objectives having local, national, global, regional, or sub regional nature. The law specifically mentions that CSOs can provide *“recommendations for change or amendment of existing laws, policies or practices, or issuance of new laws and policies.”* (Article 62(4))

CSOs are protected in their ability to speak critically about government law or policy, and to advocate for the promotion and protection of human rights and fundamental freedoms.

There are a few exceptions to this general rule. First, CSOs cannot engage in unlawful activities, activities that are not incorporated in their organization’s bylaws, or activities which are prohibited by other laws or considered to be criminal acts. Second, foreign organizations or organizations established in Ethiopia by foreigners may not engage in lobbying political parties, voter education, or election observations unless it is permitted by other laws. Third, organizations working for the benefit of the general public or third parties shall ensure that their activities take into account the interests of women, children, persons with disabilities, the elderly, and marginalized groups of the society. Fourth, organizations have to ensure that they have permission for any activities requiring special permission by other laws.

Exceptions - please note that the following activities are not allowed:

- Unlawful activities
- Political party lobbying and voter education by foreign CSOs without permission
- Exclusion of vulnerable and marginalized parts of society
- Working in areas which necessitate special licenses by other laws

5.2 FREEDOM TO SEEK, RECEIVE, AND USE RESOURCES

CSOs need resources to continue their existence and implement their objectives, and hence access to resources is one of the basic components of freedom of association. Accordingly, CSOs should have the right to seek and receive funding from legal sources which may include:

- Financial resources (grants, donations, personal funds, membership fees, public collection, income generation activities)
- In-kind donations (goods, services, properties)
- Materials (office supplies, IT equipment)
- Human resources (staff)
- Access to international assistance (solidarity)
- Opportunities (training, advocacy meetings, partnership building)

Under the Paris Declaration on Aid Effectiveness (2005) and Accra Agenda for Action (2008), governments and donors committed to the creation of enabling conditions to maximize CSOs' contributions to development through extending financial support.

The UN Human Rights Council, a body charged with authoritative interpretation of the International Covenant on Civil and Political Rights (ICCPR), provided several interpretations through declarations, resolutions, communications, and reports in defense of CSOs' access to resources. Similarly, the Guidelines on Freedom of Association and Assembly of the African Commission on Human and Peoples' Rights calls upon states to adopt laws that provide recognition to the rights of associations to seek, receive, and use funds freely in compliance with not-for-profit aims.

In line with this, the new Ethiopian CSO law recognizes the right of CSOs to seek and secure funding from any lawful sources. As stated under Article 61(4) of the CSO law, CSOs have the right to own, administer, and transfer movable and immovable property. In addition, they have the right to solicit, receive, and utilize funds from any legal source to attain their objectives. The law further recognizes the rights of CSOs to engage in any lawful business and investment activities as well as fund raising activities.

CSOs can establish business organizations, acquire shares in an existing business entity, conduct fund raising, and seek grants and donations from donors, private organizations, and individuals

While recognizing the rights of CSOs to access to resources, the law also includes safeguards to ensure their accountability. The law prohibits CSOs from providing special personal benefits, directly or indirectly, to any person connected with the organization. As stated under Article 62(11) of the Proclamation, as a rule, “all members, officers and employees of the Organization have the responsibility to give primacy to the organization’s interest and take the necessary precaution to avoid conflict of interest” while performing their duties. The law clearly prohibits distribution of profit or asset of the organization to individual benefit. Governing rules or statutes of CSOs are legally required to include a “stipulation indicating that the organization’s income and resources may not be distributed to members or employees except for payment of legally permitted service fees” (Article 60(1)(d)). In addition, CSOs are required to clearly declare in their rules (bylaws or statute) that members or employees of the organization do not have any right over the organization’s resources only by the mere fact of their membership or status as an employee.

5.3 INTERNAL FINANCIAL CONTROL SYSTEM

Internal financial controls guard the assets of a CSO by regulating the handling of funds. It promotes both integrity and efficiency, while reassuring donors and constituents that the CSO’s resources are used wisely for the objectives the organization stands for.

- CSOs cannot be established for the purpose of distributing profit to members
- The profit to be obtained from business and investment activities may not be transferred for the benefit of members
- The income and resources that are acquired from income generating activities shall not be transferred or shared for the benefit of members or workers of the organization

- The proceeds from the disposal of a property may not be transferred for the benefit of members or for activity outside the objectives of the organization
- When the organization is dissolved, its property shall be transferred to a similar organization or to the State
- CSOs should take the necessary measures to avoid conflict of interest

5.4 MANAGEMENT OF CSOS

An organization exercises good governance when it has an internal system of checks and balances that ensures the public interest is served. The CSO law recognizes the rights of CSOs to determine their organizational structure and administration, stipulating certain mandatory requirements. Accordingly, CSOs are free to determine their internal management structures, rules for selecting governing officials, internal accountability mechanisms, and other internal governance matters that suit their particular needs. In membership CSOs, the highest governing body is always the general assembly, whose decisions and instructions always outweigh those of other organs of the association. As calling general assembly for every decision is impractical, the organization may establish an intermediary body (commonly called a board or executive committee) to oversee the day-to-day activities of the association (Article 19). On the other hand, in a board-led organization (whose members are between 5 and 13), the board is the highest body that wields constant and consistent oversight and decision-making authority (Article 20). CSOs are entitled to choose their managing officers observing the requirements stated under Article 65.

In the CSO sector, good governance can be defined as *“a transparent decision-making process in which the leadership of a nonprofit organization, in an effective and accountable way, directs resources and exercises power on the basis of shared values”*

However, there are certain limitations or principles which CSO founders or members are expected to observe:

- Membership in any organization shall be voluntary, and any person has the right to become a member in as long as they fulfill the criteria for membership set by the organization;
- In making decisions, every member shall have an equal vote;
- The formation and internal governance of organizations shall be based on democratic

principles: independent, impartial, and free from discrimination;

- An organization shall be managed by persons elected by the full participation of the organs authorized by its rules;
- A member of the Board or Executive Committee of an organization shall not be employed in the same Organization as an officer or ordinary employee.

5.5 REPORTING AND SUPERVISION

5.5.1 TYPES OF REPORTS AND PERIOD OF SUBMISSION

It is appropriate to require that CSOs provide information on their finances and activities, both to relevant agencies of the state and to the public. As part of ensuring their accountability and transparency, CSOs might be required to submit financial reports to concerned government authorities, donors, and beneficiaries. The financial report should reflect that not more than 20% of the total expenditure is Admin cost. Admin cost is defined as costs that are essential for running the organization and are not related to program/project activities such as support staff salaries and maintenance expenses. In addition, it is generally appropriate to require tax filings for all CSOs that engage in economic activities, subject to the rules applicable to all other taxpayers. The standard for reporting between small and large organizations may not be the same. Large CSOs with adequate resources should be expected to comply with the full panoply of reporting requirements while small CSOs might be exempt from some reporting requirements and be allowed a simplified reporting process.

The current legal system encourages CSOs to ensure their own accountability and transparency. Article 71 of the new CSO law requires every organization to keep books of account that show the CSO's financial transactions. These reports should be prepared in accordance with acceptable accounting standards. However, organizations with small budgets not more than ETB 200,000 (Two hundred thousand Birr) can submit a report showing only their statement of accounts prepared by the organization itself. In addition, the law requires officers of the organization to preserve any accounting records at least for a period of five years. Based on the financial report or requests from donors or government authorities, the Agency for CSOs may initiate further inquiries and external audit investigation.

5.5.2 REPORTING

The law requires CSOs to submit an annual activity report (Article 73); this report should also be open to the public and beneficiaries (Article 74). If a civic organization fails to submit the annual report within three months of the end of the budget year, the Agency may commence proceedings to terminate the organization with adequate provision for notice and administrative and judicial appeals. The Agency may make a public announcement on a newspaper calling the organization to appear within 30 days and justify its failure to submit the report. However, if the organization fails to do so, the Agency may initiate dissolution and cancellation of the organization. This sanction helps remove entities that are no longer functional from the register of civil society organizations.

The Agency has the right to examine the books, records, and activities of a civil society organization during ordinary business hours, with adequate advance notice if it has a valid reason to conduct investigation. While conducting such investigation, the Agency has to take the necessary precaution not to jeopardize the daily activities and existence of the organization.

5.6 COMPLIANCE MEASURES

One of the mandates of the Agency is to monitor and supervise CSOs to ensure that they undertake their activities in compliance with the law. The Agency may initiate investigation against any CSO based on complaints coming from the public, donor or government institutions, or based on its own review of the reports of the CSO (Article 77). Following the findings of the investigation, the Agency may take various measures including recommendations, reprimand, suspension, and dissolution of the organization. Generally, the law put in place various mechanisms to ensure the accountability and transparency of CSOs, which includes:

- Obligation to inform changes;
- Obligation to display certificate of registration;
- Obligation to prove existence when required;
- Obligation to keep accounting records;
- Obligation to submit annual statements of accounts;
- Obligation to submit annual activity report to the Agency for CSOs;
- Obligation to disclose annual activity report to the public;

- Obligation to open bank account; Inform of change of bank account or signatory;
- An organization should also get a written approval of the Agency to open a bank account

In parallel to the supervisory mandate of the Agency, the law recognizes the rights of CSOs to judicial recourse and fair hearing (Articles 77, 78 and 79).

5.7 MERGER, DIVISION, AND CONVERSION

For various reasons CSOs may opt to merge with one another, divide, or convert themselves into a different form of entity. The term 'merger' refers to the combination of two or more CSOs in which the assets and liabilities of the organizations are transferred to the new entity created as a result of the combination. In other words, in a merger, one of the two existing CSOs merges its identity into another existing CSO or one or more existing CSOs may form a new CSO and merge their identities into a new CSO by transferring their resources and undertakings, including all other assets and liabilities, to the new CSO.

A CSO can also be divided into two or more CSOs that have their own legal personality, and may or may not conduct the same kind of activities. The divided CSOs not only can perform an entirely different operation from that of their parent CSO but also can assume a different form of establishment. For example, a membership-based organization may divide itself into a membership and a board-led CSO. Similarly, a CSO established as a board-led organization can be converted to a membership-based association through the process of conversion. Please note that the liabilities, rights, and duties of the previous organization will transfer to the divided or converted organizations.

The new CSO law allows CSOs to merge, divide, or convert themselves to another form of CSO. This decision should be made by the highest governing body of the CSO with no interference or undue influence by other bodies, including the government.

CSOs are established for non-profit objectives of advancing a public cause. A CSO cannot, therefore, be converted into a business organization, or merge with an existing business organization which is by definition a for-profit entity.

5.8 ADMINISTRATIVE MEASURES

Section five of the new CSO law deals with mechanisms established to ensure the accountability of CSOs. Government has to take measures to protect the public from fraud, abuse, and infringement of the rights of others. As we shall see later

on, the law encourages CSOs to ensure their own accountability and transparency both individually and collectively. The Agency may take appropriate administrative measures against CSOs who failed to comply with the requirements of the law or its own rule; for instance, failure to submit annual reports, late submission of reports, filing a false report, failure to notify changes as required by the law, receiving funds from unlawful sources, operating illegal activities, etc. Therefore, depending on the nature and gravity of the violation, the Agency, its Board, or the court may take various forms of measures against a non-complying CSO. The various measures indicated in the law are crafted to be graduated and their imposition is subject to appeal. This section discusses the major forms of measures and safeguards stipulated by the new CSO law.

5.8.1 WARNING

The law stipulates two kinds of warnings: recommendations and strict warning. If the acts committed by the organization are minor in nature and the Agency believes that the violations can be redressed through corrective measures, it will provide recommendations as to the kind of corrective measures the organization should take. In this letter, the Agency is expected to "specify the violation, the measures to be taken and the time frame to rectify the violation" (Article 78(1)). Strict warning would be given by the Agency to organizations who failed to observe the recommendations provided by the Agency or whose acts of violation were found to be grave (Article 78(2)). Generally, once the Agency has concluded that an association is violating the law or its statutes, it may demand a correction or give a strict written warning.

5.8.2 SUSPENSION

The new CSO law provides for the grounds and authorities for the suspension, dissolution, and cancellation of CSOs. As part of the administrative measures stated in the law, the Director of the Agency may order the suspension of an organization "if it finds that a grave violation of the law has been committed and such violation makes it necessary to suspend the activities of the organization" (Article 77(4)). This is a temporary measure the Director may take to protect further damage by the organization. During the suspension period, the organization has two options; taking corrective measures as recommended by the Agency within three months, or lodge an appeal to the Board. However, failure to take either of these actions may lead to the next higher level of measure, which is dissolution. The organization has the right to appeal to the Board of the Agency if aggrieved by

the decision of the Director, and then to the Federal High Court if not satisfied with the decision of the Board.

5.8.3 DISSOLUTION AND CANCELLATION

CSOs may cease to exist and operate for various reasons including lack of funds, achievement of its objectives, conclusion of the time period for which the CSO was established, or becoming subject to administrative and judicial measures. The new CSO law provides the ground and the manner in which CSOs may face dissolution and cancellation. As stipulated by the law, CSOs can usually be dissolved voluntarily or involuntarily. The highest authority of the organization (general assembly or board) may decide on the dissolution of the CSO, which has clearly been recognized by the law. The statute of the organization may provide the procedures and the grounds for voluntary dissolution of the organization. Therefore, the general assembly or the board or any other authorized organ may decide on the voluntary dissolution of the organization.

The life of a CSO may also be terminated involuntarily by the decision of the Agency or court of law as a last resort measure. The Board of the Agency may decide the dissolution of an organization where the organization is not willing to take corrective measures as instructed by the Agency (78(4)) or has failed to prove its existence when called upon by the Agency (Article 70). In addition, the Federal High Court may also decide on the dissolution of a CSO if the organization *“is convicted of a serious criminal offence or is repeatedly found guilty of a minor criminal offence or it is declared insolvent”* (Article 83(2)). Generally, involuntary dissolution has been stipulated as a last resort, and it would be taken only after the organization has been given an opportunity to correct its behavior and only for the most serious and blatant violations. Moreover, the law puts two safeguards critical to the rights of the organization: the right to be heard and the right to judicial recourse.

5.9 THE RIGHT TO BE HEARD

Article 79 of the new CSO law recognizes the right of CSOs to be heard before taking any measure against them (Article 79). Sufficient time (notice period) should be given to CSOs to prepare their defense for the case (allegation) against them. The authority should provide them with sufficient and clear information as to the specific law their act contravenes, or the allegation initiated against them, so they

can properly defend themselves. Above all, the Agency should review impartially the defense evidence brought to it by the organization.

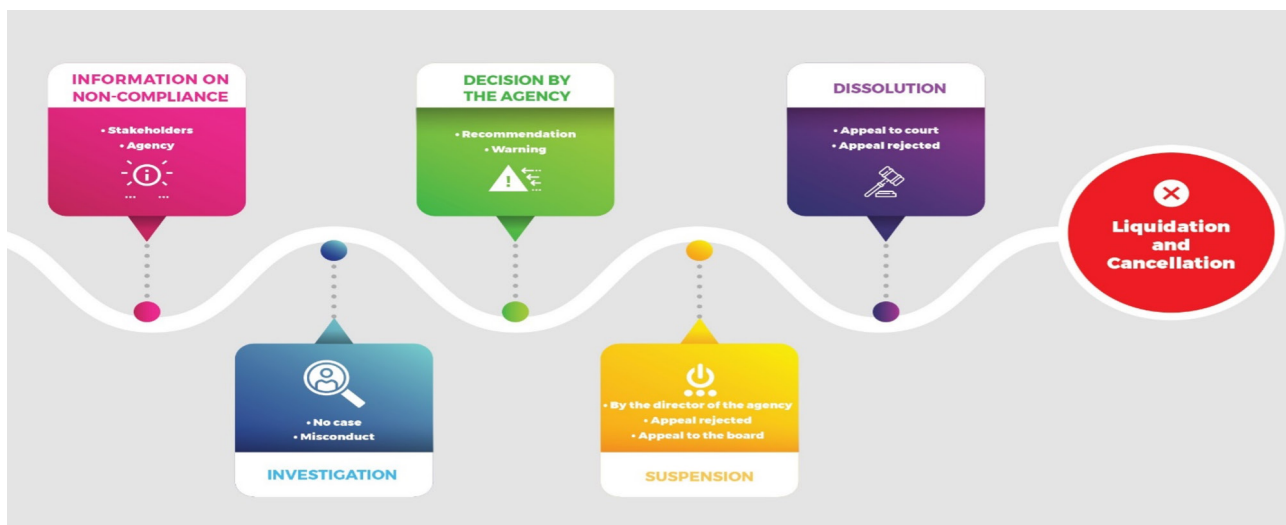
5.10 EFFECTS OF DISSOLUTION

The dissolution of a CSO may lead to two consequences: liquidation and cancellation. Liquidation is the process of disposing of the assets and satisfying the liabilities of a civic organization that has been dissolved. This procedure is also designed to protect creditors and other stakeholders of the organization. Upon dissolution, the CSO is expected to notify the Agency (if it is dissolved voluntarily or by the decision of the court) within 15 days so that the Agency can take control of the assets and appoint a liquidator. The Agency may review the decision of the organization against its statute to ensure that the appropriate transfer of the assets of the CSO is made in accordance with the organization's governing documents and the requirements of the law.

No CSO (other than consortia) has the right to distribute assets to its founders, officers, board members, employees, donors, or members upon its liquidation (Art. 84/6)

Once a liquidator is appointed, the powers of the normal governing bodies to represent the CSO cease, and a liquidator is appointed to exercise these powers. The liquidator will carry out inventory of the property including financial statements and will make a public call through an official newspaper or other means for any creditors to come and submit their request. After the debts of the organization are paid and the costs of dissolution are settled, the liquidator will transfer the remaining assets in accordance with the statute and the requirements of the law. Cancellation is the other consequence of the dissolution of a CSO. After liquidation is complete, the liquidator reports to the Agency, which deletes the organization from the register.

5.11 SELF- REGULATORY FRAMEWORK



CSOs are encouraged to establish independent self-governance standards, which should aim for openness, transparency and democratic structures. The new CSO law encourages CSOs to set higher standards of conduct and performance through voluntary self-regulation. With this objective, the new CSO law established the Council:

- To enact a Code of Conduct for the sector, and devise enforcement mechanisms in consultation with the Agency, donors, and other stakeholders;
- To advise the Agency on the registration and administration of CSOs;
- To represent and coordinate the civil society sector;
- To issue its own internal rules.

All registered CSOs are expected to be a member of the Council which will be governed by their full participation. The establishment of the Council will assist in strengthening the self-regulatory system.



CENTER FOR INTERNATIONAL
PRIVATE ENTERPRISE

CHAPTER SIX:

Registration of Businesses and Business Membership Associations

CHAPTER 6: REGISTRATION OF BUSINESSES AND BUSINESS MEMBERSHIP ASSOCIATIONS

6.1. REGISTRATION OF START-UP BUSINESSES

Planning to start a new business?

This section will walk you through the process of registering a new business under the current laws in place.

The laws relevant to the registration and licensing of a startup business are Proclamation No. 980/2016 and Regulation No. 392/2016. In addition, the Ministry of Trade and Industry (MOTI) has issued the Ethiopian Standard Industrial Classification (ESIC) Directive No. 17/2019 (as amended) which outlines categories of business areas for which licenses are issued. The types of business outfits you might use for your startup are defined under the Commercial Code of 1960, which is in the process of being revised.

6.1.1. TYPES OF BUSINESS ORGANIZATIONS

Under the Commercial Code of Ethiopia, businesses can be set up under the following forms:

a. Sole Proprietorships: These are businesses owned by individuals. Such businesses do not have a legal personality that is distinct from the owner, and the assets of the business are not separate from the other properties of the business owner. Any liability incurred by the business, whether from loan, supplies and purchase contracts, employment contracts, or others such as compensation claims arising from damage caused to others will extend to the assets of the owner of the business. Please note, however, that the owner of the business is required to keep a separate business license for the business and several business licenses if the owner runs more than one business falling in different Ethiopian Standard Industrial Classification (ESIC) categories. ESIC is a directive which defines business categories for purposes of licensing. For tax purposes, the owner is required to have a separate book of account, especially if the annual income of the business is above ETB 100,000 (One hundred thousand Birr).

b. Companies: These are business organizations which are limited by shares. Such companies have a legal personality independent from their shareholders. Consequently, the liability of shareholders for the debts of the company is limited to their equity

contributions. There are two types of companies in Ethiopian law: private limited companies (PLCs) and share companies.

- **Private limited companies** are preferred by businesses because they have a simpler structure. A private limited company is required by law to have a Shareholders Meeting as its supreme governing body; the management of the company shall be headed by the General Manager. A PLC is not required to have a board, although the Commercial code does not prohibit PLCs from having one. The Commercial Code stipulates that a PLC shall have between 2 and 50 shareholders. Decisions to amend the memorandum and articles of association of a PLC, including change of address, business purpose or general manager, capital increase, and admission of new shareholder(s) require the approval of shareholder(s) holding 75% or more of the shares. Private limited companies are not allowed to engage in banking and insurance business.
- **Share companies**, on the other hand, have a more elaborate structure, including Shareholders Meeting, Board of Directors, and the General Manager and his/her team. The Commercial Code provides for detailed rules regarding governance of share companies, including powers and responsibilities of the Board and directors, decision making procedures of the Board and the shareholders meeting, types of shares and benefits thereof as well as securities/debentures issues by Share Companies and the rights of debenture holders. The minimum number of shareholders in share companies is five, and the minimum capital is ETB 50,000 (Fifty thousand Birr). Compared with PLCs, there are fewer restrictions on the transfer of shares held in share companies to third parties. Share companies are preferred for businesses that need to raise equity from large number of people.

c. Partnerships are the third category of business organizations in the Commercial Code. Like companies, partnerships have a legal personality distinct from their members/partners. However, partnerships are different from companies in that partners will be jointly and severally liable for the debts of the partnership with few exceptions. As a result, it is not advisable to establish partnership unless there is full trust between the would-be partners. The Commercial Code provides for three types of partnerships: general partnerships, limited partnerships, and ordinary partnerships.

- **General partnerships** carry on commercial activities outlined under Article 5 of the Commercial Code and entail unlimited liability of partners for the debts of the partnership.

- **Ordinary partnerships** are established to carry on non-commercial business activities and allow contributions in labor/skill, in which case partners may agree to exempt the contributor from liability for the debts of the partnership.
- **Limited partnerships**, on the other hand, have two types of partners: the majority, who are entitled to manage the partnership, have unlimited liability for the debts of the partnership. The minority, who have limited liability, are excluded from managing the partnership.

6.1.2. PROCEDURE FOR THE ESTABLISHMENT OF START-UP BUSINESSES

A start up business could take one of the forms discussed under 6.1.1. In practice, most start-ups are established as individually owned businesses (sole proprietorships) or as private limited companies. Partnerships and share companies are not frequently used by people for start-up purposes. However, businesses with larger membership could be set up as share companies as well.

a. Sole Proprietorships

You can register a sole proprietorship by going to the Trade and Industry Office of the sub-city where you want to start the business. First, you need to fill out the application for business registration (Annex III), specifying the purpose/type of your business, the trade name for your business, its initial capital and address, as well as the name of the general manager/owner. You will also be required to submit a copy of your ID, 2 pictures, a land title certificate if you plan to carry on the business at your own place, a business premise lease agreement if you plan to rent one, or an official confirmation of address from the local administration at the place where you seek to run the business in other cases.

The Office will check the business name you proposed for uniqueness first, and request that the branch office of the Ministry of Revenues in your area give you a tax identification (TIN) number. Once you obtain a TIN number, the Trade and Industry Office will register your start-up business and issue a commercial registration certificate. The commercial registration certificate is a document which proves that you are registered as a trader. However, that does not mean that you can start your business right away. To do that, you will need a business license, which the office will in most cases issue after you are registered as a trader. However, in cases where carrying out the business requires a special competence/skill under the law, you will be required to get a letter/certificate of competence before getting the business license.

Upon getting a business license, you will be required to get a stamp for your business and get payment vouchers and receipts in the name of your business. Please note that if your annual income from the business is more than ETB 500,000 (Five hundred thousand Birr), you will have to be registered as a VAT payer. In addition, jewelry, electronics, import, plastic and plastic product factories, shoe factories, contractors from level 1 to 9, computer and computer accessories, leather and leather articles businesses need to be registered for VAT regardless of the amount of their income pursuant to VAT Registration Directive No. 25/2001. Please also note that the Ministry of Revenues may by a directive determine an additional list of businesses that need to be registered for VAT. The types of businesses that are required to register for VAT may change from time to time. For up-to-date information on the matter, you are advised to review the information on www.erca.gov.et.

b. Start-Up Partnerships and Companies

The procedure for the registration of start-up partnerships and companies is slightly different from the one for sole proprietorships. The founding documents of a partnership/company are called the memorandum and articles of association. The memorandum of association will state the name and objectives of the company/partnership, its capital, names of shareholders/partners and their shareholdings, its official address, structure of organs and their powers and duties, and its financial year. The Articles of association, on the other hand, provide details regarding the governance of the company, accounts, rights and duties of shareholdings, profit sharing rules, and the like.

If you wish to set up a private limited company (PLC) or share company (SC), the first step will be drafting its memorandum and articles of association (MoA and AoA) and specifying the name of the intended general manager. You will then need to take the draft MoA and AoA and process the trade name verification at the Trade and Industry Office (TIO) of the sub-city where you want to establish the Company. After checking that the name of the Company has not been taken by/is not similar to other businesses, the Office will give you a letter confirming the same. The next step will be signing the memorandum and articles of association at the Documents Authentication and Registration Agency (DARA). Once that is done, you will need to rent office space for the company and submit the office space rental agreement to the TIO. If the company intends to use the premises/house of one of the shareholders as its office, the founders will be required to submit to the Office a copy of a valid title deed confirming that the house belongs to one of the shareholders. Alternatively, the founders may produce an official confirmation about the place of the business from the local administration of the place the company intends to use as its

address. Please note, however, that if you are setting up a share company, you need to submit to the TIO either a title deed of one of the shareholders or an office rent agreement (in cases where the space is rented from the Government), or a notarized office space lease agreement in other cases. After this, you need to get a tax identification number (TIN) for the Company from the Ministry of Revenues. Once you submit these documents together with application for commercial registration, the ID and two pictures of the General Manager, the TIO will register the Company and issue a commercial registration certificate. Please note, however, that, in case you are planning to set up a share company, you will also need to submit a bank slip showing that at least one-fourth of the company's share capital has been deposited in a blocked account.

Your company will acquire a legal personality once it is registered by the TIO. However, it needs to get a valid business license to carry on its business. Accordingly, the General Manager of your company will have to apply to get a business license from the TIO, which is usually issued after the company gets its commercial registration certificate. . However, in cases where carrying out the business requires a special competence/skill under the law, the company/partnership will be required to get a letter/certificate of competence before getting the business license.

Upon getting a business license, the partnership/company will have to get a stamp for your business and get payment vouchers and receipts in the name of your business. As the case may be, you may also be required to register as a Value Added Tax Payer.

Please note that it is critical to get a business license before you start selling goods or services, and duly renew it every year. Engaging in business activities without a valid business license is a serious offence. Article 49(2) of the Business Registration and Licensing Proclamation No. 980/2016 states:

*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 equipment**, 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**.*

Likewise, you are strongly advised not to rent your business license to another person, or carry on your business under someone's business license. Article 49(4) of the Proclamation states:

Any business person who has ***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.

Please note that all companies and partnerships are required to keep books of account, submit audited annual financial statements, and pay business income taxes on the basis of the same. Sole proprietorships with an annual income of ETB 500,000 (Five hundred thousand Birr) and above will be required to keep books of account for tax purposes. The books of account of Individual businesses with a gross income of ETB 1,000,000 (One million Birr) as well as companies and partnerships shall be prepared in accordance with recognized financial accounting reporting standards. On the other hand, sole proprietorships with annual gross income of ETB 500,000-1,000,000 (Five hundred thousand to one million Birr) shall prepare detailed books of account which shall include record of daily income and expenditures, all purchases and sales of trading stock, salary and wages register and any other document relevant in determining the tax liability of the taxpayer per Article 82 (2) of the Income Tax Proclamation. On the other hand, sole proprietorships with a gross income of below ETB 500,000 (Five hundred thousand Birr) are not required to keep books of account and pay tax at a fixed rate on the basis of the income they declare. All business entities are required to obtain tax clearance annually and get their business licenses renewed as stated above.

6.2 BUSINESS MEMBERSHIP ORGANIZATIONS

Business membership organizations (BMOs) are associations established by businesses (whether individual traders or business organizations) to protect their common economic interests. The principal objective of BMOs is to articulate the voice of their members and advocate for better legal and policy regimes that cater to the needs of businesses. In many countries, this role is played by chambers of commerce and other business associations.

The laws that govern the registration and operation of BMOs in Ethiopia are the Chambers of Commerce and Sectoral Associations Proclamation No. 341/2003, the Commercial Registration and Business Licensing Proclamation No. 980/2016, and the Business Registration and Licensing Regulation No. 392/2016.

Proclamation No. 341/2003 provides the legal basis for the establishment of business membership associations with the objective of protecting and promoting the interest of their members. As outlined under Article 3 of the Proclamation, the objectives of chambers of commerce include: safeguarding the overall rights and benefits of their members, enhancement of trade and investment, serving as a bridge between the business community and government, and promoting the products and services of businesses.

In terms of structure, the Proclamation provides that chambers of commerce and sectoral associations shall be established by producers at city, regional and national levels. Sectoral associations, on the other hand, are established at Woreda, zonal, regional and national levels. Joint chambers of commerce and sectoral associations were formed at national (Ethiopia) and Addis Ababa levels.

By defining sectoral associations as groupings of producers, the Proclamation effectively precluded businesses engaged in service provision from setting up sectoral associations or becoming members of such associations. This in effect left service businesses without a platform to protect their interests.

The Business Registration and Licensing Proclamation No. 980/2016 tried to address this gap by providing for the registration of Service BMOs as business associations. Article 2(32) of the Proclamation defined Sectoral Associations as *“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”*, thereby providing a legal basis for the establishment of BMOs in the service sector. Article 6(3) and (4) of the Proclamation further stipulate that the Ministry of Trade and Industry and Regional Trade and Industry Bureaus shall register sectoral associations established at federal and regional levels.

Although service BMOs can be registered and get legal personality pursuant to these provisions, they are not allowed to be members of Chambers of Sectoral Associations at regional and federal levels because they are not ‘producers’ as stipulated in Proclamation No. 341/2003. Despite the changes introduced by Proclamation No. 980/2016 in this regard, chambers of commerce and sectoral associations at national and regional levels still insist that only producer BMOs can be their members in accordance with Chamber of Commerce and Sectoral Associations Proclamation No. 341/2003. Service BMOs are therefore effectively excluded from policy advocacy and the protection of their members’ interests at national and regional levels. It is apparent that the problem stems from the fact that the Government tried to address the issue of service BMOs using a law whose

primary objective is to regulate the registration and licensing of businesses rather than the establishment and governance of BMOs. A better approach would have been amending the definition of sectoral associations in Proclamation No. 341/2003 to include both service and producer BMOs. The proclamation is currently under revision, and it is hoped that the drafters of the revised proclamation will take note of the problem and address it accordingly.

Article 24(2) of Proclamation No. 341/2003 provides that the Ministry of Trade shall determine categories of businesses to be organized at Woreda, national and regional levels. The Ministry has accordingly issued a directive which does the same. Hence, Sectoral Associations of printers and publishers, manufacturers of leather, sugar, textile and garments, broom corn, taxidermy, chemicals, pharmaceuticals, electrical and electronic equipment, tire and plastic, cosmetics, tobacco and matches, pulp and paper, non-metallic minerals, cosmetics, as well as growers and exporters of vegetables, fruits, flowers, oil seeds, grains and spices are allowed to organize only at the national level.

On the other hand, cotton producers and ginnery owners, fish producers, crop producers, salt, food, liquor, and coffee processors are allowed to organize only at the regional level.

Finally, sectoral associations of wood and reeds products, grain mills owners, dress and canvas tailors, home economics and traditional food products producers, silk screen, advertising and publishing businesses, garage owners, small construction equipment manufacturers, weaving and carpet making, pot work, jewelry, artifact, sweater, metal work, cattle rearing, and livestock businesses are required to be organized at the Woreda level only.

6.3 REGISTRATION OF BMOS AT THE MINISTRY OF TRADE AND INDUSTRY

An application for a BMO shall be written in a form provided by the Ministry of Trade and Industry and shall be submitted to the Business Registration and Licensing Directorate of the Ministry together with the following: two passport size photos, original and copies of a valid ID or passport of the manager, and a statement of the address of the Association, which might be a notarized office lease agreement or an office rental agreement from a governmental institution, and in absence of these, a written confirmation letter of address issued by the local administration where the office of the sectoral association is to be set up (Article 16 of the Commercial Registration and Business Licensing Regulation No. 392/ 2016).

The registration process is as follows:

- Submit a draft Articles of Association of the BMO to the Business Registration and Licensing Directorate of MOTI together with an application for name verification. The Directorate will check the BMO's name for uniqueness and write a letter to DARO to notarize the Articles of Association of the BMO, and another letter to the Ministry of Revenue to issue a TIN for the BMO.
- Notarize the articles of association of the BMO at DARO. The following shall be submitted to DARO for the notarization: originals (and copies) of Commercial registration certificates, Memoranda and Articles of Association of the BMO members, and the resolutions by each member to establish the BMO. DARO will notarize the Memorandum of Association of the BMO upon payment of ETB 2500 (Two thousand five hundred Birr).
- Get TIN certificate from the Ministry of Revenues. The following documents shall be submitted to get the TIN certificate:
 - Filled out application form for TIN certificate
 - Authenticated and registered MOA and AOA
 - Office lease agreement
 - Members' personal TIN
 - Manager's recent passport size photo
 - Service payment of ETB 300 (Three hundred Birr)
- Get registered by MOTI. Upon submission of the TIN certificate, the Articles of Association of the BMO, evidence of office address as stated above, copies of IDs of the managers of member businesses, and a passport size photo of the BMO manager, and payment of ETB 620 (Six hundred twenty Birr), MoTI will register the BMO and issue registration certificate.

Annex I) የሲቪል ማህበረሰብ ምዝገባ ማመልከቻ ቅፅ

በአመልካቹ የሚሞላ

እኔ¹ _____ የድርጅቱ² _____
ከዚህ በታች የምሰጠው መረጃ በሙሉ ትክክለኛና እውነተኛ መሆኑን አረጋግጣለሁ፡፡³

1. የአመልካች ሲቪል ማህበረሰብ ድርጅቱ ስም

(የበለጠ ተፈላጊነት ያላቸውን ስሞች በማስቀደም በቅደም ተከተል ይጻፉ)

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2. የአገር በቀል ድርጅቱ ዓይነት

- | | | | |
|----------------------|--------------------------|-----------------|--------------------------|
| • ማህበር ⁴ | <input type="checkbox"/> | • ቦርድ መር - ድርጅት | <input type="checkbox"/> |
| • የሙያ ⁵ | <input type="checkbox"/> | • የዘለቄታ በአድ | <input type="checkbox"/> |
| • የብዙሃን ⁶ | <input type="checkbox"/> | • አደራ በአድ | <input type="checkbox"/> |
| • ሌላ ከሆነ ይጠቀስ | | | |

3. ድርጅቱ ሊሰራባቸው ያቀደው ክልሎች ወይም የከተማ አስተዳደር

- | | | | | |
|-------------------------------------|-----------------------------------|-------------------------------|----------------------------------|------------------------------|
| ትግራይ <input type="checkbox"/> | አፋር <input type="checkbox"/> | አማራ <input type="checkbox"/> | አሮሚያ <input type="checkbox"/> | ሶማሌ <input type="checkbox"/> |
| ቤኔሻንጉል/ጉምዝ <input type="checkbox"/> | ደቡብ <input type="checkbox"/> | ጋምቤላ <input type="checkbox"/> | ሐረሪ ህዝብ <input type="checkbox"/> | ሲዳማ <input type="checkbox"/> |
| | ብ/ብ/ሕዝቦች <input type="checkbox"/> | | | |
| አዲስ አበባ <input type="checkbox"/> | ድሬደዋ <input type="checkbox"/> | | | |

4. የድርጅቱ ዋና መ/ቤት አድራሻ

ክልል/ከተማ አስተዳደር _____ ዞን/ከ/ከተማ _____ ወረዳ _____
ቀበሌ _____ የቤት ቁጥር _____ ስልክ ቁጥር _____
ፋክስ ቁጥር ፖ.ሣ.ቁጥር _____ ኢ-ሜይል _____

¹ሙሉ ስም ከማዕረጉ መፍፍ ይኖርበታል፤

²የድርጅቱ መስራች፣ ስራ አመራር ቦርድ አባል ወይም ስራ አስፈጻሚ ኮሚቴ አባል ወይም ስራ አስኪያጅ ተብሎ ይሞላል፤

³በሲቪል ማህበረሰብ ድርጅቶች አዋጅ ቁጥር 1113/2011 አንቀፅ 59(1)(መ) እና 59(7) መሰረት በሀሰት የተዘጋጀ ወይም የተጭበረበረ ሰነድ ማቅረብ የምዝገባ ጥያቄን ውድቅ የሚያስደርግ ሲሆን በማታለል ወይም በማጭበርበር መመዝገብ ድርጅቱ እንዲፈርስ ምክንያት ይሆናል፤ የህግ ተጠያቂነትም ይኖረዋል፤

⁴ጠቅላላ ጉባኤ የመጨረሻ ውሳኔ ሰጪ የሆነበት አደረጃጀት ያላቸው ድርጅቶች በሙሉ በማህበር ሥር ይመደባሉ፤

⁵የሙያ ማህበር ተብለው የሚመደቡት አንድን ሙያ መሰረት በማድረግ ሲቋቋሙ ብቻ ነው፤

⁶በርካታ የሆኑ የህብረተሰብ ክፍሎችን የሚወክሉ ማህበራት እንደ ብዙሃን ማህበራት ይቆጠራሉ፤ (ሴቶች፣ ወጣቶች...)፤

5. ድርጅቱ የተቋቋመበት ዓላማ እና የስራ ዘርፍ (ግልጽና አጠር ተደርጎ ይጻፋል)⁷

6. በድርጅቱ ስራ አመራር ቦርድ/ስራ አስፈጻሚ ኮሚቴ/ስራ አስኪያጅ መካከል የሰጋና የጋብቻ ዝምድ ያለ ስለመሆኑ /የ✓ ምልክት ያድርጉ/

አለ ☐ የለም ☐

ካለ ይብራራ _____

7. በአዋጅ ቁጥር 1113/2011 አንቀፅ 65 ስራ የተመለከቱ መስፈርቶችን የድርጅቱ አመራር ቦርድ/ስራ አስፈጻሚ ኮሚቴ/ስራ አስኪያጅ የሚያሟላ መሆን አለመሆኑ፤ /የ✓ ምልክት ያድርጉ/

ያሟላል ☐ አያሟላም ☐

ካላሟላ ይብራራ _____

ማረጋገጫ፡ እኔ ከዚህ በላይ ሰሜ እና አዳራሻዬ የተገለፀው የሰጠሁት መረጃ በሙሉ ትክክለኛና እውነተኛ ስለመሆኑ አረጋግጣለሁ፡፡

ስም _____ ፊርማ _____ ቀን _____

⁷የዓላማው/ስራ ዘርፉ ይዘት በድርጅቱ መተዳደሪያ ደንብ ላይ ከተመለከቱት የተለየ መሆን የለበትም፤

በድርጅቱ መስራቾች እና አመራር አባላት የሚሞላ

እኔ _____ የድርጅቱ _____

ከዚህ በታች የምሰጠው መረጃ በሙሉ ትክክለኛና እውነተኛ መሆኑን አረጋግጣለሁ፡፡⁹

1. ስም: _____ የአባት ስም: _____ የእያት ስም: _____

2. ጾታ፡- ሴት ☐ ወንድ ☐

3. የትውልድ ጊዜ፡ ቀን/ወር/ዓ.ም _____ "

4. ዜግነት፡ _____

5. የጋብቻ ሁኔታ፡ ያገባ/ች ☐ ያላገባ/ች ☐

6. የትምህርት ደረጃ

ከመጀመሪያ ዲግሪ በታች ☐

መጀመሪያ ዲግሪ ☐

ማስተርስ ዲግሪ ☐

ከማስተርስ ዲግሪ በላይ ☐

7. ቋሚ የመኖሪያ አድራሻ፡

ክልል/ከተማ አስተዳደር _____ ዞን/ክ/ከተማ _____ ወረዳ _____

ቀበሌ _____ የቤት ቁጥር _____ ስልክ ቁጥር፡ የቤት፡ _____

ተንቀሳቃሽ፡ _____ ፋክስ ቁጥር ፖ.ሣ.ቁጥር _____

ኢ-ሜይል _____

8. የሥራ አድራሻ /ካለ/

የመስሪያ ቤቱ ስም፡- _____

ክልል/ከተማ አስተዳደር _____ ዞን/ክ/ከተማ _____ ወረዳ _____

ቀበሌ _____ ስልክ ቁጥር _____

ማረጋገጫ፡ እኔ ከዚህ በላይ ስሜ እና አዳራሻዬ የተገለፀው የሰጠሁት መረጃ በሙሉ ትክክለኛና እውነተኛ ስለመሆኑ አረጋግጣለሁ፡፡

ስም _____ ፊርማ _____ ቀን _____

⁹ሁሉንም የድርጅቱን ስራ አመራር ቦርድ አባላት፣ ስራ አስፈጻሚ ኮሚቴ አባላት እና ስራ አስኪያጅ (ተመርጦ ከቀረበ ብቻ) ያጠቃልላል፤

⁹በሲቪል ማህበረሰብ ድርጅቶች አዋጅ ቁጥር 1113/2011 አንቀፅ 59(1)(መ) እና 59(7) መሰረት በሀሰት የተዘጋጀ ወይም የተጭበረበረ ሰነድ ማቅረብ የምዝገባ ጥያቄን ውድቅ የሚያስደርግ ሲሆን በማታለል ወይም በማጭበርበር መመዝገብ ድርጅቱ እንዲፈርስ ምክንያት ይሆናል፤ የህግ ተጠያቂነትም ይኖረዋል፤

Annex III) የአዲስ ንግድ ድርጅት ምዝገባ ቅፅ

የአገልግሎት መጠየቂያ ቅፅ

1. የጠየቁት አገልግሎት ዓይነት (ምልክት በማድረግ ይግለፁ)

- ☐ የንግድ ድርጅት ስም/ንግድ ስም ማጣሪያ
- ☐ አዲስ ንግድ ምዝገባ
- ☐ አዲስ ንግድ ስራ ፈቃድ
- ☐ ማሻሻያ /ምዝገባ/ ንግድ ፈቃድ፤ ድርጅት ስም/ ንግድ ስም
- ☐ የንግድ ፈቃድ ዕድሳት
- ☐ ስረዛ / ምዝገባ / ንግድ ፈቃድ፤ ድርጅት ስም/ ንግድ ስም
- ☐ ምትክ / ምዝገባ / ንግድ ፈቃድ፤ ድርጅት ስም /ንግድ ስም

ሌላ ከሆነ ይግለፁ _____

2. አመልካች

2.1 ግለሰብ ነጋዴ

ሀ) ሙሉ ስም _____ መ) ዕድሜ _____
ለ) የእናት ስም _____ ሠ) ዜግነት _____
ሐ) ጾታ ሴ ☐ ወ ☐ ረ) የግብር ከፋይ ቁጥር _____

2.2 የንግድ ማህበር

ሀ) የማህበሩ የንግድ ስም _____
ለ) የስራ አስኪያጅ ሙሉ ስም _____
ሐ) ሕጋዊ አቋም
ኃላ/የተ/የግ/ማ ☐
አክሲዮን ☐
ሽርክና ማህበር ☐

2.3 በውጪ አገር የተቋቋመ የግለሰብ ማህበር

ሀ) የተቋቋመበት አገር _____
ለ) የንግድ ስራው ዓይነት / ዋና ዘርፍ _____

3. የንግድ ስራ አድራሻ

ሀ) ክልል _____ ከተማ/ዞን _____ ወረዳ/ቀበሌ _____
ለ) ከተማ _____ ክፍለከተማ _____ ወረዳ/የቤ/ቁ _____
ሐ) የቢሮ ስልክ _____ ሞባይል _____
መ) ፋክስ _____ ኢ- ሜይል _____
ሠ) ፖ.ሣ.ቁ _____

4. ለንግድ ስራው የተመዘገበው ካፒታል

ሀ) የተመደበ ብር _____
ለ) የተፈረመ / የፀደቀ ብር _____
ሐ) የአንድ አክሲዮን ዋጋ ብር _____

5. የጠየቁት የአገልግሎት ዓይነት

5.1 አዲስ የንግድ ምዝገባ ማሻሻያ የአድራሻ ለውጥ / ምትክ /ስረዛ/የጠፋ/የተበላሸ ከሆነ

ሀ) በባለ ፈቃዱ / በግለሰቡ/ የንግድ ማህበሩ ስም ላይ ለውጥ ካለ በተቁጥር (2.1) ወይም (2.2) ወይም (2.3) የተዘጋጀ ባዶ ቦታ ላይ ይሙሉ

ለ) የተለወጠ አድራሻ (ካለ)

ክልል _____ ከተማ/ዞን _____ ወረዳ/ቀበሌ _____

ከተማ _____ ክፍለ ከተማ _____ ወረዳ የቤት/ቁ _____

የቢሮ ስልክ _____ ሞባይል _____

ሌላ ከሆነ ይግለፁ _____

ሐ) የተሰረዘው/የተሰረዙት የንግድ ስራ ፈቃድ ቁጥር /ቁጥሮች _____

መ) የሚመለሰው ምዝገባ ቁጥር _____

5.2 የንግድ ስም ማጣሪያ የምስክር ወረቀት ማግኘት ከሆነ

ሀ) የባለፍቃዱን / የግለሰቡን /የንግድ ማህበሩን ሙሉ ስም ማጣራት

ቢያስፈልገው ስሙን በተቁ (2.1) ወይም (2.2) ወይም (2.3) ከተገለፀው

ባዶ ቦታ ላይ ይሙሉ

ለ) በተቁ (3) ስር በተገኘው ባዶ ቦታ ላይ አድራሻውን ይሙሉ

ሐ) እንዲጣራ የጠየቁትን የድርጅት /የንግድ ስም በቅድመ ተከተል ስሙን

በአማርኛና እንግሊዝኛ ይፃፉ፤

1. በአማርኛ _____

በእንግሊዝኛ _____

2. በአማርኛ _____

በእንግሊዝኛ _____

3. በአማርኛ _____

በእንግሊዝኛ _____

6. ማረጋገጫ

በዚህ ማመልከቻ ቅፅ ውስጥ የተሞሉትንና በአባሪነት አያይዢ ያቀረብኳቸው ማስረጃዎች በሙሉ ትክክል መሆናቸውን በፊርማዎ አረጋግጣለሁ፡፡

ፊርማ _____

ቀን _____

ማሳሰቢያ:

ሀ) ይህን ቅፅ ከሞሉ በዋላ ማቅረብ ስለሚጠበቅብዎት ማስረጃ የአባሪውን ዝርዝር ይመልከቱ፤

ለ) የንግድ ድርጅት በ6 ወር ጊዜ ውስጥ በን/ኢ/ሚ ማዕከላዊ የመረጃ ቋት ላይ ካልተመዘገበ አንደተመዘገበ አይቆጠርም፤

ሐ) የተሻሻለው የንግድ ስም/ ድርጅት ስም እስከ 2 ወራት ጊዜ ውስጥ ፀድቆ ለሚመዘገበው አካል ቀርቦ ካልተመዘገበ እንደተሻሻለ አይቆጠርም፡፡

ሀ) የግብር ከፋይ መለያ ቁጥር ሰርተፊኬት ኮፒ

ለ) የአመልካች የታደሰ የቀበሌ መታወቂያ /የሚሰራ ፓስፖርት / የመንጃ ፈቃድ/የመስሪያ ቤት መታወቂያ/ ፎቶ ኮፒ

ሐ) አመልካቹ 6 ወር ባልሞላ ጊዜ ውስጥ የተነሳው 4 ፓስፖርት መጠን ያለው ጉርድ ፎቶ ግራፍ

መ) ምትክ ጥያቄ ከሆነ የንግድ ምዝገባ፣የንግድ ፈቃድ የተበላሸ ከሆነ የተበላሸውን መመለስ

ሠ) የጠፋ ከሆነ ከሚመለከተው አካል ማስረጃ ማቅረብ

ረ) የተጠየቀው የንግድ ስራ መስክ የብቃት ማረጋገጫ የሚያስፈልገው ከሆነ ማቅረብ

ሰ) ለንግድ ፈቃድ ዕድሳት የግብር ክሊራንስ ማቅረብ

ሸ) ማሻሻያ ከሆነ የተሰጠውን የንግድ ምዝገባ ዋና ሰርተፊኬት፤ የንግድ ፈቃድ ዋና ሰርተፊኬት

አመልካቹ የንግድ ማህበር ከሆነ ከላይ ከተገለጸው በተጨማሪ:

ሀ) የፀደቀ መመሰረቻ ፅሁፍ እና መተዳደሪያ ደንብ ፎቶ ኮፒ

ለ) አክሲዮን ማህበር ከሆነ ተፈርሞ የፀደቀ ካፒታል አንድ አራተኛ (1/4) በባንክ ዝግ ሂሳብ ተቀማጭ መደረጉን የሚገልጽ ማስረጃ፤

ሐ) የመንግስት ልማት ድርጅት ወይም ማናቸውም የንግድ ዓላማ ያለው በጎ አድራጎት ድርጅት ወይም ሌላ ተቋም ከሆነ የተቋቋመበትን አዋጅ ወይም ደንብ እንዲሁም የስራ አስኪያጁን የሹመት ደብዳቤ ማቅረብ ፤

መ) የውጭ ሀገር ዜጋ/ ማህበር ከሆነ ከሚመለከተው የመንግስት አካል የተሰጠው የኢንቨስትመንት ፈቃድ እና የግለሰብ የታደሰ ፓስፖርት እና ገጾች ፎቶ ኮፒ ማቅረብ አለበት፡፡

ሠ) ማሻሻያ ከሆነ የተሰጠውን የንግድ ምዝገባ ዋና ሰርተፊኬት፡ የንግድ ፈቃድ እና ማሻሻያ የሚደረግባቸውን ማስረጃዎች / በህግ አካል የጸደቀ ዋና ቅጂ ቃለ ጉባኤ/

ለመ/ቤቱ አገልግሎት ብቻ

ከላይ የቀረበው ማመልከቻ በንግድ ምዝገባና ፈቃድ አዋጅ 980/2008 እና በማሻሻያ አዋጅ ቁጥር 1150/2012 መሰረት ትክክለኛ እና መረጃዎች የተሟሉ ስለሆነ ብር _____ ከፍለው አገልግሎት እንዲያግኙ አድርጌያለሁ፡፡

ያረጋገጠው ባለሙያ ሙሉ ስም _____

ፊርማ _____

ቀን _____

