

How to Establish Companies in Syria and What Are the kinds.

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Legislative Decree No. 151

The Law of Companies and trading stores established outside the Syrian Arab Republic which have branches of agency in Syria

CHAPTER ONE

THE COMPANIES ESTABLISHED OUTSIDE THE SYRIAN ARAB REPUBLIC

Section One

About the companies established outside the Syrian Arab Republic

Article 1 –

The companies included in this Law are the companies established outside the Syrian Arab Republic, of various kinds, whether they are associations of capitals, or companies of individuals, or cooperative or alike, which have a branch or an agency in Syria.

Chapter Two

The branches of the Companies that are established outside the Syrian Arab Republic

Article 2 –

The companies stated in Article one are not permitted to establish a branch in Syria to be operated under its own commercial name and accounts, nor to commence the works of such a branch unless it is registered in special register kept by Ministry of Economy and Foreign Trade (Companies Dept.).

As for the foreign governmental projects or the companies in which foreign government is partner or shareholder in that company, which desires to establish a branch in Syria or to commence its works in that branch, then it shall be registered at the Department stated above before it practices business. After presenting the documents stipulated for in this Law, it shall be granted a special license to be issued by the President of the Republic under a proposal by minister of economy and foreign trade. If the request for license is rejected, the company shall not take any further method of review.

Article 3 –

- 1- The company or its manager shall present the registration request to the Ministry of Economy, stating the name of the company, place of establishment, its headquarters, kind, purpose of company, its capital, the location of its branch in Syria and the sub-branches related thereto if any, and kind of practices.
- 2- Ministry of Economy shall have the right to request additional data in the registration request.
- 3- The request shall be attached to the following :
 - a. Copy of the company establishment contract, its bylaw signed by the its chairman of the board or by whom he may delegate, if the company is one of the associations of capital, or copy of the company contract signed by the managers of the company delegating them if it is a company of individuals, provided that the documents shall be attested by the competent authorities.

If the documents is issued by the Commercial Registrar or equivalent and shall be attested duly.

- b. A document certifying that the company's capital paid with its reserve exceeds fifty thousand Syrian Pounds, to be signed by the signatory and attested by duly, if it is of association of capital. The amount can be adjusted by means of a normal decree. Ministry of Economy may disregard this condition if it makes sure, through its special means, that the net assets of the company exceeds the stated amount.
- c. Copy of the balance sheet of the company for the year prior to the date of the registration request signed buy its chairman of the board or his delegate, if it is one of the banks companies.
- d. A power of attorney prepared by the notary public or the clerk responsible for power of attorney attestation in the headquarter of company, and attested by the competent authorities, or prepared before the notary public in Syria. Upon verifying the capacity of the company signatory empowered, the company shall assign a general manager in Syria who shall resides actually in the area of the center of the company and connected directly to the headquarter

The general manger of the company is provided to be either natural person of Syrian Nationality, or a commercial firm established in the Syrian Arab Republic and has a headquarter or a registered branch in the area of the center of the company in Syria, provided that all partners or shareholders are of Syrian Nationality.

Ministry of Economy shall have the right to accept, by virtue of the approval of the President of the Republic, that the general manager be natural person having the nationality of the State in which it was established, or a branch of a company established in the same state.

When the general manager is a company, then attached to the request, shall be copy of the establishment contract, the bylaw and legalized documents appointing the signatory.

- 4- every document presented by the company shall be translated into Arabic by a sworn translator authorized by Ministry of Economy.

Article 4 –

The general manager, as soon as he is assigned , shall definitely have the authority of concluding contracts, signing on any company works related document under its system, and representation before the governmental institutions and courts of various levels, either in the capacity of complainant of defendant, or any other capacity, receiving all calls notifications and notices addressed to the selected headquarter of the company in Syria. He shall, also, have the right to collect, spend, issue vouchers, keep company's accounts records special for the transactions it carries out in the Syrian Arab Republic.

Article 5 –

- 1- The Companies Department Head shall give the applicant company or its general manager, within two months from date of request and documents

stipulated for in the previous Article No. 3, a registration certificate against payment of a fee of SP. 25.00¹.

- 2- If the period defined has passed without giving that certificate for reasons considered by Ministry of Economy, then the company shall have the right to present the issue before the President of the Republic, who may order the registration of the company or reject the request, where his decision shall be final and shall not be subject to review.
- 3- The certificate shall be published in the gazette.
- 4- This certificate shall certify, Upon producing, that the company has completed the procedures stipulated for in the previous Article No. 3.
- 5- The certificate, or legalized copy thereto, shall be affixed in apparent place in the headquarter of the company in Syria and in each of its branches.

Article 6 –

The companies registered under the provisions of this law shall be considered as legal entities in Syria as of the date of registration.

Article 7 –

The companies established outside the Syrian Arab Republic, and registered at the Companies Dept., shall not be allowed to represent other companies established abroad.

Article 8 –

- 1- if the post of the general manager becomes vacant due to death or any other reason, the company shall:
 - a. advise Ministry of Economy (Companies Dept) within one month as of the date when the post becomes vacant.
 - b. Assign replacement within two months maximum as of the date when the post becomes vacant.
- 2- If the company committed a breach in one of these conditions, it shall be prohibited from practicing its activities under resolution to be issued by the minister till a replacement is assigned under the Provisions of paragraph 2/d of Article 3 of this Law.

Article 9 –

- 1- The company shall send to Ministry of Economy (Companies Dept.) a statement including all amendments on its bylaw, and every increase or decrease on the capital and every time the general manager is changed.
- 2- Legalized Copy of the resolution of amendment issued by the General Assembly of the company, or the resolution related to the assignment of the new manager, shall be Attached to the statement provided that all these documents shall be endorsed by the chairman of the board or the person he may delegate (or attested by the competent authorities) if issued by the commercial registrar.
- 3- The company, when starting any new branch reporting to the company's headquarter in Syria, shall assign branch manager reporting directly to the general manager in Syria. It is provided for this manager to be either a natural entity or of Syrian nationality residing actually in the area where the branch is

¹ - The fee was defined under Article No. 13 of Resolution No. 2/1173 dated 11.05.1975 at SP. 6.25.

located, or a commercial company established in the Syrian Arab Republic and it has a headquarter or a branch registered in the area where the location is locate, provided that all partners or shareholders are Syrians.

The company shall notify Ministry of Economy whenever it starts a new branch and provide it with a copy of the proxy including the assignment of a manager. The company shall be given within a month after submitting the required documents, a statement accordingly and under the Provisions of Article No. 12 of this Law to be placed in an apparent place in the branch.

Also when the branch is closed, the company shall notify Ministry of Economy within a week from date of closing, and shall be given legal statement under the Provisions of article No. 12 of this Law.

Article 10 –

- 1- The registered company shall submit a written statement to the Companies Dept. including the address of the company in Syria and the addresses of the branches, and about any changes on addresses. This statement shall not be subject to fees nor to publishing.
- 2- The company shall put an apparent signboard outside the building in which the headquarter and the branch are located.
- 3- In Syria, the company shall keeps all accounts related to the business and activities it carries out within the Syrian Arab Republic including profits and losses account.
- 4- It shall not be allowed to float shares or special loan bonds for general underwriting in Syria unless a resolution by the President of the Republic is issued.
- 5- All underwritings done in Syria previously in accordance with the provisions of Paragraph 4 shall be cancelled including all moneys collected in underwriting. The moneys entry of these underwritings shall be transferred from the name of the company to the names of the underwriters. These moneys shall be returned to the principal underwriters or their legal successors in accordance with the conditions and procedures issued under a resolution by the Minister of Economy.

Article 11 –

If the company suspended its works in the Syrian Arab Republic, or became bankrupt, or affiliated with another company, then it shall notify Ministry of Economy (Companies Dept.) under the conditions stipulated in Articles 8 & 9.

Article 12 –

The Companies Dept. Head issues a receipt for the statements given under the articles 8,9&11 against a fee¹, this receipt shall be published in the official gazette

Article 13 –

The amendments made by the company on its bylaw or the other changes either for the persons contracting with the company or the other shall not be valid unless the statements stipulated for under the previous articles are printed in the gazette.

¹ - The fee was defined under Article No. 13 of Resolution No. 2/1173 dated 11.05.1975.

Article 14 –

Each company shall state in its correspondences and invoices and all printed matters it issues, its headquarter in Syria the branches with the addresses and the registration references at the Companies Dept.

Article 15 –

Every applicant shall have the right to check at the Companies Dept., the records included in the companies register, and the documents kept in the files of these companies at the companies dept., or he may get attested copies or data about these records or documents against a fee to be defined by the Minister of Economy.¹

Article 16 –

The headquarter and the branches from where the company practices its activities are considered selected domicile, where all notifications can be sent to these centers concerning any dispute that may arise, while the company headquarter is considered its domicile for all customers related activities.

Article 17 –

Banks corporations shall submit to the Ministry of Economy (Companies Dept.) within six months as of the date when the accounting session is completed, an Arabic copy of the balance sheets for the previous financial year endorsed by its general manager in Syria.

CHAPTER THREE

THE AGENCIES OF THE COMPANIES ESTABLISHED OUTSIDE THE SYRIAN ARAB REPUBLIC

Article 18 –

The agencies of companies established outside of the Syrian Arab Republic includes the following:

- a- commission agent
- b- the distributing agent at his own expense
- c- the distributing agent at the company's expense.
- d- The agents of aviation companies
- e- The agent of the cinema companies
- f- The agent of the navigation companies
- g- All other similar agencies.

Article 19 –

He who acts as an agent of the types stipulated for in Article 18 above, shall present to the Ministry of economy a request to register his agency within a month after agency opening date and prepare registration statement according to the special form in duplicates signed by him, and stamped legally, and in which the following information shall be stated:

- a- the name of the principal company and its commercial address.
- b- The head quarter of the principal company
- c- The country in which the company was established.

¹ - The fee for reviewing the data and documents related to companies was defined at SP. 2.50, while the fee for getting attested copies of the stated documents was also defined at SP. 6.25 under the Article No. 13 of resolution No. 2/1173 dated 11.05.1957.

- d- Name of the agent and his nationality, commercial address, domicile and commercial register No.
- e- Place of residence of the agent.
- f- Any additional data that may be requested by Ministry.

To The statement the following shall be attached:

- 1- copy of the agency or the contract provided that the principal himself shall endorse it stating that it is an identical copy of the original before one of the sworn employees of the ministry.
- 2- Translated copy into Arabic language by a sworn translator accepted to the Ministry of Economy. The ministry may request legalization of the proxy officially from the official authorities.

Article 20 –

It is provided for the agent seeking registration to be directly linked to the company, but it is permitted for the Ministry to accept registration of an agent linked to a general agent of the company covering many countries.

Article 21 –

The agent shall be either a natural person of Syrian nationality actually residing in the headquarter of the agency in Syria, and registered in the at the Commercial Registrar. As for companies established in the Syrian Arab Republic with a headquarter or branch registered at the headquarter of the agency in Syria, provided that all partners or shareholders are of Syrian nationality.

Article 22 –

- 1- The competent department head shall give the agent a registration certificate within one month as of the date of request submission with the documents stipulated for in this Law against payment of the registration fee to be defined by the Minister of Economy according to the agencies categories¹.
- 2- If this certificate has not been given within the period defined for reasons that may be assessed by the Ministry of Economy, the agent shall have the right to present the issue before the President of the Republic, who may order the registration or reject it, his decision shall not be subject to any kind of appeal or review.

Article 23 – The agent shall submit a registration request for every change or amendment to the statement and the agency (or contract) or the relation stipulated for in articles 19,20 and 21 within two months as of the date of the change or amendment, where the competent dept. shall give a notification for that without collecting any fee.

Article 24 –

It is not legal for any person or company to allege that he is an agent of any company that is established outside Syria, nor to utilize this capacity in his transactions, contacts with the official department, courts and the commercial

¹ - The registration fees of the agency by commission is defined as SP. 12.50, and for other agencies SP. 31.25 in accordance with Article 13 of the Resolution No. 2/1173 dated 11.05.1957.

establishments unless he completes the registration procedures in accordance with the Provisions of this Law, and shall state the registration number and his agency in all his correspondences and invoices issued by him in this capacity.

CHAPTER TWO

THE MERCHANTS WHO GET HEADQUARTER OUTSIDE THE SYRIAN ARAB REPUBLIC

SECTION ONE

ABOUT THE MERCHANTS WHO GET HEADQUARTER OUTSIDE THE SYRIAN ARAB REPUBLIC

Article 25 –

The merchants meant in this law are those who get a headquarter abroad or a branch or agency in Syria.

Article 26 –

The merchant stated in this section of this chapter shall not have the right to establish a branch in Syria to work under his commercial name and his account, nor to start the activity of this branch unless registered in a special record to be kept in the Ministry of Economy (Companies Dept.).

Article 27 –

The merchant who desire to open a branch of his company in Syria or his general manager shall present to the Ministry of Economy the following documents:

- 1- a registration request : in which he states the name of the merchant, his commercial address, nationality, headquarter, subject of the trade, and what activities he practices in Syria, his special center (branch) and the subsidiary sections.
The ministry shall have the right to request additional information.
- 2- Copy of his C/R issued by the country in which he get a headquarter, attested duly.
- 3- A proxy through which the merchant assigns a resident general manager in Syria under the meaning of the Articles 2 & 4 of this law and under the same conditions.
- 4- Every document presented by the merchant or his general manager shall be translated into Arabic by a sworn translator accepted to Ministry of Economy.

Article 28 –

The merchant meant in this section shall be subject to the provisions of Articles ,8,9,10,11,12,13,14,15,16 and 1 of this Law.

SECTION THREE

THE MERCHANT WHO GETS A HEADQUARTER ABROAD AND AN AGENCY IN SYRIA

Article 29 –

He who practices in Syrian the works of agency of a merchant who gets a headquarter abroad, shall be subject to the Provisions of section three of Chapter one of this law.

CHAPTER THREE
SECTION ONE
GENERAL PROVISIONS

Article 30 –

- 1- every importer shall state in all transactions he submits to the various state departments, or the general manager of the company or the location from which he imports and the number of the agency or the branch in the special register.
- 2- Ministry of Economy shall have the right to disregard this conditions in exceptional cases under a written consent of the Minister.

Article 31 –

- 1- If a dispute arises in relation to the description of the activities, the court of First Instance shall have the jurisdiction to decide whether the activities that the company, established outside Syria or the merchant who gets a headquarter abroad, starts in Syria are considered as if a branch is established in Syria, and works under the name of the company or the merchant and their commercial address, and shall be subject to the Provisions of section two of this chapter or section two of chapter two, or it might be considered as an agency opening and shall be subject to the Provisions of section three of chapter one or section three of chapter two.
- 2- The court shall have the right to regard the following actions or some of them based on establishment of the branch in Syria, but not limited to:
 - a. Assign laborers who get their salaries from the company or the merchant subject of this Law.
 - b. Purchase real estates or rent them in the name of the company or the merchant.
 - c. Open account in the name of the company in one of the bank in Syria.
 - d. Register the company or the merchant in the telephone directory.
 - e. Select a mailing address or cable address in the name of the company of the merchant.

Section two
Penalties

Article 32 –

- 1- A penalty of SP. 250 – 10000 shall be imposed on he who practices any commercial business in the name of a company or establishment or a merchant, who shall be registered under this law, before getting the

registration certificate issued by the Companies Dept. in Ministry of Economy.

- 2- The same penalty, stated in 1 above, shall be imposed on every person who practices any activity in the capacity of an agent of a company, establishment or a merchant, whose agency shall be registered, before he submits a registration request to Ministry of Economy within the time limit specified in this law.

Article 33 –

- 1- A penalty of SP. 100 thousand shall be imposed on every company or merchant subject matter of this law, who commits a breach of the articles 7,8,9,10,11,14,17,28 and 29 thereof.
- 2- A fine of SP. – one hundred Syrian Pound shall be imposed on every company's agent or merchant subject of this law, who commits a breach of the Provisions of Article No. 23.

Article 34 –

A penalty of SP. 100 to one thousand Syrian Pounds shall be imposed on every general manager of a company or a merchant, who do not advise Ministry of Economy about the company's stoppage of its activities or who announces it bankruptcy.

Article 35 –

A punishment of imprisonment for a period from 8 – 60 days and a penalty of Sp. 250 – 10 thousand Syrian Pounds or either penalties shall be imposed on every general manager of a company or a merchant, who is notified with an order to stop the activities of the company or the merchant in Syria under the Provisions of this Law and he continues with these activities.

Article 36 –

A penalty of Sp. 100 to 1000 Syrian pounds and a punishment of imprisonment for a period from one month to six months or either punishments shall be imposed on every person who provides a statement stipulated for in this Law, which is false in bad faith.

Article 37 –

The personnel of the Companies Dept. and the staff of the Departments of Economy in the governorate shall have the capacity of judicial police, and shall be sworn and commissioned by Ministry of Economy to execute the Provisions of this Law, where the minutes they prepare shall be valid unless they are proved invalid.

Article 38 –

- 1- The Economical Affairs Manager at the Ministry of Economy, and the directors of economy in governorates may request, within their jurisdictions, the public prosecution to raise a case against the merchant or the agent of a company or the agent of a merchant subject of this law, when they commit breaches to the provisions of this law. The court may judge to stop the business of the company or the merchant in Syria, or to stop the business of the agent of the company

or the merchant – concerning his proxy – till they apply the provisions of this law and after paying the imposed penalty.

- 2- Ministry of Economy shall have the right to stop granting import and export licenses to those who commit breaches to the Provisions of this law, and till they apply its provisions.

Article 39 –

In addition to the penalties stipulated for in this law, minister of Economy may order to hatch the record of the companies or the establishments or merchants who have branches or agencies in Syria or to stop their activities by means of a resolution in one of the following cases:

- a- if they commit breaches to the valid Syrian laws and regulations or if the company or its general manager commits a breach to its bylaw.
- b- If they refrain from executing the sentence rendered by the Syrian courts.
- c- If it is required for public security or the national interest of the country.

And in the cases stated in Paragraph G, the company registration may be rejected or hatched its record under the approval of the President of the Republic.

Article 40 –

Every hidden agreement or contract that aim at evading from applying the provisions of this law totally or partially, shall be considered null and void and shall not have any impact towards the contracting parties or any third party.

SECTION THREE PROVISIONAL REGULATIONS

Article 41 –

- 1- The company and merchants subject matters of section two of Chapter One, and section two of Chapter two, that are not registered in accordance with the Legislative Decree No. 103 dated 30.05.1949, at Ministry of Economy (Companies Dept.), shall proceed towards registering at the mentioned dept. in accordance with the Provisions of this Law within six months after its issuance date. As for the companies registered under the stated Legislative Decree, their registration shall be valid, and they shall observe the Provisions of Paragraph 3 / D of Article 3, and the provisions of Paragraph 3 of Article 9 of this Law.
- 2- The merchants subject of Section two of Chapter two of this Law, who are registered before the issuance of this Law at the Commerce Register, shall adjust their conditions in accordance with the provisions of this Law and have to present the required documents within six months as of its issuance date.

Article 42 –

The agents in Syria, who have agencies or contracts with companies established outside the Syria or with merchants who have headquarters abroad and who are discussed in section three of chapter one and section three of chapter two of this law, and these contracts are concluded before this law is issued, shall register their agencies in accordance with the provisions of this law within six months as of the date of its issuance.

Article 43 –

In case the merchants or companies or their agents neglect the contents of the two previous articles 41 & 42, they shall be prohibited from practicing business under a resolution by the court of first instance, till they execute the provisions of this Law, and they shall be subject to the penalties stipulated for in Article 32 thereof.

Article 44 –

(added by virtue of Article 7 of Legislative Decree No. 67 dated 28.08.1952.)

In implementation of the provisions of the legislative Decree, Prime Ministry shall have the final word concerning the requests submitted to it by the non Syrian representatives, who are not of the nationality of the country in which the company is established, and the requests of the non Syrian agents and managers within two months as of the date on which the legislative decree becomes valid. While non responding by the Prime Ministry to these requests shall be deemed refused. The decisions made by the Prime Ministry in this context, shall be considered final and not subject to review.

Article 45 –

(added by virtue of Article 8 of Legislative Decree No. 67 dated 28.08.1952.)

- 1- After the two months stipulated for in Article 44 annexed to the Legislative Decree No, 151 dated 03.03.1952 under this legislative decree, passed all agencies and business of the representatives and managers of the branches who had not submitted a request to Prime Ministry of whose requests had been rejected, shall be transferred to natural persons or legal entities in accordance with the conditions stipulated in the Legislative Decree No. 151 above mentioned.
- 2- (Added by virtue of Article 7 of Legislative Decree No.67 dated 28.08.1952, and amended under Article No. 2 of Law No. 351 dated 11.03.1957.
As of the beginning of the year 1963 all agencies registered under the name of non Syrian persons shall be transferred to natural persons or legal entities who fulfill the conditions stipulated in the mentioned Legislative Decree.

Provisional Regulations of Law No. 6 dated 1.1.1959 stipulate the following:

Article 7 –

Companies and stores established in Egypt and have branches in Syria shall be registered at the Commercial Register of the governorate in which the company's headquarter in Syria is located, and the previous record shall be transferred, in accordance with the Provisions of the Legislative Decree No. 151 dated 03.03.1952, to the Commercial Registrar indicated upon a notification presented by the previously registered representative within one month as of the date when this Law becomes effective.

Article 8 –

- 1- Minister of Economy shall set, by means of a resolution he issues, the period required for the execution of Article No. 5 of this Law concerning the establishments practicing the business of agencies, and which are currently registered in accordance with the Provisions of Article 21 of the L. D. No. 151 dated 03.03.1952, provided that the permit period to continue its activity shall not exceed five years as of the date on which this Law becomes valid.
- 2- As for the companies and commercial stores established outside Syria and Egypt, and which have branches in Syria, they shall adjust their conditions in accordance with this Law within two months as of the date on which this Law becomes valid.

1- From administrative point of view:

To direct the decisions taken in affiliated companies to agree with their targets and interests, through the majority of votes they have in the general assembly of the shareholders of the affiliated companies.

2- As for the capitals invested in the affiliated companies:

It is generally known that the general assembly of the shareholders shall be attended by the normal shareholders only (where the capital includes normal shares and privileged stocks and bonds), by possessing more than 50% of the normal shares it can steer the whole capital to meet its interests.

- 3- As for profits: it is known that the normal shares are those which deserves all surplus profits after paying all bond interests and the profits of the privileged stocks (not sharing the profits). Thus they have the advantage of the abnormal profits that the company achieved, while bonds and privileged stocks have the advantage of simple average of the profits to be agreed on in advance.

And in accordance with the economical agreement dated 07.06.1959 concluded between the Government of the Syrian Arab Republic and the Republic of Lebanon, through which the competent authority in the Syrian territory had utilized its right under the Provisions of Law No. 6 for the year 1959 which is an amendment to Legislative Decree No. 151 for the

year 1952, and it gave the Lebanese agents a period of five years maximum to continue their activities in Syria.

And under the Legislative Decree No. 33 dated 01.03.1964, the maximum period, which was till 09.02.1964 given to the companies practicing the business of foreign agencies, was extended to adjust their conditions in accordance with Law No. 6 for the year 1959 for additional two years that end on 09.02.1966.

THE CONDITIONS FOR PRACTICING BUSINESS IN SYRIA FOR THE FOREIGNERS

Resolution No. 124-

Minister of Labor and Social Affairs:

Upon examining Article 36 of the Labor Law No. 91 for the year 1959 and amendments, and reviewing the Legislative Decree No.29 for the year 1970 and resolution No. 535 for the year 1960 and amendments,

Resolves the following :

Article 1 –

- a- Every foreigner that wishes to practice any business of any kind in the Syrian Arab Republic, must get a license to practice this right.
- b- " Labor " as a word shall mean, in the implementation of this resolution, shall mean any business industrial, agricultural, commercial or financial or others, and any profession including housekeeping. While the word " foreigner " shall mean any person who does not have the nationality of the Syrian Arab Republic nor the nationality of any other Arab Country.

Article 2 –

The Arab persons are given work permits after verifying their residence permit and they shall benefit from all the provisions of the two laws of Labors and Insurance, and shall be subject to these provisions without observing reciprocity principle.

Article 3 –

Work Permit is issued by the Directorate of Labor And Social Affairs in the governorates, based on a request submitted by the applicant attached to residence permit issued by the competent department. In this request he shall state his name, surname, date of birth, his nationality, his domicile in his mother country, his personal status and his specialization and the qualifications he gets, kind of his previous business and the business he shall start in Syria or the name of his employer with whom he is contracted with copy of the concluded contract, name of the person for which he works without contract, or with whom he will work, with a declaration by the employer and number and date of residence permit.

Article 4 –

The following shall be observed when granting work permit:

- a- Work permits are granted to the foreigners who arrive in the country in order to represent their commercial or industrial interests and supervise them or to manage and follow up the commercial, industrial or agricultural business or others at the various economical establishments, after consultation with the ministries concerned according to the nature of business of that foreigner.

- b- Work permits are granted to the foreign laborers of daily, monthly and yearly contracts after studying their conditions by the competent directorate in the governorate, taking into account the reciprocity principle, stipulated in Article No. 35 of Law No. 91 for the year 1959 and amendments, provided that they do not compete with the national laborers in the Syrian Arab Republic.

Article 5 –

Foreign experts and specialized technicians are allowed to get work permit without observing the principle of reciprocity in the following cases:

- 1- when there are no alternative or equivalent specialists in same profession in the country or the Arab countries.
- 2- The expatriates returning to the Syrian Arab Republic to work in.
- 3- The foreign persons born in the Syrian Arab Republic, who have been residing in Syria, on the date of application submission, for three continuous years or five years discontinuous years within the previous ten years before the date of request submission.
- 4- The foreign laborers who fulfill the conditions stipulated for in the Law of Nationality, who submit a request to get the Syrian nationality, unless their request is rejected.
- 5- Foreign women that are married from the citizens of the Syrian Arab Republic, if they submitted a request seeking the nationality, and marital life continued after request submission till a resolution is rendered by the competent minister accordingly.

Article 6 –

Work permits can be given without collecting the fees stipulated in Article No. 17 of this Resolution for the following categories:

- 1- the foreign persons employed by the embassies and consulates.
- 2- The Arab citizens other than the Syrians who fulfill the following conditions:
 - a. Who resided in the Syrian Arab Republic legally for five years.
 - b. Who was born in Syria and resides for one year or more on the date of application (request) submission.
 - c. He who gets a relatives of the second degree or marital relation with Syrian citizens.

Article 7 –

The following foreigners are exempted from getting the work permits, provided that the owner of the business shall notify the directorate of Labor and Social Affairs within forty eight hours as of the date the foreigner starts his activities:

- a- the technical foreigners and professional specialized person delegated by their establishment in foreign countries for the purpose of installation of the equipment of factories imported from abroad, or for the supervision on the preparation and production of medicines and medical, pharmaceutical and chemical compounds or for another similar purposes.

- b- The technical experts and specialized persons with whom the ministries, governmental bodies or the general establishment conclude contracts with.
- c- The nuns and monks holding the nationalities of one of the Arab States, and the workers in religious missions licensed duly.

Article 8 –

The work permit shall be given for a period not exceeding the period of the foreigner residence permit, provided that it shall not exceed one year maximum, and the work permit may be renewed or replaced as the case may be.

Article 9 –

The work permit shall include all data related to the applicant, where he shall state his name , surname, date of birth, sex, domicile in his homeland, profession, date of entry into the Syrian Arab Republic, number and date of his residence permit.

Article 10 –

The licensee shall present the license whenever requested by the inspectors and work controllers.

Article 11 –

- a- without prejudice to the provisions of Article 7 of this resolution, every employer shall not be allowed to employ any foreigner if he does not have work permit.
- b- The foreigner is not allowed to be employed in a profession other than his, or in a governorate other than the specified in the work permit, and when the foreigner moves from a governorate to another shall check in with the competent directorate in that governorate to sign the license in order to get benefit from till it is expired. In case of change of profession the concerned person shall present a new request in accordance with the Provisions of Article 3 of this resolution.

Article 12 –

Every party or employer employs a foreigner shall register his name within 48 hours as of the time of his employment in the special register of foreigners he keeps, where in this register he shall state the name of the laborer, surname, date of birth, sex, profession, kind of work he assumes at the time being, his salary, number and date of work permit, number and date of his residence permit, and shall present this register before the work inspectors and controllers upon request.

Article 13 –

Every party or employer employing a foreigner, shall present a declaration to the directorate in the governorate within a week maximum from the date of employment of that foreigner.

Article 14 –

Every party or employer wishes to conclude a contract with a foreigner to let him work for him, shall submit a request for approval of the directorate before employing such person.

Article 15 –

All parties and employers shall submit to the directorate in the governorate a semiannual statement (at the end of July and January) including number of foreigners employed during the previous six months, their professions and their salaries.

Article 16 –

The parties that are licensed to employ foreign experts, technicians or musicians shall undertake to assign assistant to them of the nationals to practice the works they carry so they can be able to replace them when the duration of the license granted expires.

Article 17 –

The work permit fees and permit renewal fees are as follows:

	Work permit fees Syrian Pounds	Work permit renewal S.P.
Foreigners other than the Arab	50.00	45.00
Arab other than Syrians	40.00	45.00

Article 18 –

The penalties stipulated in Article 219 of the Labor Law No. 91 for the year 1959 and amendments shall be applied on every person who breaches the Provisions of this Resolution.

Article 19 –

The Directorate of Labor And Social Affairs shall send to the Central directorate of Labor, at the end of every month, a statistical statement with the work permits given to foreigners, and renewing them, according to the nationalities of the foreigners, and at the end of every year a general statement including the information stated above shall be sent to it.

Article 20 –

Resolution No. 535 dated 29.09.1960 and amendments shall be null and void.

Article 21 –

This Resolution shall be published and notified to the concerned for implementation.

Damascus on 31.01.1981

Minister of Labor and Social Affairs.

Types of Commercial Companies in Syria Features – Importance

- 1- companies of individuals, includes
 - a. Partnership
 - b. Limited partnership
 - c. Particular partnership
- 2- association of Capitals:
 - a. joint stock company
 - b. limited partnership in shares
- 3- Limited liability companies:
- 4- Foreign companies

1- Companies of Individuals:

Are the companies that are established based on the personal consideration and mutual trust between partners, where a partner may not assign his portion without the consent of the other partners either the assignment is to another partner or to the others.

Because of the personal nature of this kind of companies, the causes of their dissolution might be death of one of the partners or his bankruptcy, or placing one of the partners under guardianship, since the trust he was give may not be given to his successors or his legal representative.

The companies of individuals include the following kinds:

- 1- partnership companies
- 2- limited partnership
- 3- particular partnership

1- Partnership Companies:

Every company that runs its business under a specific address, and is established between two persons or more and they are liable personally of the company's obligations under the partnership

The features of the Partnership companies:

a- not transferability of the portion of the partners:

In general the partners are not allowed to transfer their portion without the consent of the other partners. But law permits the company's contract to stipulate the transfer of portions or shares within the following limits:

- 1- consent of the majority of partners.
- 2- Consider the inheritors of the deceased partner as silent partners.
- 3- The necessity of registering this waiver.
- 4- The waiving partner, in the opinion of the company, shall remain partner and receive dividends and liable for losses personally under the partnership, while the assignee partner

receives these dividends from the assignor partner without having direct right to company.

b- Partners having the capacity of merchant:

The partners acquire the capacity of merchant as soon as the company is established, either they enjoyed this capacity previously or not, where the following resulted from that:

- the partner shall enjoy total commercial competency.
- Company bankruptcy declaration shall lead to all partners bankruptcy declaration.
- Although partner bankruptcy may not lead to company bankruptcy, it might lead to company dissolution.

c- Personal and partnership liability of partners of the debts of the company:

The personal liability of the partner means that if the company's money's do not suffice to pay off the debts of the company, then the partners shall be liable for these debts to pay them from their own money.

The partnership liability shall mean two things:

- The partner is obliged to pay the debts of the company toward the others.
- The creditors shall have the right to return to any of the partners seeking total payment of debts.

The significance of partnership companies:

The partnership companies are the most famous types of companies of individuals, and this kind of companies fits small and medium projects which do not require large amount of capital.

Due to the personal partnership nature of this kind of companies, it is most convenient to economical projects established between the individuals of a family or friends, as it relies on mutual trust basically.

2- The limited partnership :

Every company that assumes business under the name which includes names of partners only, shall be considered a limited partnership company. It is of two kinds :

- acting partners: who have the right to manage the company, and are liable personally and under the partnership to fulfill the obligations of the company.
- Silent or limited partners: who present portions of the capital, and neither of them shall be liable to the portion he presented.

The features of the limited partnership companies

- a- the legal position of each partner varies since there are two kinds of partners:
 - i. acting partners: acquire the capacity of merchants soon as they enter the company, and they are liable

- personally and under partnership of the debts of the company.
- ii. Silent or limited partners: they do not have any right to manage the company, and they shall be liable of the losses equal to their portion in the capital, and they are not considered as merchants.
 - iii. There is no legal limitation to the number of the acting or silent partners in limited partnership companies.
- b- The personal consideration of partners: it is not legal for any partner either acting or silent partner, to waive of his portion to the others unless he gets the consent of all partners.
- c- The company's address: law stipulates that the silent partner's name shall not be stated in the company's address, where only the acting partners shall be stated, stating the name of the silent partner in the heading (address) there will be two cases:
- i. If that is done with his knowledge : then he becomes acting partner, he shall then be liable of the debts of the company under the partnership.
 - ii. If that is done without his knowledge then he remains silent partner but he shall prove his negligence of the case and requests the delete his name, or advise the others of his real capacity.
- d- The silent partners are not allowed to interfere in management of the company: especially the business which requires company representation before the others, so he is not entitled to be a general manager, nor to assume transactions either sale or purchase under the name of the company.
- As for the internal business of the company which is limited among the partners themselves, the silent partner may assume same.
 - The silent partner is entitled to get a job in the such as technical manager or accountant (without the right to take decisions).
 - He can also conclude contract with the company in his personal capacity (to sell goods or purchase from the company),

The significance of the limited partnership:

The significance of this type of companies is due to the wish of the money owners to get profits of successful project without any risk on their money.

There are two kinds of partners that is convenient to this type of companies:

- first one, partners with experience and technical and operational competency, and he enters to the company in the capacity of acting partner.
- And another type owns capital, and enter in the capacity of silent partner or financier, so he does not interfere in the

management, and get profits and charged with losses according to his contribution in the capital.

3 – Particular Partnership companies:

they are limited within the contracting persons to do a specific job or a definite project, and shall not be subject to the procedures of registration applied on the other commercial companies.

The features of the particular partnership companies :

- a- The personal consideration of partners: they are the companies that are established based on mutual trust between partners, as the partnership and limited partnership companies. It is not legal for any partner to waive of his portion to the others unless he gets the consent of all partners.
- b- The veiled capacity of the company: it is a company that is not prepared to be acknowledged by the others.
- c- Not considered as a legal entity: the particular partnership company is not considered as a legal entity because of it is being veiled as it is not registered, and as registration is one of the important features of the legal entity.

Consequently the following are originated:

- the particular partnership company does not have nationality other than the partners nationality.
- Does not have an independent domicile
- No judicial case can be brought by it or against it
- The bankruptcy of this kind of companies cannot be declared, but rather the bankruptcy of the partner.
- Does not have independent financial liability.

The significance of particular partnership companies:

They are popular companies as they are characterized with their being simple and free of formalities (as the case s with other individual companies).

Also they fit for all occasions and conditions and specially for the persons who do not wish to start commercial business publicly. This kind of companies is clearly common in the contracting agreements, where many contractors agree to participate in the accomplishments of a definite project through contracting with one of them.

b- Associations of Capital:

This kind of companies is characterized with the capitals being most important than the individuals providing the money, so the first consideration is to money and not to individuals as the case is with the individuals company.

- Therefore the shares of the partners may be transferred to the others without the consent of the other partners.
- They also are not dissolved if one of the partner becomes bankrupt or died or he is placed under guardianship, and the are of two kinds:

- i. Joint stock company
- ii. Joint liability company

1- Joint Stock Company:

They are companies without heading and is established between individuals who underwritten for shares that can be circulated, they are liable for the debts of the company in proportion to the amount of money they underwrote. The companies shall have definite name indicating its purpose.

The characteristics of a joint stock company

- a- It does not have a heading derived from the name of the partners, since the entity of the partner is not taken into account in the establishment of the company, where the name shall be derived from the activity of the company followed by the phrase (joint stock company).
- b- Its capital is divided into equal shares confirmed by instruments that can be circulated by commercial routes.
- c- The liability of the partner shall be defined for the debts of the company and its obligations by the number of shares.
- d- The partners in such kind if companies shall not be considered merchants (if they are not originally merchants.)
- e- Company bankruptcy shall not lead to the bankruptcy of the partners.
- f- Bankruptcy or death of a partner shall not lead to the company dissolution. Definitely.
- g- The joint stock companies are considered commercial companies and shall be subject to the Law of Trade, even though the project assumed by the company is agricultural or else.
- h- The joint stock companies established in Syria shall have its headquarter in the Syrian lands and shall be Syrian company.

The significance of the joint stock companies:

This kind of companies is considered one of the most significant of the association of capital, and the most famous. These companies can collect the savings or reserves of the individuals through the general underwriting on the shares of the joint stock companies, this shall give it the characteristic of big capitals collecting that may not be available to the establisher. This kind is also meets the needs of the investors in distributing their money on various investments without being obliged to assume the management of the company as the case is with the companies of individuals, where their liability shall be limited to taking over the profits and losses as much as the number of shares they underwrote.

Since this kind of companies requires extended establishment procedures than the other companies, and requires administrative and financial system, therefore it fits the big volume investment projects, and the capital of this kind of companies gives it a feature of getting loans and financial facilities better than other companies.

In addition to the financial features, the company shall be treated preferentially concerning the income tax under the Law No. 20 for the year 1991, where it shall be subject to lump sum income tax as per the following rates:

- 32% for the industrial joint stock company.
- 40% for other non industrial joint stock companies.

The Shares of the Joint Stock Companies

The joint stock companies financing relies on the assembled capital from the value of the shares underwritten. In other words the capital of this kind of companies is divided into portions of equal value which are shares.

Share is: a deed that can be circulated commercially, and it is considered part of the capital of the joint stock company, it gives right to get dividends, and part of money of the company when dissolution, and gives right to vote in the general assembly of the company.

The distinctive characteristics of shares:

- 1- Equals its value: the capital of the company is divided into shares of equal value, which shall not be less than ten Syrian Pounds and not exceeding five hundred SP. The following is generated from that:
 - equality in getting the profits of the company.
 - Equality in the right for vote in the general assembly.
 - Equality in the obligations originated from shares ownership.
- 2- Indivisible shares: if a shareholder dies, his share ownership shall return to his inheritors but the share shall be indivisible, and they shall not have the right to vote in the general assembly, where they have to elect a person to represent them in dealing with their rights related to shares.
- 3- Non possibility of issuing share with a value less than its nominal value.
- 4- Defining liability according to the value of share: shareholder shall be charged with the debts and obligations of the company insofar as the shares he possesses.
- 5- The capability of share circulation : this characterizes the association of capitals from individuals companies.

Type of Shares:

- 1- in terms of form:
 - a. nominal shares: state the name of the holder, and on which the data recorded in the assignment register is stated .
 - b. shares for holder: on which the name of the holder is not stated where the holder is considered the owner of these shares due to physical possession of shares.
 - c. Shares for order: they are issued for a specific person and are circulated by means of endorsement.

- 2- in terms of payment of value of shares:
 - a. monetary shares: underwritten provided that value paid in cash.
 - b. Shares in kind: they are portion in kind (such as real estate or land..), where law prohibited its circulation unless two years passes after issuance.

- 3- in terms of rights:
 - a. normal shares: do not have and additional characteristics, but only the have the characteristic of normal shares.
 - b. Privilege shares: they are characterized with some merits of the normal shares such as (priority in dividends and upon dissolution, priority when underwriting to increase the capital..)
 - c. Replacement Shares: they are given to by the company to the shareholders as replacement for original shares which values are paid off to the owners during company's establishment.

The joint stock company's bonds: a bond is a deed that can be circulated, it is issued by the company or legal entity, and it is related to long term loan, which is required by the joint stock companies in order to increase their capital, or to extend their projects, when they announce the amount they require and portion out into shares of equal value, and set a long term payment against fixed interests.

The characteristics of the bond are :

- a- gives right to annual fixed interests whether the company makes profits or not, and it has priority when dissolution.
- b- The bond holder shall be considered as a creditor to the company, therefore it is not legal for the company to amend the contract that connects him with the company, nor to change the mature date of interest.

The main types of the commercial bonds:

- a- the bond of matured payment with issuance premium: where some companies, to encourage some investors to underwrite, they issue bonds that give the underwriters some advantages like the issuance of bonds with definite price (the issuance price is mentioned), provided that this price shall be returned at the date of payment in addition to a premium.
- b- The bond of fixed maturity issued at the price of issuance : it is a normal bond but it can be used in short term loans contracts, and it gives high interest.
- c- Insured bond: it is insured in kind insurance, where the company may mortgage some of its real-estate to insure payment of the bond.

- 2- Limited stock partnership: they are either included in individual companies in relation to the acting partners, and in the association of capital in relation to the silent partners, and they differ from joint stock companies, where it includes the following two kinds of partners:
- a. Acting partners: they are charged with the debts of company from all money they have.
 - b. Silent partners: they are charged with the debts of the company in proportion to their portions in the capital.

They differ from the silent partners in the limited partnership, where their portions are shares. Foundation of such companies shall be subject to the same rules and procedures applied on the foundation of joint stock companies.

- d- Limited liability companies:

It is company that includes number of partners not less than two and not more than twenty five, and it is founded for limited period to be stated in the bylaw. The capital of which is divided into portions among the partners, who shall be charged with the obligations of the company in proportion to their portions they have, these portions cannot be in the form of shares.

It is worth saying that this kind of companies comes in between the individuals companies and the association of capital, where it takes from the first kind the limitation of the partners which shall not exceed 25, and the non possibility of partner' portion circulation in the commercial methods, while from the second kind it takes the characteristics such as the limitation of the liability of the partners in the portion they present, and non impact of death or bankruptcy of one of the partners on the company.

The characterized features of the limited liability companies:

- a- The commercial capacity of the company: this kind of companies is considered as commercial companies regardless their activities.
 - b- Define the number of the partners between 2 – 25 : the company shall be null if the whole portions of the company is owned by one person, or if the number of partner exceeds 25.
 - c- In case of a partner's death the inheritors shall be considered as one member.
 - d- It is possible to get a legal entity (a company) to be one of the partners in addition to the normal persons.
- c- The limited liability of the partner: the liability of a partner in this kind of companies, concerning the debts of the company, shall be defined by the portion he presents (and may be the name of such kind of companies is derived from this peculiarity.).
 - d- The name of the company: the name given to this kind of company may be :
 - Derived from the activity or the purpose of the company.
 - Or may be derived from the name of a natural person or more of the partners

In the two cases the name of the company shall be followed by the word " limited", stating the capital in all publications of the company (documents, invoices and correspondence..).

- e- Conveying the portions : there are two cases for conveyance:
 - i. Every partner shall have the right to waive his portion in the company to any other partner (unless otherwise provided in the contract), this waiver shall not be subject to any advanced approval of the other partners.
 - ii. If one of the partner wishes to sell his portion or part thereof to a person from outside the company, then he shall advise the other partners accordingly (notification shall be through the manager of the company). The partner shall be free to dispose of his portion after one month from date of notification without using the predominance right.
 - iii. If more than a partner used the predominance right then the portion shall be divided according to the portion of each.

The significance of the limited liability companies

This kind of companies fits projects of small or medium volume size, it has various characteristics:

- 1- This kind of companies come in between the individuals companies and the association of capital, where it takes from the first kind the limitation of the partners which shall not exceed 25, and the non possibility of partner' portion circulation in the commercial methods, while from the second kind it takes the characteristics such as the limitation of the liability of the partners in the portion they present, and non impact of death or bankruptcy of one of the partners on the company.
- 2- The investors upon establishing limited liability company, may participate in the management, where their liabilities shall be limited to the value of their portions they present, and consequently the company shall be under their total supervisions, while the liability shall not include their own money.
- 3- This kind of companies shall be given a priority in relation to the income tax under the Law No. 20 for the year 1991, where the limited liability industrial companies, whose machines value exceeds 5 SP. million (as per the financial assessment applied in collecting the tax on estates revenue) shall be subject to a lump sum income tax of about 42% .

d-Foreign companies:

They are companies, of various types, established outside the Syrian lands, either of individuals companies or association of capitals, or of the cooperative establishments and alike, which have branches or agencies in the Syrian Arab Republic.

These companies are not allowed to open a branch in Syria to start the activity of this branch before getting this company officially registered

with the Ministry of Economy (Foreign Companies Dept.). " Please refer to section seven ".

Holding Companies:

The holding companies can be defined as the company which purchases more than 50% at least of the normal shares in another company (affiliated company) thus the company can control its business and the activities of the affiliated company since it has the majority of votes in the general assembly, and consequently it has the right to assign managers and set the administrative policy.

How to establish a holding company:

The holding company is the company which possesses most of the normal shares in the affiliated company, where they get possession of these shares through the following:

- 1- upon establishment of an affiliated company and shares underwriting, in a way the holding company is considered as one of the establishers of the affiliated company.
- 2- By purchasing shares on many times from the others, either " from stock exchange " for fear of any sudden increase on the prices of the shares of the affiliated company, or purchasing them onetime with the majority of votes of the shareholders and outside the general assembly of shareholders.
- 3- by agreement to give the shareholder of the affiliated company new shares in the holding company in replacement of his shares, and in this case it is necessary to agree on the value of exchange based on which shares of affiliated company are replaced with the shares of the holding company.

In general the holding company may carry out the following:

Steps of Establishment of Companies:

1- Partnership companies:

- a. A company is established under an official contract of foundation.
- b. The contract of establishment shall include the following information:
 - i. Name of company and its headquarter
 - ii. Names of partners and their addresses and nationality
 - iii. Place and date of contract
 - iv. The purpose of company.
 - v. The amount of capital, the portion of every partner and his rights and obligations. If the portion of a partner is not defined then the portions of all partners shall be equal.
 - vi. Name of partners assigned to manage the company and sign on behalf of the company, and represent it before others.
 - vii. The duration of the company.

c- The company shall be registered by depositing copy of the foundation contract at the correspondence office of the Court of First Instance in the area where the company is located, within the month during which the company is founded, also the company shall be registered with the commercial registrar in the area of its headquarter within the month following the date of foundation.

d- A registration request with a company foundation declaration signed by the partners charged with signature, shall be submitted to Ministry of Supply and Internal Trade – Directorate of Supply – attached to the foundation contract, and in accordance with the form which includes the following information:

- i. The address of the company and its commercial name.
- ii. Type of company
- iii. Purpose
- iv. Capital
- v. Date and duration of company¹
- vi. The headquarter and branches if any.
- vii. Name of signature and management authorized partners.

e- attached to the request shall be the following:

- i. the foundation contract
- ii. lease of store or the place in which the company shall practice business or the deed of property, as the case may be.
- iii. The industrial resolution issued by Ministry of Industry to allow business, if it is an industrial company.
- iv. Unemployment certificate for every partner.
- v. Copy of the identity card of each partner.

¹ Request shall be submitted by the partners themselves.

- f- After approving the request by the Directorate of Supply, the company shall be registered with the commercial registrar, and a registration certificate shall be given to the company after paying the stamp fee.
- g- Depositing copy of the foundation contract at the correspondence of the court shall be verified, noting that failing to do so or non registration with the commercial registrar, may make the company null, and the delay in registering the amendments to the foundation contract, shall be considered invalid.

2- limited partnership company:

The limited partnership company shall be established by endorsing the foundation contract by all parties: acting and silent partners, where the foundation contract shall include the information stated in the foundation contract of the limited partnership company, and in which the names of the acting and silent partners shall be stated clearly, with their capacity as silent and the portion of each in the capital of the company.

The limited partnership company shall be subject to the same rules and procedures which the partnership company are subject to even in relation to the silent partners.

3- Particular partnership :

Since the structure of the particular partnership is limited between the contracting partners, and as it is a veiled company its foundation does not require registration or documentation with the court or registration with the commercial registrar, and shall be existing as soon as the partners agree to found it.

4- Joint Stock Company:

1- The foundation of the joint stock company shall be in three phases:

One- the founders shall submit a written request to Ministry of Supply and internal Trade, in order to be licensed to found a joint stock company, after verifying their signatures by the sworn clerk in the companies dept. or by the notary public. The request may include, when necessary, a delegation for one person or more to sign the bylaw draft of the company and the final draft, noting that the number of the founders shall not be less than five.

2-The license request shall include the following information:

- a. names of founders
- b. name of company
- c. purpose
- d. duration
- e. headquarter
- f. its capital.

3- A draft copy of the bylaw shall be attached to the request of license, in accordance with the form approved by the Decree No. 98 for the year 1949, and it includes the following:

- a. General provisions (name of company, headquarter, duration)
 - b. Company foundation (founders, functions).
 - c. The company's capital and shares (capital, underwriting, installments, bonds and shares, shareholder obligations, shares sale, shares mortgage, attachment).
 - d. Managing company's affairs (company's board, its obligations, duties and meetings)
 - e. General assembly (constituent assembly, ordinary, and unordinary).
 - f. Auditors (elections, sites of elections, functions, obligations and duties.)
 - g. Company's accounts and finance(financial year, gross profits, profits distributions, reserves, profits coupons, company's money depositing).
 - h. Amending the bylaw.
 - i. Company's dissolution
 - j. Miscellaneous provisions (legal entity, insurance duty, government control).
- 4- License shall be issued by means of a decree within two months, by the registration office , to the companies which floats shares on the market for public underwriting, as for the companies which do not float their shares for the public underwriting then they shall be licensed for foundation by a ministerial resolution.
- 5- If the decree or the ministerial resolution has not been issued for license on the set date, then the request shall be deemed rejected, but in case of rejection the founders shall have the right to review with the prime ministry, while the decision made shall be final and not appealable. If the request is rejected by the prime ministry the founders shall not have the right to present a new license application, unless six months pass after the resolution of the prime ministry.
- 6- After the licensing decree is issued, ministry of Supply shall review the draft of the bylaw, and may request amendments to the bylaw. The bylaw shall be approved by a resolution by the minister of supply and internal trade and shall be published in the gazette attached to the ministerial resolution. If the minister refuses to endorse the bylaw or his attestation resolution is not issued within two months as of the date the licensing decree is issued, the founders shall have the right to refer to the administrative judiciary.
- 7- After publishing the licensing decree and the resolution of bylaw endorsement in the gazette, the founders shall start with covering the shares and underwriting.

Two – covering shares and underwriting:

- 1- The founder may cover the total value of shares alone or with the others, except for the companies with the purpose of concession investment, without floating shares for the public underwriting, provided that shall be explicitly mentioned in the licensing request and the bylaw stating the number of shares underwritten by every one of the founders.

- 2- When floating the shares for public underwriting, the founders shall include the announcement with a statement concerning the following issues:
 - a. Purpose of the company, its capital, and number of shares.
 - b. In kind donations and the merits given to the founders or others, if any.
 - c. Date, place and the conditions of underwriting and the value of the shares.

This statement shall be published in the gazette and two of the daily newspapers at least in the center of the company, and in one newspaper at least in the cities in which the shares are floated for underwriting.

- 3- Underwriting shall be done at the bank or more of the banks approved by ministry, where installments shall be paid upon underwriting under the bylaw, and shall be recorded in the accounts opened in the name of the company. Underwriting shall be in a form of a certificate which includes:
 - a. Underwriting with definite number of shares
 - b. Approving the bylaw by underwriting.
 - c. The domicile selected by the underwriter provided it is inside the Syrian Arab Republic.
 - d. All other necessary data.
- 4- The underwriter shall deliver the underwriting certificate to the bank, signed by him or by his representative, and shall pay the installment(s) due against a voucher. Printed copy of the bylaw shall be given to every underwriter and this shall be stated in the voucher.
- 5- Underwriting period shall be for not less than ten days and not exceed three months. If three quarters of the shares are not underwritten within the stated period, it is possible for the founders to extend the underwriting period, subject to ministry approval, for a period not exceeding three months as of the date of that approval. If the three quarters of the shares are not underwritten at the end of the new period, then the founder shall refrain from the foundation of the company and shall return the paid amounts by the underwriters to them or to decrease the capital of the company.
- 6- If underwriting exceeds the number of floated shares, then these shares shall be distributed among the underwriters taking into consideration the underwriters with small number of shares.
- 7- The founders shall, within a month as of the closing date of underwriting, to present a statement to the Ministry of Supply and internal trade with the number of underwritten shares, and the underwriters shall pay the installment(s) due upon underwriting, and to attach t that statement with a table with the name of the underwriters and number of shares underwritten by everyone of them.

Three – the phase of inviting the foundational general assembly:

- 1- The founders of the company, within a month as of the closing date of underwriting, shall invite the underwriters to hold the foundational general assembly. If the founders failed to send this invitation, the ministry shall do that.

- 2- The foundational general assembly shall discuss the report of the founders, which shall include sufficient information about the foundation process with the supporting documents, and then the assembly shall verify the correctness of the information and its compliance with law and the company's bylaw.
- 3- The general assembly shall discuss especially the shares in kind and the merits given to the founders, and shall elect the first board of directors, and the auditors and it declares the final foundation of the company.
- 4- The foundational general assembly shall be chaired by one of the founders to be elected during the meeting, the chairman of the assembly shall sign the minutes of meeting and send copy of it to ministry.
- 5- The quorum of the meetings shall be 50% of the underwriters, while the resolutions are approved by the majority of votes of the represented shares.
- 6- The members of the first board of directors and the first auditors shall verify that the company has been founded legally, and they shall be responsible jointly.
- 7- After the company is founded, the members of the first board of directors shall complete the registration process and depositing copy at the court and registration with the commercial register.
- 8- Non registration of company shall result in making the company null, or nullity of the anonymous clause, and the first members of the board shall be jointly responsible, while the first auditors shall check and control all processes.
- 9- The company shall be subject to another kind of registration as follows:
 - a. Declare the company bylaw at its offices.
 - b. Every person shall have the right to get copy of the bylaw against a reasonable price.
 - c. In all contracts concluded by the company, and in all medias and brochures and advertisement and all printed matters it issues, it is necessary to state explicitly the name of the company and its type, headquarter and date of foundation, amount of the capital underwritten and paid, with the changes occur on the capital either increasingly or decreasingly, and its commercial registration number.

5-Stock limited partnership:

The special rules related to the foundation of stock company shall be applied, to run its business. Also it is stipulated that the managers of the company shall be charged with all obligations imposed by law on the members of the board of directors of the joint stock company.

6- limited liability companies

The limited liability companies shall be subject to the following steps, in the foundation phase:

- 1- the founders shall submit to the Ministry of Supply and internal trade a license request with copy of the bylaw signed by all founders; provided that the notary public or the ministry of supply shall verify their signatures. The founders shall delegate whoever to sign the final text of the bylaw, while the ministry shall have the right to request the founders to make some suitable changes on the bylaw.
- 2- The license resolution and the attestation of the bylaw of the company shall be issued within two months as of the date of the license request submitted to ministry.
- 3- The ministry shall publish the license resolution and the bylaw in the gazette.
- 4- The founders, as soon as the license resolution is issued and the bylaw is attested, shall proceed towards registering the company as follows:
 - a. Deposit a copy of the foundation contract the bylaw at the correspondence office of the Court of First Instance in the area of the headquarter of the company, and to register the company at the commercial registrar, where this requires a request shall be submitted to the ministry of supply, the following shall be attached to the request:
 - i. The license resolution
 - ii. Copy of the bylaw
 - iii. Lease of the place of business practice, or deed of ownership.
 - iv. The industrial resolution issued by Ministry of Industry, if the company is industrial one.
- 5- Non proceeding with the registration process as stipulated above, shall result in company nullity and holding the founders and auditors responsible jointly.
- 6- Foreign companies :
Please refer to (section seven).
- 7- Investment Companies:
Please refer to section 4, 5 and 6

CIRCULATION

To Clarify the method through which registration is done for the project of investment governed by the Provisions of Law No. 10 for the year 1991, please be advised of the following:

- 1- The combined joint stock companies of the two kinds: (which shares are floated for public underwriting, or the anonymous company which shares are not floated for public underwriting) and the combined limited liability companies, which the public sector owns not less than 25% of the capital.
 - The Prime Ministry shall issue the resolution of foundation license and the bylaw attestation in addition to the order of inclusion under Law No. 10. (the last order shall be signed by the chairman of the supreme investment council, while the first two resolutions shall be signed by the prime minister.).
 - The board of directors of the joint stock companies and the founders of the limited liability companies, shall proceed towards registering the company in accordance with the Provisions of Articles No. 125 & 289 of the Law of Trade, and as follows:
 - i. Deposit a copy of the foundation contract and the bylaw at the correspondence office of the Court of First Instance in the area of the headquarter of the company.

The Fees Due For Foundation And The Capital

- 1- the fees of foundation: there is no fees for the foundation of the national companies, but the stamp fee, on the documents and supporting papers submitted seeking license or foundation, shall be collected in accordance with what is stipulated in Law No. 1 for the year 1981 which defines the stamp fee.
- 2- The fees of capital:
A relative stamp fee shall be imposed on the capital according to the following:
06.24% of the capital fixed in the contracts of individual companies, and 02.00% of the shares value of the joint stock company, where the same rate when increasing the capital for the new part.

Foreign And National Capital Sharing In The Foundation Of Companies

Neither in the Syrian Law of Trade nor in any text there is a text that prohibits the participation of foreign capital with the national capital in the foundation of the various types of companies, within the limits of the resolutions governing that, and in accordance with the policy of the state in the context.

As for the branches of the foreign companies, their capital shall be completely of foreign financing.

Disposal of Company's Shares

- 1- after underwriting, the underwriter shall be given a voucher form the bank in which he underwrote. This voucher shall contain his name, selected domicile, date of underwriting, number of shares underwritten, installment paid and serial number and other necessary information. The voucher shall be produced to the company after final foundation declaration, and the owner of the shares shall receive an interim deed stating the number of shares and their numbers and the installment paid.
- 2- This interim deed may be circulated, provided that 40% of the value of shares is paid.
- 3- After payment of the whole value of the underwritten shares, the underwriter shall be given final deed, which is the share.
- 4- Shares can be disposed of and transferred to others after company final establishment, either by selling or inheritance or endowments or in execution of a judicial order, provided that the disposal shall be recorded in a special register kept by the company.
- 5- The company shall not be allowed to register any shares disposal in the following cases:
 - a. If the bond or share is mortgaged, attached or confiscated.
 - b. If it is lost and a new bond or share is not given as replacement.
 - c. If sale is not in accordance with the company bylaw.

DISPUTES SOLVING

Dispute solving shall be by referring to judiciary unless there is a text in the company's contract or in its bylaw to refer to arbitration or any other methods for dispute solving.

COMPANIES DISSOLUTION

Companies dissolution is considered as companies death putting an end to the legal tie that connected the partners at the time of foundation till date of dissolution.

The general reason for dissolution

One – expiration of the defined age of company:

The company's contract may include a paragraph about the period of practice of company's activities for ten years, for example. At the end of this period the company is dissolved under Law No. (494 KM and 75 KT).

It is possible for the partners to agree on an extension of company duration for another period of time. If extension occurs before the end of the duration of the company, this shall be considered as continuation of the company, since extending the duration of the company is an amendment to the company's contract, where amending the contract is possible while the company exists. But if the extension of the duration of the company occurs after the expiry of the duration, this shall mean establishing new company, since the first company shall have been dissolved under the law at the end of the duration. As we said the company duration extension may be explicit, but it might be implicit, if the partners continue, after the expiry of the duration of the company to carry out the business for which the company was established.

As it is possible for the partners to extend the duration of the company, it is also possible for them to shorten the duration at any time, that to agree to dissolve the company before its duration expiry. In this case all partners shall agree on that under 497/2 KM, but if it is explicitly stated in the company's contract that the majority of partners may decide the dissolution of the company, then such agreement shall be correct. Also due to difficulty in getting this majority in the case of joint stock companies, the legislator authorizes the unusual general assembly to dissolve the company provided that the quorum is met and the majority stipulated in Article 222 / KT

Two : The expiry of the project or the business for which the company had been founded, or the impossibility of completion.

If the company is founded for the purpose of construction a road or a bridge or a port, then its duration shall end by the completion of that project or the non possibility of execution.

Three – Total Loss Of The Company's Money

The company's duration shall end by the total loss of company's money or big part of it, so there is not use of existing anymore under Article 495 / 1 KM. Article 75/1 of Law of trade stipulates that the company shall be dissolved by the termination of project for which it had been founded, as if the company were founded to invest some concessions or to exploit a mine or a factory.

It is noted that company almost total loss of money is considered as total loss of company in terms of dissolution, provided that the remaining part of the money do not suffice to carry out business and activities of the company. Courts shall have the

right to assess the condition whether the partial loss requires company's duration termination or not.

Four – existence of fair reasons :

Article 75/2 of KT – Law of Trade stipulates that it is always possible for the court to judge according to the request of partners or one of them, either to dissolve the company for fair reasons or to get one of the partner out because of his non observance to the his obligation towards the company.

The Court shall not judge for the dissolution of the company unless the two conditions are fulfilled:

A request submitted by the partners or one of them, and there are some fair reasons justifying that, such as the infection of one of the partner with a disease or mental disease that disables him in the management of the company, or the occurrence of some disputes between the partners, that can not be settled amicably, so the business of the company is hindered, or because a severe unexpected economical crises, so the continuation of the activities of the company become difficult.

The Partners shall have the right to refer to the court not seeking settlement, but rather seeking getting one partner out because of his rigidity in payment of his obligation as if he refrains from presenting his share in the capital or because of his unreasonable conducts that may hinder the activity of the company.

The Reasons Of Dissolution Of The Individuals Companies

The reasons of dissolution of the joint company are :

One – withdrawal of one of the partners:

Article 76 of Law of trade (KT) stipulates that the joint company shall be subject to one of the following dissolution reasons, in addition to the general causes of dissolution of companies, to the following reasons:

“ The wish of one of the partners if the company is founded for indefinite period, and that partner's withdrawal does not affect the interest of the company during the conditions in which it occurs”.

Out of this text it is clear that the partner freedom is restricted within the following two conditions:

- 1- the company is founded for an indefinite period: if the text of the company's contract stipulates a definite but not long period of company duration, then the partner is not allowed to withdraw during that period, but if the company' duration is indefinite or if the duration of the company is long, for example it may be for the age of the normal person, then the partner shall have the right to withdraw from the company under his will , since this partner may turn away from being member of the company for any reason, and it will not be possible to force him to stay forever.
- 2- Withdrawal shall be done in good faith, so it is not resulted in damages to the legal interests of the company, for example a withdrawal of a partner after a short period form foundation, and before getting the profits, some of which shall be assigned for covering the expenses incurred by the company during foundation period. If the court finds that the withdrawal from company is not in a suitable time it may consider it null and void.

Two – the death of one of the partner:

The principle is that the death of a partner shall result in the dissolution of the joint company and all individuals companies, where his inheritors shall not replace him due to lack of personal capacity. But this sudden dissolution may cause harm to the interest of all partners, either the interests of the living partners or his inheritors, specially if the company has reached its profit maturity date, therefore Article No. 77 of Law of trade (KT)stipulates that the joint company in case of the death of one of the partners shall continue between the living partners, unless the bylaw of the company states otherwise. But the company, then, is shifted into limited partnership, in which the spouse or the relatives shall be silent partner, and this rule shall, definitely be applied when there is no dissenting text in the company's bylaw.

Three – if one of the partners loses his legal capacity or he declared his bankruptcy.

The joint company shall be dissolved if one of the partners has been placed under guardianship, after declaring him legally incompetent, due to foolishness, insanity or madness.

Also the company may be dissolved under the power of law if one of the partners become bankrupt, since the trust in the partner has collapsed, and to continue working with him will not be desired.

Nevertheless the other partners may decide, in the previous cases, to continue with the company between them with the majority of votes away from the withdrawn partner or who lost his capacity or who becomes bankrupt, then, they have to do the legal registration under Article 76/2 Law of trade (KT).

Company dissolution registration :

The company dissolution shall be registered so the others take note of that, , this registration shall be done in the same method and procedures through which the company contract was registered under Article 79 of Law of Trade (KT) which stipulates " the dissolution of a company shall be registered as the foundation document was registered and at the same time, except in the case when dissolution is done in accordance with the foundation document. The same would be applied when a partner is got out, and the company continuation after the death of one of the partners".

It is clear out of this text the necessity of dissolution registration if the cause is bankruptcy of one of the partners or losing his competency, or because the partners unanimously agree to dissolve it, since its duration has come to an end, as if the it is dissolved because of its duration expiration or because the project for which the company was founded, then there is need for dissolution registration, where it is assumed that the others have been advised with these through company's contract registration upon foundation.

Company liquidation and money division:

Company's dissolution shall result in the necessity to liquidate it definitely. Liquidation means to carry out the necessary processes to make all company's assets divisible among the partners, this requires completion of the operations which the company started but has not completed them before dissolution, and collecting the loans of the company from the debtors, and paying the debts to the creditors, and to place the net of the money at the disposal of the partners for division, therefore liquidation is an intermediate process between company dissolution and division.

THE INSTRUCTIONS OF THE MINISTRY OF SUPPLY AND INTERNAL TRADE.

- 1- circulation /20/ registration procedures and registration of the investment projects.
- 2- Circulation 10 about the registration procedures
- 3- Circulation concerning the governing provisions of the meeting of the general assembly of companies.
- 4- Circulation concerning the governing provisions of the meeting of the general assembly to the limited liability companies.
- 5- Circulation about the instructions addressed to the auditors concerning the submission of the reports related to the companies.

CIRCULATION NO. 20

Clarifying the method of doing the registration and the investment projects, which are governed by the Law of investment No. 10 for the year 1991, please be advised of the following:

- 1- The combined joint stock companies of the two kinds: (which shares are floated for public underwriting, or the anonymous company which shares are not floated for public underwriting) and the combined limited liability companies, which the public sector owns not less than 25% of the capital.
 - The Prime Ministry shall issue the resolution of foundation license and the bylaw attestation (the first resolution shall be signed by the chairman of the supreme investment council, while the other two resolutions shall be signed by the prime minister.).
 - The board of directors of the joint stock companies and the founders of the limited liability companies, shall proceed towards registering the company in accordance with the Provisions of Articles No. 124 & 289 of the Law of Trade, and as follows:
 - i. Deposit a copy of the foundation contract and the bylaw at the correspondence office of the Court of First Instance in the area of the headquarter of the company.
 - ii. They shall also register the company with the commercial registrar in accordance with Article 26 of the Law of Trade.

The capitals are registered in accordance with the resolutions of foundation license, and the bylaws, and the founders of the limited liability companies shall deposit the stipulated capital completely at the Commercial Bank Of Syria before registration, and the names of the chairman of the board and the members, and the auditors of the joint companies, managers and auditors of the limited liability companies and the portions or shares and their names. As for the joint stock companies, it is required to pay 50% of the value of the underwritten shares to the bank, provided that underwriting covered 75% of shares at least.
- 2- The joint stock company with its two kinds, and the special limited liability companies :

- the resolution to include in the Law of Investment shall be issued by the Chairman of the Supreme Council of Investment, while the license of foundation shall be issued by the Prime Minister. As for the resolution to ratify the bylaw, it shall be issued by minister of supply and internal trade.

These companies shall carry out the registration process as per what indicated in the combined companies.

- The partnership and limited partnership companies:

- the resolution to include in the Law of Investment shall be issued by the Chairman of the Supreme Council of Investment, while the founders shall prepare the foundation contract which stipulates that the capital shall not be less than SP. 10 million in accordance with the Law of Investment, under which it is not possible to get the value of the fixed assts required such as machineries, tools, equipments and means of transportation and all the imported means of productions to be used strictly in the project, shall not be less than SP.10 million.
- The managers of these companies shall carry out the registration process in accordance with Articles 26 & 27 of the Law of Trade, where the names of the acting partners shall be stated in the registration certificate of the company, but as for the limited partnership companies the names of the acting partners shall be stated but not the silent partners, and in addition to names of the partners the word “ and partner “ shall be added.

Individual Establishments :

The Commercial Registrar issued a certificate of registration to the merchant the owner of an Investment project based on the resolution issued by the Chairman of the Supreme Council of Investment to include his project in the Law of Investment. If the owner of the project has already registered with the commercial registrar, then the inclusion in the law of investment shall be added, with all requirements to start the project in terms of importation of raw materials needed.

And to follow up the foundation of companies of various types and the individual projects, they shall be registered officially.

We would like you to send us copy of the registration certificate at you register in order to add it to the files of these companies duly, and same copy to be sent to the Investment Bureau in Prime Ministry.

Damascus, 26.02.1992

Minister of Supply and Internal Trade
Hassan Saqqa

CIRCULATION NO. TEN 10

One – for the individuals companies:

1- in accordance with the Articles : 45,51,59,66,312 of the Syrian Law of Trade No. 194 for the year 1949 and amendments

Whereas the Law has made it necessary to register the companies of individuals (partnership – limited partnership) in the names of the owners and to register them under this basis. It is not allowed to bypass this name or address or replace it with any logo, but in accordance with the Provisions of law, we deem it possible to add a commercial logo to the store or the company, provided that the logo shall be added to the heading which is the names of the owners of the company, and the logo shall be place between two brackets (...) after the heading directly, noting that the usage of the logo only without the heading of the company in the correspondence and printed matters or the products of the company, shall be considered as a breach to the law, and shall result in judicial disputes, and shall oblige us to take the legal actions duly.

- 2- the production and touristic services companies may use a distinctive mark or a service mark added to the heading, but after registering it duly with the commercial and industrial Patent protection in Ministry.
- 3- Our circulation No. 66 dated 11.07.1993 and No. 46 dated 24.08.1992 shall be null and void.

Two – about the association of capital

1- in accordance with the articles 88,90,100,102,124,288,105,289 of the Syrian Law of Trade nNo. 149 for the year 1949 and our circulation No. 20 dated 26.02.1992,

The certificate licensing association of capitals (stock company – limited partnership – limited liability) , and the resolution attesting the bylaw of these companies shall be issued by the competent authorities.

The founders shall, as soon as the license is issued and the bylaw is attested, carrt out the registration process including the registration with the commercial registrar.

Whereas registration with the commercial registrar comes later after the issuance of the license and the attestation of the bylaw, then the commercial registrar shall not proceed with any registration process in the commercial register unless they are notified by the ministry with an attested copy of the bylaw and the license resolution, and according to the set procedures, observing the rules of circulation No. 20 for the year 1992.

Damascus, 19.01.1995

Minister of Supply and Internal Trade
Nadeem Akash

To / Company -- joint stock company

The Law of Trade defines the principles of holding the meeting of the ordinary general assembly and the unordinary ones.

Also it defines the responsible party for calling for these meetings, and the punishments to be taken against it in case of any breach is committed. Launching from the care for company management and the correctness of the procedures, then it is necessary to comply and observe the provisions of law to avoid any breach of law, which hinders the progress of the company and weakens the position of the management in addition to its being subject to legal accountability.

To clarify this, here below are the governing rules for these meetings:

One – the governing rules for the ordinary general assembly:

Article 214 of Law stipulates the following:

“ The ordinary general assembly convenes based on a call by the Board of Directors at the times defined in the bylaw.

Article 215 of law stipulates the following:

- 1- the ordinary general assembly convenes once a year at least in the time defined in the bylaw provided that it shall be before the end of five months following the end of the financial year of the company.
- 2- It can be called also in the conditions stated in the law or based on a written request sent to the Board from the auditor of the company or from shareholder possessing not less than one tenth of the shares of the company.

Article 217 of law stipulates :

- 1- the first session of the ordinary general assembly shall not be considered legal unless it is attended by shareholders representing half of the underwritten shares of the company .
- 2- if the quorum has not met in the first session, then the second session shall be considered legal regardless the number of the represented shares.

Article 219 of law stipulates the following:

- 1- the jurisdiction of the ordinary general assembly shall include making decisions to the benefit of the company.
- 2- The following subjects shall be added to the agenda items of the annual meetings:
 - a. The report by the board of directors
 - b. The report of the auditor concerning the conditions of the company and its balance sheets and the accounts presented by the board of directors.
 - c. Discuss the accounts and endorse them.
 - d. Elect the members of the board of directors and the auditors, and define their salaries during the next financial year, unless it they are explicitly defined in the bylaw.
 - e. Determination of profits to be distributed based on the proposal of the board of directors.
 - f. Study the proposal to obtain loans or to mortgage or giving bonds and take the decisions accordingly.

- g. The auditor shall send copy of the report to be presented in front of the general assembly, to the Ministry of Supply and internal trade ten days before the assembly meeting.

Two – The governing Provisions of the unordinary general assembly:

Article 220 stipulates the following :

- 1- the unordinary general assembly shall convene upon a call by the board or upon a written request by the shareholder who hold on tenth of the shares, or upon a written request by the auditor.
- 2- The Board shall call for a meeting of the general assembly in the last two cases within a period of not more than 15 days as of the date of the request.
- 3- The unordinary general assembly shall be chaired by the chairman of the board or his deputy or by who is authorized by the board.

Also article 221 of the law stipulates the following:

- 1- the meeting of the unordinary general assembly shall not be legal unless it is attended by shareholders representing $\frac{3}{4}$ the shares of the company.
- 2- If the quorum has not met in the first session, then in the second session two thirds of the share of the company shall be represented in the meeting.

Article 222 of the law stipulates the following:

- 1- decisions are made by the majority of the shareholders representing not less than two thirds of the shares represented in the meeting.
- 2- The majority required in paragraph on shall exceed half of the total of the company's shares in the following conditions:
 - a. Amendment of the bylaw of the company.
 - b. Merging the company in another one or establishment
 - c. Dissolution of the company.
 - d. Dismissal of the board members or one of them.
- 3- As for transferring the company to outside the Syrian Arab Republic, then this shall be approved by a majority representing $\frac{3}{4}$ the capital of the company.
- 4- Review shall not be valid in issues stipulated in paragraphs 2 & 3 unless that is explicitly stated in the invitation sent to the shareholders.

Article 223 of the law stipulates the following:

The unordinary general assembly shall have the right to issue resolutions in relation to the internal affairs within its jurisdiction, and in the affairs included within the jurisdiction of the ordinary general assembly.

The board of directors shall, upon approving the holding of the meeting, to define the essence of the meeting – “ ordinary general assembly or unordinary general assembly“ , based on the issues presented before the board or which have jurisdiction to discuss, and in terms of the quorum of the assembly, and then to do the following:

- 1- prepares the agenda of the meeting including all items to be discussed by the general assembly, and to endorse them.
- 2- Prepares all documents and memos related to the issues defined in the agenda.
- 3- Define the date and place of the meeting
- 4- Send invitations to the general assembly to attend the meeting according to the date and place stated, in accordance with the Provisions of Article 224 of the Law of Trade.

- 5- Send invitation to Ministry of Supply and internal trade to nominate their representative to the meeting, attached to the invitation is the agenda items and copies of the documents and memos related to the subject to be discussed before the general assembly.

We also, would like to remind you of the provisions of Article 275 of the Law of Trade, which authorizes Ministry of Supply to control the joint stock companies in their applications of the provisions of Law and the bylaw.

We hope you adhere completely to what we instructed above, and to coordinate continuously with the Directorate of internal Trade and the directorates of Supply in the cities in relation to all problems you may face, in order to solve them promptly in accordance with the provisions of law.

Damascus, 1997

Minister of Supply and internal Trade
Nadeem Akash

To / the company ----- limited liability

Paragraph 1 of Article 303 of the Syrian Law of Trade stipulates, in relation to the meeting of the general assembly of the limited liability companies, the following”

“the managers shall invite the general assembly of the partners in the area of the company one time a year at least, and whenever it is requested by number of shareholders representing quarter of the capital.

Therefore and in accordance with the Provisions of the Law of Trade and launching from caring for the management of the company and the integrity of its procedures.

To enhance the cooperation between the ministry and the management of the company, it is essential before the annual general assembly, to observe and adhere to the provisions of the law.

We would like to remind you when preparing for the general assembly meeting, of the following :

- 1- prepares the agenda of the meeting including all items to be discussed by the general assembly.
- 2- Prepares all documents and memos related to the issues defined in the agenda, including the general managers report or the auditor report and the balance sheet.
- 3- Send invitations to the general assembly, in registered mail, observing the period stipulated for in Paragraph 2 of article 303 of the law o trade (invitation for a meeting eight days before the set time at least).
- 4- Send invitation to Ministry of Supply and internal trade to nominate their representative to the meeting, attached to the invitation is the agenda items and copies of the documents and memos related to the subject to be discussed before the general assembly.
- 5- The report of the general manager :
It shall include an explanation of the condition of the company and the work progress during the financial cycle , indicating the positive and negative points and the solutions taken, and the difficulties that hinder the progress of the company, if any, with the proposals to overcome, and a proposal for profits distribution or reconciling the losses I any.
- 6- The report of the auditor:
 - a. Shall include detailed explanation with analysis of the final accounts and balance sheet and his proposals in this context.
As for the balance sheet it shall be endorsed by the general manager and the finance manager and the auditor himself.
 - b. The auditor shall send copy of the report he submitted to the general assembly to the ministry of Supply and Internal Trade ten days before the date of the meeting of this assembly.

Also we would like to indicate that non observance of the call for a meeting of the general assembly on the date specified in the bylaw, obliges us to call to account for this delay.

We hope you adhere to what we stated above, and to coordinate continuously with the Directorate of Internal Trade concerning the period of holding your ordinary general assembly.

Damascus 10.03.1997
Minister of Supply And Internal Trade
Nadeem Akash

To the Chartered Accountants Association

By virtue of articles 214 & 303 of the Law of Trade concerning the Provisions related to the meeting of the general assembly of the limited liability and joint stock companies.

Since the report of the auditor for the financial cycle of the company is one to the documents that are required to be discussed and attested by the meeting of the general assembly of the company, please direct the chartered accountant members of your association, and who are elected by the general assemblies of limited liability and joint stock companies, with the necessity to provide us with their reports ten days, at least, before the date of the meeting of the general assembly of the company. Their reports shall include detailed and sufficient explanation with analysis of the final accounts and the annual balance sheets, and their proposal accordingly.

Thank you for your cooperation.

Damascus 09.03.1997

Minister of Supply and Internal Trade
Nadeem Akkash

**FOUNDATION OF COMPANIES IN ACCORDANCE WITH THE
PROVISIONS OF LAW OF INVESTMENT NO. 10 FOR THE YEAR 1991**

- the general and special provisions for the foundation of combined companies under the Law of investment No. 10.
- Circulation of Ministry of Supply and Internal Trade No. 20 for the year 1992, concerning the explanation about the registration procedures of projects that are governed by the Law of Investment No. 10 .
- form of request for license to found company.
- Form of the bylaws of the limited liability and joint stock companies .
- Form of request to include a project in the Law of investment No. 10.

On 04.05.1991 the Law of Investment had been issued with the aim to support and encourage investment in all developmental projects in Syria.

The Law stipulates that the combined projects licensed under its Provisions, shall have the form of limited liability or joint stock companies, with 25% of capital contribution by the Public Sector. Here below are:

- a- the general provisions of foundation of the licensed combined companies under its provisions.
- b- The special provisions to found a combined joint stock company, which shares shall be floated for public underwriting.
- c- The special conditions to found a combined joint stock company which shares shall not be floated for public underwriting, and the limited liability companies.
- d- The special provisions to found projects by individuals or companies not combined.

Note: to get the forms stated above, or for more information please contact the bureau of investment – reporting to the Prime Ministry at the following address:

Damascus – Baghdad Str. – Ma’radh Bus stop

Tel. 4412039 – 4410448

Telex : 413102

Fax : 4428124

a-

**THE GENERAL PROVISIONS OF FOUNDATION OF COMBINED
COMPANIES**

Bylaw :

The founder shall draft a bylaw of the combined company to fit its nature and formation. This bylaw shall be issued by means of a resolution by the Prime Minister after getting the approval of the Supreme Council Of Investment.

The combined company established under the Provisions of the Law of Investment is considered as one of the Private sector companies, where it shall not be subject to the provisions and restrictions, nor to the legal texts concerning the companies of the public sector regardless the contribution of the state and the parties of the public sector in that company.

Other procedures :

- a- exception to the provisions of Law No. 134 for the year 1958 and the Legislative Decree No. 49 for the year 1962 and amendments, the board of directors shall set a bylaw of the combined company observing the Provisions of the Labor Law No. 91 for the year 1959 and amendments, where it shall be issued buy a resolution by the Prime Minster.
- b- The Board of director issues the financial system and the accounting system of the company based on the forms prepared for that purpose by Ministry of Finance, and shall issue the other systems of the company by means of a resolution by the board of director of the company.

Company Management :

- a- The company is managed by a board of director composed of number of the members as defined in the bylaw. The representatives of the public sector are assigned by the Prime Minister under a proposal by the competent minister.
- b- The general manager of the company is assigned by the board of directors. The general manager is not allowed to join between tow posts (as general manager and member to the board and another post)

B-

**THE SPECIAL PROVISIONS TO FOUND COMBINED JOINT STOCK
COMPANIES THAT FLOAT THEIR SHARES FOR PUBLIC
UNDERWRITING**

- a- the founders submit a request for license to found a combined joint stock company to the competent ministry attached to feasibility study, explaining its purpose, targets, capital and the project that it intends to execute and the name of founders, and their contribution in the capital and percentage of share to be floated for public underwriting.
The request for license shall include a delegation for one person or more to sign the bylaw of the company in its final form.

- b- The competent minister shall show its opinion in the feasibility study and its compliance with the economical and developmental targets of the country within a period of 30 days maximum as of the date of registration of the request fulfilling the legal conditions and attached to all required documents to be raised to the council through the bureau recommending the public sector party to be partner in the company.
The competent ministry shall have the right to request the investor to present any information, documents that enable studying the issue, provided that shall not delay the request transference to the Council for more than thirty days
- c- The Council shall take a decision about the request it received within a period no more than thirty days as of the date of registration in the bureau, where the Prime ministry shall issue, upon the approval of the council a foundation resolution of the company as per the forma attached.
- d- If the projects of the company are numerous, and the its relation is split with many ministries, then the foundation request shall be submitted to the Council directly which in turn shall transfer it to the competent ministries to show their opinions –each within their jurisdiction – in the light of the feasibility study of the project and the extent of its compliance with the economical, social and developmental plan, and shall respond to the council with the results within 30 days maximum as of the date of request registration duly, where the same procedure shall be taken s stipulated in paragraph c above.

THE PROCEDURES OF THE FOUNDATION OF A COMBINED JOINT STOCK COMPANY

- a- The founders, from the private sector, shall, in coordination with the public sector party which shall contribute in the capital of the company, organize all process of public underwriting and control them and carry out all works required by the founders under the text of the Syrian Law of trade No. 149 for the year 1949 and amendments.
- b- The announcement for underwriting shall include the information stipulated for in the Law of trade, and shall be published in the gazette and in two daily newspapers at least in the area of the center of the company, and in one newspaper in the other governorates in which underwriting is opened.
- c- Underwriting shall continue for two months.
- d- If underwriting exceeds number of floated shares, the surplus shall be distributed among the underwriters as a fine, where the underwriters that have underwritten with small number of shares shall be observed.
- e- If during the underwriting period the underwritten shares do not reach $\frac{3}{4}$ of the total of shares, then it is possible to extend the period for another equal period, under a resolution by the competent minister. If the underwriting percentage after the new period end is still less than $\frac{3}{4}$ of the total of shares, then the Provisions of Article 112 of the Law of Trade shall be applied, unless the competent authority, under the approval of the council, covers the shares at least without covering all shares, including the contribution of the State. The foundation process shall be completed as if the whole shares are covered.

- f- Underwriting shall be done a bank or banks of the Syrian banks, and the banks abroad which are approved by the Commercial Bank Of Syria for the external underwriting.
- g- Upon underwriting 50% of the nominal value of shares shall be paid for every share, while the remainder shall be paid within the period defined by the bylaw. The payments for underwriting by the Syrian immigrants and the citizen of the Arab states and foreigners shall be in foreign currency, based on the exchange rate of the neighboring countries, and based on the exchange rate bulletin issued by the CBS.
- h- For all that is not covered by a text in the Law Of investment, the company shall be subject to the Provisions of the Law Of Trade No. 49 for the year 1949 and amendments; and to the provisions of bylaw and these instructions.
- i- The combined companies founded shall be exempted form the Stamp fee tax imposed on shares issuance, under the Provisions of this law.

C –

THE SPECIAL PROVISIONS TO FOUND COMBINED JOINT STOCK COMPANIES, WHICH DO NOT FLOAT THEIR SHARES FOR PUBLIC UNDERWRITING, AND THE LIMITED LIABILITY COMPANIES.

The combined joint stock companies, that do not float their shares for public underwriting and the limited liability companies, shall be subject to the Provisions of the Law of Investment and their bylaws and Articles 21,22,23 and 24 of the Instruction of the Prime Ministry No. 7 dated 10.06.1991 concerning the bylaw and the others systems stated in the general provisions of the foundation of the combined companies, and in other issues the Provisions of the Law of Trade No. 49 for the year 1949 and amendments shall be applied, whether on the procedures of foundations or registration or management.

D –

THE SPECIAL PROVISIONS TO FOUND PROJECTS BY INDIVIDUALS OR THE UNCOMBINED COMPANIES

- a- the investor or his authorized representative shall present a request to execute a project that is owned by individuals or uncombined companies, to the competent authority in accordance with the form prepared by it, attached to all required things. The request shall be registered on the date of presenting in a special record, and the concerned person shall be given a voucher with a reference number and date of registration.
- b- The competent authority shall study the request of the investor, and transfer it to the Council with its opinion within a period not more than 30 days as of the date of registration.
- c- The Council shall study the request at the very first meeting after the date of receipt of the request by the council, and shall have the right to seek any information form either that authority or the investor himself (including any statements, clarifications, documents,) as it may deem appropriate to decide about the issue.

- d- The council shall issue its decision with a period of one month as of the date of registration , including the basis and rules adopted for execution of the project, including it legal shape and targets and capital of the investor, and the investment coasts and the value of the materials and equipment, machineries required to be imported from abroad and the sources of financing.
- e- The concerned person may present a complaint to the bureau directly in case of unapproved request, the council may review the case in the light of the new documents or the clarifications submitted by the concerned persons.

After we stated the general and special provisions to found combined companies under the Law No. 10 of investment for the year 1991, we see it is very necessary to mention the clarification issued by the Ministry of Supply and Internal Trade under the Circulation No. 20 for the year 1992 about the registration procedure and investment projects registration that are governed by the provisions of the stated law.

The circulation included the following :

1- for the combined limited liability and joint stock companies:

- The decision to include a company under the provision of the Law of investment: to be issued by the Chairman of the Supreme Investment Council.
- The foundation license resolution and attestation of the bylaw shall be issued both by the Prime Minster.
- The Board of directors and the founders have to carry on the registration process as follows :
 - i. Deposit a copy of the foundation contract and the bylaw at the correspondence office of the Court of First Instance in the area of headquarter of the company.
 - ii. Register the company with the commercial registry.

2- For the special joint stock and limited liability companies:

- The decision to include a company under the provision of the Law of investment: to be issued by the Chairman of the Supreme Investment Council.
- The foundation license resolution and attestation of the bylaw shall be issued both by the Prime Minster.
- Attestation of the bylaw : to be issued by the Minister of Supply and Internal Trade.
- Registration Process : as stated in the combined companies.

3- For the partnership or limited partnership companies :

- a resolution to include the company in the Law of Investment to be issued by the Chairman of the Supreme Investment Council.
- The managers have to carry out the registration process under the provisions of Articles 26 & 27 of the Law of Trade.

Here below is the text of the circulation No. 20

b-They shall also register the company with the commercial registrar in accordance with Article 26 of the Law of Trade.

The capitals are registered in accordance with the resolutions of foundation license, and the bylaws, and the founders of the limited liability companies shall deposit the stipulated capital completely at the Commercial Bank Of Syria before registration, and the names of the chairman of the board and the members, and the auditors of the joint companies, managers and auditors of the limited liability companies and the portions or shares and their names. As for the joint stock companies, it is required to pay 50% of the value of the underwritten shares to the bank, provided that underwriting covered 75% of shares at least.

2-The joint stock company with its two kinds, and the special limited liability companies :

- the resolution to include in the Law of Investment shall be issued by the Chairman of the Supreme Council of Investment, while the license of foundation shall be issued by the Prime Minister. As for the resolution to ratify the bylaw, it shall be issued by minister of supply and internal trade.

These companies shall carry out the registration process as per what indicated in the combined companies.

3 - The partnership and limited partnership companies:

- the resolution to include in the Law of Investment shall be issued by the Chairman of the Supreme Council of Investment, while the founders shall prepare the foundation contract which stipulates that the capital shall not be less than SP. 10 million in accordance with the Law of Investment, under which it is not possible to get the value of the fixed assts required such as machineries, tools, equipments and means of transportation and all the imported means of productions to be used strictly in the project, shall not be less than SP.10 million.

- The managers of these companies shall carry out the registration process in accordance with Articles 26 & 27 of the Law of Trade, where the names of the acting partners shall be stated in the registration certificate of the company, but as for the limited partnership companies the names of the acting partners shall be stated but not the silent partners, and in addition to names of the partners the word “ and partner “ shall be added.

Individual Establishments :

The Commercial Registrar issues a certificate of registration to the merchant the owner of an Investment project based on the resolution issued by the Chairman of the Supreme Council of Investment to include his project in the Law of Investment. If the owner of the project has already registered with the commercial registrar, then the

inclusion in the law of investment shall be added, with all requirements to start the project in terms of importation of raw materials needed.

And to follow up the foundation of companies of various types and the individual projects, they shall be registered officially.

We would like you to send us copy of the registration certificate at you register in order to add it to the files of these companies duly, and same copy to be sent to the Investment Bureau in Prime Ministry.

Damascus, 26.02.1992

Minister of Supply and Internal Trade
Hassan Saqqa

Here below we give the forms adopted by the Bureau of investment concerning the requests for licenses to found companies and the bylaws:

- 1- Form of request for license to establish a non combined joint stock company.
- 2- Form of request for license to found a limited liability company
- 3- Form of the bylaw of a joint stock company.
- 4- Form of the bylaw of a limited liability company.
- 5- Form of request to include the company in the law of Investment No. 10.

1- FORM OF REQUEST FOR LICENSE TO ESTABLISH A NON COMBINED JOINT STOCK COMPANY.

In the name of " name of company " joint stock company with a capital of () Syrian Pounds.

The founder stated in the attached table decided to found a joint stock company – that floats its shares for public underwriting, based on the Provisions of the Law of Trade No. 149 for the year 1949 and amendments, and to the provisions of the Law of Investment No. 10 for the year 1991 and according to the following basis :

- Commercial name of company : - - - - - Joint Stock Company
- The target of the company : execute – name of project
- The purpose of the company:
- The duration of the company:
- Its headquarter :
- Company's capital upon foundation -----Syrian pounds, distributed on () shares, with a nominal share value of () SP.
- Underwriting of the capital : the shares of the company shall be underwritten according to the following:
 - a- (for the joint stock companies (closed companies) : the founders underwrite the whole amount of the capital of the company according to the attached table, or the founders underwrite for (%) of the capital of the company , and the partners shall underwrite the remainder of the capital, as specified in the attached table.
 - b- For the companies that floats its shares for public underwriting:
 - a. The founders underwrite for (%) of the capital of the company, as specified in the attached table.
 - b. The remaining shares shall be floated by the founders for underwriting in accordance with the Provisions if Law Of Trade and the bylaw of the company.

Payment of the nominal value of shares of company:

The nominal value of shares shall be paid cash according o the following:

- 2- the balance of the value of the nominal shares shall be paid cash in accordance with the Provisions of the company's Bylaw.
- 3- The value of the shares of the Syrian immigrants, and the citizens of the Arab and foreign states, in foreign currency in USD based on the current price of the neighboring markets and in accordance with the bulletin of foreign currency exchange rates issued by the Commercial Bank of Syria on the date of underwriting announcement.
- 4- It is possible for the Syrian citizens to pay the value f the shares in foreign currency they possess inside the Syrian Arab republic or transferred from abroad through one of the banks inside the Syrian

Arab Republic, or by one of the methods approved by the currency bureau and in accordance with the observed principles.

The founders present attached a draft of the bylaw of the company and the feasibility study of the project ---- which the company intends to execute in accordance with the Law of Investment.

We kindly seek the following :

- 1- to issue the necessary resolution and accept to include the project ----- name of project, in the provision of the Law of Investment No. 10 for the year 1991, and making use of the rights and exemption and privileges and facilities stated in the said law.
- 2- Issue the necessary resolution for license to found the company.
- 3- Issue the necessary resolution for the attestation of the draft bylaw attached with an indication that the founders have authorized Mr. ----- to sign on the final draft of the said bylaw.

On behalf of the founders

Syrian Arab Republic
Prime Ministry

Subj.

Re.

Name of underwriter	Nationality	% underwriting	No. of shares	Value	Signature

2-FORM OF REQUEST FOR LICENSE TO ESTABLISH A COMPANY.

In the name of " name of company " limited liability company with a capital of () Syrian Pounds.

To : The Manager of the Bureau of Investment

The founder stated in the attached table decided to found a limited liability company – with a capital (), based on the Provisions of the Law of Trade No. 149 for the year 1949 and amendments, and to the provisions of the Law of Investment No. 10 for the year 1991 and according to the following basis :

- Name of company : - - - - - Limited Liability Company
- The target of the company :
- The duration of the company:
- Its headquarter :
- Company's capital upon foundation -----Syrian pounds, distributed on the shares which value is stated in the attached table, and the document certifying the company payment of the whole value, shall be deposited with the registrar, in accordance with the Provisions of Article 291/3 of the Law of Trade.

The founders present attached a draft of the bylaw of the company .

We kindly seek the following :

- 1- to issue the foundation license resolution by the Prime Minister, in accordance with the Provisions of the Law of Investment Paragraph G – of article 6.
- 2- Issue the necessary resolution by the Minister of Supply and Internal Trade, to attest the bylaw of the company in accordance with the Provisions of the Law of Trade and the resolution of the Supreme Council for Investment in its session No. 3/s dated 22.09.1991.

Founders

Attached Table

Name of Partner	Nationality	Value of portion	% to Capital	Signature

Total

**THE BYLAW OF THE JOINT STOCK COMPANIES FOUNDED IN
ACCORDANCE WITH THE PROVISIONS OF LAW OF
INVESTMENT**

The bylaw of the joint stock companies founded under the Provisions of Law of Investment No. 10 for the year 1991, is identical to the bylaw of the joint stock companies stated in Section Three of this book, with the exception of some articles.

In order to avoid duplicity in printing all articles of the stated bylaw, we deem it appropriate to state these articles, indicating the required amendment.

Here below is the text of the articles to be amended:

In Section One (General Provisions):

Article 1 - the company () joint stock company, had been formed in accordance with the Provisions of the Law of Investment No. 10 for the year of 1991, and the Law of Trade No. 49 for the year 1949 and amendments.

Article 2 – without prejudice to the Provisions of the valid laws and regulations, and especially Law No. 10 for the year 1991 and executive instructions, the company shall have the right, to achieve its targets, to do the following:

- a- import all requirements of production of machineries and tools, equipment and necessary spare parts, the materials required for the construct and operate its projects under the Law No.10 for the year 1991.
- b- Filling, packing and marketing the products inside and outside the country.
- c- For that purpose the company may, also, contribute or participate in similar or complementary projects with other, provided they should be licensed duly under the Provisions of Law No. 10 for the year 1991.
- d- Get any rights or privileges that it deem necessary and suitable for the company's target, and within its actual limits of requirements including any lands or real estates, factories or goods, and it shall construct and maintain and carry out any modifications on the buildings it owns that are required to achieve the targets of the company.
- e- Get the required licenses patents and rights for the industry and all related accessories, and shall purchase or possess and extend their validity and invest same and operate under these licenses or grant licenses or privileges.
- f- To obtain loans or to collect money the way it deems appropriate from inside or / and abroad.
- g- Any works or conducts or conclusions of any contract it deems required to achieve its targets.
- h- Import and purchase of means of transportation required for it operations.

IN SECTION THREE : (THE CAPITAL AND SHARES AND BONDS OF COMPANY)

Article 9 – payment of the nominal value of the shares of the company :

Payment of the nominal value of shares is done as follows:

- 1- Upon underwriting (%) of the nominal value of shares shall be paid.
- 2- The remainder of the nominal value of shares shall be paid under the Provisions of the bylaw of the company.

Payment of the nominal value of the shares shall be paid in the Commercial Bank of Syria as follows:

- a- upon underwriting 50% of the nominal value shall be paid
- b- the balance of the nominal value of shares shall be paid in numbers of installments to be defined by the Board of directors with the date of payment of these installments, according to the program of the company and its requirements, provided that payment of the whole value of the underwritten shares shall be done within a period of two years as of the date of the foundation of the company in no more than five installments.
- c- Payment of the value of the shares by Syrian immigrants and the citizens of the Arab and foreign states in foreign currency based on the current price in the neighboring markets and according to the bulletin of the prices of the foreign currencies issued by the Commercial Bank Of Syria on the date of announcing for the underwriting.
- d- The Syrian citizens may pay the value of the shares in foreign currency they possess inside the country, or transferred by them duly from abroad , under the Provisions of Articles 16 – 23 of the Law of investment and Articles 14 – 30 of its Executive Instructions, and the value of the foreign currency shall be defined under he Provisions of Paragraph C of this Article.
- e- Underwriting is done through a special certificate, and the underwriter is given a voucher for the underwriting, and the paid installment. This process is subject to the Provisions of Article No. 109 of the Law of Trade.
- f- The company shall send to the Ministry of Supply copy of every all for payment of installments, and shall notify it with the number of shares covered and the paid installments.

In section seven (the accounts and finance of the company)

Article 74 – depositing company's money :

- 1- in accordance with the Provisions of Article No. 16 of law of investment No. 10 for the year 1991 and its Executive instructions, the

company may have the right to open an account in foreign currency at the commercial Bank of Syria in favor of its project approved by the Supreme Council of Investment, to charge the credit side with the following:

- a. 100% of paid capital of the project and the loans that may be got in foreign currency.
- b. 75% of the total foreign currency resulted from the export revenue and the services produced as a result of the project's activities.

While the debit side, of the said account, shall be charged with the required amounts to cover all costs and requirements of the project from foreign currency of which are the following:

- The value of the machineries and vehicles and equipment, and the required materials to construct and operate the project or to develop or extend it.
 - The raw materials and semi-manufactured materials and the accessories required for the production process.
 - Spare parts and renewing the depreciated machines.
 - Installments of loans and the due interests on loans of the project in foreign currency.
 - The mature amounts of interests and profits transferable annually of the resident Syrians or the immigrants and the citizens of the Arab and foreign states, who transfer the value of their contributions in foreign currency from abroad by one of the banks inside the Syrian Arab Republic, or by one of the means approved by the currency bureau and under the rules applied. Also the due amounts transferable to outside for the laborers of the projects of other than Syrians and alike through the Commercial Bank Of Syria.
 - The amounts due on the project and shall be paid and transferred to outside in foreign currency through the Commercial Bank of Syria based on documents and papers duly.
 - The cost that are required to be paid inside the Syrian Arab Republic in foreign currency.
 - The insurance installments that the project undertakes to pay in foreign currency.
- 2- The cash amounts shall be deposited at the CBS.
 - 3- The Board of Director shall define the maximum limit of cash flow that the cashier may keep, while the surplus shall be deposited at bank under the previous paragraph.

In Section ten (miscellaneous Provisions)

Article 91 –the control of the government :

- 1- the company business shall be subject to the control of the Bureau of Investment under the Provisions of Law Of Investments No. 10 for the year 1991 and the Ministry of Supply and internal Trade, in all issues related the execution of the Provisions of Law of Trade No. 149 for the year 1949 and amendments and this bylaw.
- 2- Ministry of Supply shall have the right to charge the auditors of the company or one of them or whom it may delegate to check the accounts and records and

all its works, the auditor shall present a report to the Ministry about his findings.

**THE BYLAW OF THE LIMITED LIABILITY COMPANIES
FOUNDED UNDER THE PROVISIONS OF LAW OF INVESTMENT**

The Bylaw of the limited liability companies founded under the Provisions of Law No. 10 for the year 1991 shall be identical to the bylaw of the limited liability companies stated in section three of this book.

**REQUEST TO INCLUDE A COMPANY IN THE PROVISIONS OF
LAW NO. 10**

**5 – A request to approve inclusion of a project in the Provisions of
Article No. 10 1991**

To : Minister of : ----
From : -----

I submit this request seeking your approval to construct the project -----

Its targets: -----

In accordance with the Provisions of Law No. 10 for the year 1991 and its
Executive Instructions No. (7/MO) dated 10.06.1991.

I declare that all the information I gave concerning this project are true and
identical to reality.

Damascus, on / / 199

Name of applicant
Name of signatory

Signature :

Note :

- Applicant : is the natural or legal entity who submits this request to get a license to construct a project in accordance with the provisions of law No. 10 for the year 1991 .

1- The Applicant's Data ¹

Name :

Nationality :

(in an annex the names of the partners and their contribution shall be stated)

The address in the Syrian Arab Republic

Postal :

P.o.box :

Cable :

Tele. :

Telex :

Fax :

Address outside the Syrian Arab Republic

Postal :

P.o.box :

Cable :

Tele. :

Telex :

Fax :

2 – DATA OF THE PROJECT :

The target of the project : -----

The selected domicile for the execution of the project: -----

Number of Laborers : -----

Estimated Investment costs in Syrian Pounds:

Fixed capital : SP. -----.00 - out of which SP -----.00 in foreign currency.

Operating capital : SP. -----.00 - out of which SP -----.00 in foreign currency.

Period of execution : ----- months.

¹ - The CR number shall be added to the data of the applicant if the request is submitted by a legal entity.

3- DATA OF THE COMPANY PROPOSED TO BE FOUNDED FOR THE EXECUTION OF THE PROJECT:

Legal form :
Proposed name :
Capital of company :
Duration of the company :
Headquarter :

4- Data Of The Company / Establishment , If The Request Is Submitted By A Legal Entity:

Legal form :
Proposed name :
Capital of company / est.:
Duration of the company / est. :
Headquarter :
C. R. :

5- Name of Partners

Nationality

- 1-
- 2-
- 3-
- 4-

PROJECT ASSESSMENT

- a- The technical and economical impacts of the projects:
 - a. In the scope of developing production and utilizing new technologies
 - b. In the scope of employing Syrian manpower.
 - c. In the scope of replacing the importation
 - d. In the scope of enhancing exportation
- b- The marketing impact of the project
 - a. The extent of the local market need of the products and services
 - b. Possibility of exportation
 - c. Number of similar projects licensed under the Law No. 10 for the year 1991 and the production capacity

Number production capacity sites

- 4- the requirements of the local markets in the light of the current projects.

