Executive Regulations of Law No. (9) Of (2010) Concerning Investment Promotion

Executive Regulations of Law No. (9) of 1378 FDP, 2010 AC Vis-à-vis Investment Promotion.

Section One

General provisions

Article (1)

Definitions

In applying the provisions of this regulation, the following words and expressions shall have the relevant meanings there of, unless the context indicates otherwise:

- State – The Great Socialist People's Libyan Arab Jamahiriya (LIBYA).
- Investment Promotion Law- law No. 9 for 2010 vis-à-vis investment promotion.
- Authority – The General Authority for Privatization and Investment.
- Concerning Minister – Minister of industry, economy and Trade.
- Investment Site –Any vacant land or real estate on which the investment project is built shall be submitted in time to the Authority in accordance with the conditions and procedures specified in accordance with the legislation in force.
- Raw materials – raw materials or partially manufactured which are essential for operating the investment project.
- Project's legal form – It means the legal form possessing the investment project or oversees its management.
- Decision for approval – the decision issued by the concerned Ministry allowing construction of the investment project.

- Execution license – the license which is issued by the authority by which execution of the investment project can commence.
- License for exercising activity – A license which is issued by the authority and by which the investment project could commence its activity.

Article (2)

Estimation of the in-kind and intangible share *

If the invested fund (capital) contains quota (intangible share) or in kind or goodwill, its value is estimated by an agreement between the investment project's party(ies) after its endorsement by Chartered Accountant or an Auditing Firm outside Libya that is recommended and endorsed by the Libyan Embassy or the replacement abroad.

*Goodwill is an intangible asset, and it comes in a variety of forms, including reputation, brand, domain names, and intellectual property..etc.

Article (3)

Reinvestment of profits

The control for reinvestment of the investment project profits is determined by a decree from the concerned Secretary on proposal from the Authority.

Article (4)
Investment fields

It is permissible to invest capital stated in article (2) of these regulations in all productive and service fields with the exception of the fields for exploration, extraction and marketing of oil and gas.

The decision for specifying the fields which are limited for Libyans only or participation with foreigners and the investment percentage of each party in the investment project is issued by the General Peoples Committee on presentation and/or proposal from the concerned Secretary.

Article (5)
Capital of the investment project

The minimum foreign capital requirement or in case of participation with national capital in the investment project is Libyan Dinars 5 M (Five Million)

The minimum national capital requirement in the investment project is Libyan Dinars 2 M (Two Million).

Any project which achieves one of the considerations stated in article (15) of the law is exempted by a decision from the concerned Secretary on recommendation from the Management Committee.

Article (6)
Authorization for investment

Authorization for establishing, developing, rehabilitating or managing and operating of the investment project is issued by the concerned Secretary on presentation of proposition rom the Authority.

The authority is exclusively concerned with issuing the required licenses and approvals for the investment project, so that these licenses and consents dispense with any other licenses or authorizations established underlegislations in force.
The investor who obtained license for investment according the provisions of these rules will have the right to extend the project, develop and to make addition or amendment of some activities pertaining to it. The investor should provide the Authority with detailed memo stating type and value of extension, development, or adjustment to be carried attached to the general assembly's decision in this respect and consequently, a decision is issued from the competent secretary on recommendation by the Authority.

Article (7)
Suspension of granting permits

Granting permits for establishing investment projects in some fields or regions may be suspended for a specified period by a decision of the competent Secretary based on a recommendation by the Authority.

Article (8)
The Legal forms that undertake investment activity

The investment project exercises its activity in accordance with the provisions of this regulation and the relevant legislation through all the legal forms stipulated in the commercial law and the investment project register in the investment register of the authority in accordance with the procedures and rules set forth in this regulation, with the exception of individual activity, partnerships and joint venture companies.

Section Two
Applications and granting licenses
Article (9)
Submission of applications

Investment applications are submitted by the concerned applicant or the legal person on his behalf to the authority in a special form; and applications may be submitted through the commercial attaché at the
Offices of Bretherns and Libyan Peoples Bureaus abroad or the assigned officials where these entities will relay the applications to the authority once received by them.

Where the investment applications must be in accordance with the following objectives:

1. Establishment of investment project
2. Modernisation of investment project with at least (20%) of the investment cost
3. Managing and operating of existing productive or service projects

Article (10)
Required documents for an investment

Applicant should attach with application the following documents:

1. Memorandum of Understanding (MOU) between the founders concerning establishment of the intended project to be approved by an attorney or one of the Libyan Peoples Bureaus abroad in accordance with provisions and the relevant legislation in force.
2. Approval (a resolution) of the foreign company's board of directors in the event no local partner participate in the project as a partner.

3.Proposal includes 3 options for the investment project's name

4.A narrative on the project (a summary of the feasibility study) that includes the following:

A. The value and nature of the capital to be invested in Libya, denominated in one of the convertible currencies or its equivalent in the Libyan currency upon submitting the application.

B. Imported and local materials (if any), to be utilized in the project.

C. Technical specifications of the investment project.

D. Schedule for implementation of the investment project

E. Estimated number of the national and foreign manpower to operate the investment project and a schedule for substituting national labor for foreign labor during the first five years of operation.

5.A Certificate certifying the foreign investor's nationality from the competent authority in his country.

6.Official extract from the commercial register of the country of origin of the foreign corporate body.

The documents submitted on the project which are mentioned in paragraphs (4 and 5) should be original and authenticated by the Libyan Peoples Bureau.

Article (11)

Data that must be included in the receipt

Applicant is given a receipt containing the following data:

1.Application number & date of submission.

2.Applicant's name, surname, nationality and occupation.

3.Name and signature of the official who received the application.

4.Details of documents attached with the application.

5.The desired field for investment.

Article (12)
Project's name

The authority will issue a negative certificate in the name of the investment project in accordance with the proposed options of the investor stating project's investment in this name to discern it from other projects established in the same field in the investment ledger.

Article (13)
Registration of applications

Applications when received are registered in a special register with serial numbers according to dates of receipt and each application will be kept in a singular file to contain all documents, credentials and all related correspondences.

On the cover of the file, the application number is written as well as the name of the person concerned and his particulars; address, telephone number, email, nationality, project's name and the sector in which he will be invested in. A statement of the lodged

papers and documents, its serial numbers in the file with dates and numbers of pages & date(s) of submission is recorded inside the cover of the file.

Article (14)
Partition of applications

The investor who wishes to establish various investment projects should submit an application to the authority to execute each project separately and should issue for each project an execution license and a license for exercising the activity in accordance with the decision issued by the concerned Secretary.

The Authority may also issue temporary implementation and practice licenses if the nature of the project and the duration of its implementation require so; provided that the investment costs for any of these phases are not less than the required minimum investment stipulated in Article (5) of these regulations. In such case, balance sheets should be prepared for each phase separately, and they ought to be consolidated(merged) upon the exemption period for the last phase of the project has passed.

Article (15)

Deliberations on the applications

The Investment Authority shall deliberate on the applications and prepare the necessary recommendations in this regard, including its opinion on the investment project and the extent of its contribution/expediency to the national economy with in a maximum period of thirty days from the date of completing all the required documents and presenting its suggestions and recommendations to the competent Secretary.

Article (16)

Informing the applicant

The Investment Authority should inform the applicant in writing by hand-delivery or by a letter showing the approval or the refusal of the investor's application by the Secretary within ten days from receiving the approval or refusal decision by the Authority.

Article (17)

The Unified window(One-stop service window)

The Authority will establish investor services centers that provide unified one-stop window services through which procedures and transactions related to investment applications, this to include services by all relevant authorities, including:

1.Customs Department.
2.Tax Authority.
3.Pension Fund.
4.Commercial Banks.
5.Immigration, Nationality and Foreigners Affairs.
6.Labor Department.
7.Insurance Companies.
8.Commercial Registry.
9. General Authority for Environment.
10. General Peoples Committee for Agriculture, Animal and Maritime Wealth
11. General Authority of Industrial Areas.
12. General Authority for Tourism and Handicrafts.
13. Urban Planning Department.
14. General Company for Electricity.
15. General Peoples Committee for Health and Environment (Council of Medical Specialties)
16.Specifications and Standards Center

Other entities may be added to the one-stop services window at the request of the Authority.

Article (18)

Registration in the Commercial Registry

The cases in which the applications of investors are not already registered to have the legal approval of investment should be registered according to the following: -

1.If the investors are more than one usual or responsible person, national or a foreigner or by participation, they should submit the articles of incorporation and association attested by contracts attest or consequent to the issuance of the investment approval decision where in turn the concerned administration of the Investment Authority would forward them to the concerned respective authority to be inserted in the Commercial Registry through the unified window (one-stop services window).

2. If the legal form of the investment applicant is a branch of a foreign company, the branch should submit the Memorandum and Articles of Associations of the parent company authenticated by the Libyan Peoples Bureau in that country subsequent to issuing the investment decision where in turn the concerned administration of the Investment Authority would forward them to the competent authority to be inserted in the Commercial register through the unified window.

Article (19)

Establishing an Investment Ledger

A special register shall be prepared for the authority called the "investment Ledger" in which all projects that obtained a decision approving the investment shall be recorded, and in this ledger a special sheet shall be allocated for each project in which the following data are logged:

1. Project's name, its legal form, investment field, activity, location and its main center.
2. The value of the investment project's authorized and paid-up capital.
3. The investor's name, nationality and registration number in the commercial registry.
4. The name and surname of the legal representative, his capacity and nationality.
5. Number and date of the investment authorization decision.
6. Number and date of the execution license and the license to practice project activity.

7. Project investment costs and sources of finance.
8. A statement of the exemptions granted to the project, their validity period, and other facilities and benefits, as well as a statement of violations. The type of penalties issued against the project, as well as all the legal changes made to the project if any.
9. A statement of the in-kind, monetary and good will (intangible) shares included in the capital formation.
10. Any other data associated with the investment project.

Article (20)

Registration in the Investment Ledger

An applicant who has obtained a permit to establish investment project should submit an application in accordance with the prepared registration form to be registered in the Investment Ledger enclosed with the following documents:

1. The Memorandum and Articles of Association of the lawful person and the owner of the project and evidence of his registration in the commercial register, or the Memorandum & Articles of Association of the parent company if the project takes the form of a branch of that company, together with the Board of Directors' Resolution to establish the branch and appoint a general manager and legal representative in the Great Jamahiriya.
2. Authorization document in terms of references or the power of attorney issued to the project manager and his legal representative to manage the project, provided that it includes clear evidence of his competencies, and the duration of the powers of the authorization or the power of attorney.
3. A specimen bearing the signature of the project manager, or his legal representative in the country
4. A certificate from the relevant competent authorities certifying opening an account for the project and depositing partial or the

entire capital of the investment project provided that the amount deposited is not in any case less than LYD 200000 (Two Hundred Thousand Libyan Dinars), this deposit is not required for approvals issued for the purpose of development.

In the event of a foreign partnership, part of this amount ought to be transferred from outside Libya) according to the shareholding percentages agreed on between the partners. Upon completing all the data and documents specified in this article, a certificate is issued to the person concerned proving his registration in the Investment Ledger in consistent with the form prepared by the Authority for this purpose.

The investor has the right to insert all contractors which he signed for studies, designs, implementation or work of execution and employment in the Investment Ledger, provided that he should submit the original contract and an official extract recently issued to the other party in the contract.

Article (21)
Granting of certificates, documents and licenses

The authority shall grant the person concerned, upon his request, the necessary certificates, extracts and licenses, as well as providing services in return for paying the fees determined by the competent Secretary based on the presentation by the Authority.

Article (22)
Granting execution licenses

The investor is granted a license to implement an investment project upon request, subsequent to completing the following documents:

1. The time schedule required for the implementation of the investment project.

2. Evidence of ownership (Land Deed),usufruct contract or lease of the investment project site.
3. All technical approvals (if applicable) regarding the exploitation of the site according to its classification and usages.
4. Approval of the technical specifications, architectural designs and the specific drawings for the investment project from the relevant authorities.
5. Financial evaluation of the investment project.
6. Pay the necessary fees to obtain an execution license.

The Authority, through its competent departments and offices, shall examine the submitted documents and match them on the spot. The execution license is renewed every six months. The investor must apply for renewal at the time.

Article (23)

Granting of the practice license

The investor is granted a license for practicing project of investment consistent with his request subsequent to completing the following documents:

1. The initial budget for the investment project.
2. The financial status from date of practicing the activity displaying the assets and magnitude of the investment which existed in the case of development.
3. A statement of types and quantities of raw materials utilized in the test run.
4. A statement of the design capacity and the expected production or absorptive capacity during the year.
5. A statement of the number and quality of the national and foreign labor, and the schedule of substituting national labor for foreign workers.
6. Payment of the required fees for attaining the execution license.

The Authority, through its specialized departments and offices, examines the submitted documents and matches them on the spot, and renews the license to practice the activity annually, provided that the investor submits an application for the renewal in a timely manner.

The third chapter
Exemptions and privileges
Article (24)
THE EXEMPTIONS

An investment project subject to the provisions of the law shall enjoy the following exemptions:

1. All taxes, customs duties, supply service fees, and other fees and taxes stipulated in tax and tax legislation with a disabling effect, on machinery, equipment, and devices essential for the implementation of the investment project from the date of obtaining an implementation license until the license to practice is granted.
2. All fees and taxes of any kind and their source on equipment, spare parts, means of transportation, furniture, supplies, raw materials and advertising materials related to the operation and management of the investment project for a period of five years starting from the date of granting the project a license to practice.
3. Excise tax, duties and customs taxes levied on export and on goods produced for the purpose of export.
4. Income tax for the activity for a period of five years from the date of granting the investment project a license to practice.
5. All taxes and fees payable on the returns of shares and shares resulting from distributing the profits of the project (dividend), selling it, splitting it, or changing its legal form for a period of five years from the date of granting a business license, as well as the profits resulting from the activity of the investment project if re-invested.

6.Stamp tax established in accordance with the provisions of the legislation in force on all documents, actions and facts created, concluded or used by the investment project throughout the implementation period and the validity period of the exemption years after operation, from the date of the approval decision issued by the competent Secretary.
7.No fees on the capital supplied to the investment
8.Depreciation tax on operating materials and supply services fees for a period of five years from the date of granting the investment project a license to practice the activity
9.The investor has the right to carry over the losses incurred by his investment project to subsequent years within five years from the date of granting the project a license to practice the activity.

The exemptions mentioned in this article do not include the fees imposed for the performance of some services such as port fees, storage and handling fees.

Article (25)

Conditions for enjoying exemptions

The investment project enjoys the exemptions mentioned in the previous article to suit the following conditions with the type of exemption:

1. The investment license must be valid.
2. The materials covered by the exemption are imported in the name and for the use of the investment project.
3. The imported materials covered by the exemption should be commensurate (in terms of quantity and quality) with the size and type of activity of the investment project.
4. To give local products priority in light of competition.
5. Commitment to use the materials included in the exemption in the investment project and not to dispose of them in any way to

other parti (s) unless prior written approval is obtained from the Authority.

6. Filling out the Form prepared by the Authority for the exemption from income tax.
7. Submitting the annual budget for the investment project.
8. Dividend reinvestment decision.
9. Compliance with the provisions of the law and its executive regulations.

Article (26)

Determining the projects covered by the exemption for additional period

The period of exemptions granted to the investment project may be extended for an additional period not exceeding three years if it fulfills one of the following objectives:

1. If the project's domicile is in the spatial development areas that the General Peoples Committee determines for the relevant sector.
2. Its contribution to achieving food security, so that it would focus on producing the largest amount of grain, optimizing the exploitation of cultivated areas, developing livestock and their products, or establishing food industries that depend on local raw materials.
3. Its contribution to achieving savings in energy or water, or facilitating the protection of the environment, when it is totally or partially dependent on the exploitation of solar energy or on any type of new and renewable energies, or it uses an irrigation system that reduces the usage and depletion of water, or it uses advanced devices and machines that reduce consumption of energy and burning fuel, or its exhaust semittingless percentages of carbon}, which helps to protect the environment.

   An extension of the period of exemptions for each draft decision is issued by the General Peoples Committee based on a presentation from the competent Secretariat.

Article (27)
Privatized units and the exemption from customs duties and taxes

The privatized economic units targeted for ownership and that achieve the objectives and conditions stipulated in the Investment Law enjoy all the privileges, advantages and exemptions mentioned in the case of their development, rehabilitation, management and operation, provided that a decision is issued in this regard by the Secretary of the General Peoples Committee on the proposal of the competent Secretary.

Article (28)
Deciding on extending the period of exemptions

The Authority's Management Committee, based on a request submitted by the Secretary concerned, and after checking and fulfilling of the terms and conditions stipulated in Article (25), shall submit a recommendation to the competent Secretary to extend the period of exemptions stipulated in Article (24); granting additional advantages stipulated in this regulation.

Article (29)
Privileges

By a decision of the General Peoples Committee based on a presentation from the competent Secretary, the following privileges may be granted according to the region within which the investment project is located as follows:

1. The state bears the costs of infrastructure and major connections to public utilities, including sewage, water, electricity, gas, and post.
2. Priority in allocating investment sites.
3. Exemption or reduction in the price of land utilization.
4. Contributing to the training of national workers working in the project.
5. Contribute to the publicity and advertising of the investment project.

Article (30)
Additional privileges in accordance with the investment attracting areas

The regions of the country are divided into categories according to the investment attractions, so that some categories and areas of investment have additional privileges. These areas are specified by a decision issued by the General Peoples Committee based on a proposal from the competent Secretary.

Article (31)
Disposal of machinery and equipment

It is not allowable to dispose of the imported machinery, equipment, furniture, means of transportation, devices, spare parts, raw materials and operating requirements for the purposes of the investment project by selling or abandoning them inside the country except with the approval of the Authority and after paying all customs duties and taxes prescribed for their import.

Article (32)
Import and re-export

Investment projects may temporarily import machinery, equipment, and devices used for the purposes of implementing or operating investment projects and re-export them are exempt from warranty fees according to the following conditions:

1. Obtaining prior permission from the authority.
2. These imports are not included in the project assets.

Article (33)
Rights of the Investor

The investor has the right to:

1. Opening accounts for his investment project in local and foreign currencies with one of the state's working banks.

2.Borrowing from local and foreign banks and financial institutions in accordance with the legislation in force.
3.Re-export the invested foreign capital in the event of the expiry of the investment project's term, liquidation or sale, in whole or in part.
4.Re-transfer foreign capital abroad in the same form in which it was received after the lapse of six months from the date of its receipt if difficulties or circumstances beyond the investor's control prevented its investment.
5.Transfer of the net distributed profits and returns achieved by the foreign capital invested in the investment project.
6.The use of foreign labor in the absence of an alternative from the nationals.
7. Obtaining a residence permit for a period of five years, subject to renewal, for the duration of the investment project, and obtaining a multiple exit and re-entry visa.

Article (34)

Return of un invested capital

The investor is allowed to re-transfer his un invested foreign capital outside the country in the same manner as it was stated, and the national investor is also allowed to return his capital,in accordance with the following cases and conditions:

1. Six months have passed from the date of transferring the money to be invested within the state, and that he has not obtained the necessary licenses and approvals for the project or started implementing it.
2. If difficulties or circumstances beyond the investor's control prevent him from investing these funds. An application is submitted to the Authority on the prescribed form, accompanied by a certificate and/or a deposit slip from the bank in which the amount was deposited, showing the net amount that was

deposited, reasons and circumstances that prevented him from making the investment, and supporting documents, if any. Upon the application is approved, the authority will address the bank to return the amount mentioned in the application, in accordance with the approved procedures in this regard.

Article (35)

Returning the invested capital

The investor has the right to return his capital abroad in the same manner in which it was received based on a request submitted by the Secretary of the Authority's Management Committee in one of the following cases:

1. Expiry of the investment project term.
2. Liquidation of the investment project.
3. Selling the project partially or wholly.

The Secretary of the Authority's Management Committee, within a maximum period of two months from the approval of the application, must address the bank in which the investor's account is held to complete the procedures for transferring the amount in question abroad.

Article (36)

Rights of foreign workers in the project

Foreign employees, under work contracts in investment projects authorized to be established, enjoy transferring their salaries, wages, and any invested financial benefits granted to them within the framework of the investment project outside the country, after paying their due fees or taxes in accordance with the legislation in force. Their personal belongings are also exempted from customs duties, and this includes personal transportation, equipment, electronic devices, furniture and other personal belongings.

Article (37)
Use of Labor

The investor is obligated to provide work places for the Libyan workforce, with no less than (30%) of the project's workforce, and to work on training the national workforce and providing them with technical and administrative skills and expertise to replace foreign workers. As an exception to that, the investor may bring in foreign millennial expertise necessary to set up and operate the investment project in the event of unavailability of nationals taking into account the provisions of labor legislation.

Article (38)
Usufruct of real estate and land

The investor has the right to use real estate and land in accordance with the following controls:

1. That it is obligatory to establish or operate the project or to house its employees in it.
2. That the property is suitable for the purpose for which it is used.
3. That the buildings or lands should be prepared for the purpose of establishing or operating the project, and their use should not conflict with the approved urban plans, and the chosen site should not cause harm to the environment.
4. That the site be used for the intended purpose and start using it within the specified period of time and for an exact period, and in the event of non-compliance with this, the site will be withdrawn and the allocation canceled. The investor in the real estate field has the right to conclude usufruct or lease contracts for his properties with users that don't exceed the usufruct period of his use of the investment site, in accordance with the applicable laws and regulations.

Article (39)
Receipt of Sites

The Authority shall receive all the sites specified for the establishment of investment projects, according to the following:

A. Lands owned by the state. Its maps are prepared and referred to the Real Estate Registration Authority and State Properties to re-register them as investment sites for the benefit of the Authority.

B. Lands in excess of the needs of the economic units of the privatized ownership. The Authority shall allocate them for the establishment of investment projects, provided that priority is given to the units within whose scope these lands are located, if they apply for allocation to establish investment projects alone or in partnership with others.

Article (40)
Allocation of the sites

A committee should be established to allocate the investment sites of the investment Authority represented in it the related sectors and the corporations which are Specialized for facilitating and finishing the investment sites according to the priority and the conditions of the investment project and the allocation should be done after specifying the value for taking benefit from it according to the applicable legislating. The committee should register those real-estates or the lands by the name of the State.

The Investor is not permitted to sell or to take measure for transferring the ownership except in case of having approval from the Investment Authority.

The rent contracts should be signed with the investors through the approved plans and their period should not be more than (70) seventy years for the foreign investor and the compensation should be paid for the lands which are owned by the citizens through the specified value. It is permitted to use the value of the rent for compensating the citizens and it is permitted for the investment authorities to invest in the private lands as real-estate investment according to the approved plans and effective legislation.

Article (41)
Value of the lands

The value of the State lands-which are for the investment- should be specified according to rules of this regulation and effective legislations.

Article (42)
The division of the lands benefit contract

If the authority which the State had allocated for it the lands is not committed by starting the execution of the investment projects within six month from date of possessing them and registering them in Department of the Real-estate Registration and the State Properties, the Investment Authority has the right to cancel the contract of allocating the lands and their ownership should be returned to the State and the investor has no right to request any compensation except the refund of the paid value for the signed contract.

The fourth chapter
General rules

Article (43)
Guarantees of the project

It is not permitted to generalize the project or taking by force its ownership or confiscating it or imposing guard in it or freezing it keeping it or subjecting it to measures of the same effect according to the law or judicial rule for fare compensation. The compensation is counted on base of the justice market value for the project when taking measure and it is permitted to transfer the compensation value by currencies which are transferable within a period of one year from date of issuing the law or the rule and by the exchange price during the transfer.

Article (44)

Commitments of the investor

The investor should be committed by the following:

1. To start in the execution of the project with six month from date of informing him by the approval to establish the project according to the rules of this regulations and the execution should be finished in the period agreed on during presenting the application. It is permitted for the Authority administration committee for topical reasons to extend the appointment to another suitable period. If the site of the investment project is allocated by the Authority, the execution period will start from the date of receiving the investment project by the investor without any obstacles.
2. The project execution should be done according to the drawing and the specifications which are enclosed with the presented application in which the execution license is issued.
3. To keep the accounting records which are mentioned in the commercial activity law and present the final accounts and the general budget of the project after being approved by the company administration council and legal accountant who is approved annually to the Taxes Department and the Investment Authority.
4. To provide the Investment Authority by annual reports about the project activity and any extension or development occurred on it.
5. Priority should be given national employees ratio of not less than (30%) from the employment ratio when the technical skills are found for filling the jobs and work which the project required and the preparation for replacing the foreign employment by Libyans through the training programs and the improving of the efficiency.

6.To inform the Authority about and change or amendment occurred on the investment project or on the legal status of the investor.
7.Priority should be given to the use of the local products and raw materials.
8.To submit any lists or statements or documents which are requested by the Investment Authority during the period which is specified in the application.

Article (45)

Taking measure in the project

It is permitted to transfer the ownership of the project from investor to another completely or partially by the sale or giving up after presenting application to Authority including full details about the project, date and number of license decision, the nationality of the applicant and statements about his technical and financial abilities and the reasons of taking this measure. The action of taking measure in the project should not be effective except after fulfilling the following conditions:

1.To pay attention to the specified participation ratios between the national and the foreign capital.
2.Commitment from the new owner to continue in the same activity.
3.The approval of the company general assembly or all owners in case of existing more than one owner.
4.The approval of the Authority administration committee.

Article (46)

The legal transfer of the ownership

The actions of transferring the ownership of the shares or quotas in each legal responsible body which is contributing in the investment project should be subjected to the rules of the commercial activity law and the rules of the commercial law in the State of the location if the responsible legal body is a branch of a foreign company and the Authority should informed by that.

Article (47)
Insurances on the investment

It is permitted for the investor to insure on the investment project at the concerned international and national corporations which guaranteed the investment and the Investment Authority should issue the recommendations and the approvals for that by taking in account the agreements which are signed between Libya and the other countries in this regard.

Article (48)
The following up of the projects

The Investment Authority should follow up of executing the investment projects which are licensed to be established and should prepare periodic reports about them.

The employees of the Investment Authority should be officers of the judicial control by practicing their work according to the law and the other related control authorities should coordinate with the Investment Authority in case of doing any work of the inspection or control on the licensed investment projects.

Article (49)
The attention

The Investment Authority should issue the attentions when it is necessary for guiding and improving the progress of the investment projects according to the rules of the investment encouragement law to contribute in its successfulness and ensure the fulfilling of the economic and social development targets in the general policy of the State.

Article (50)

The caution

If the investor violated one of the commitments which are mentioned in the investment encouragement law or this regulation after the attention, he should be informed by that and the Secretary of the administration committee of the Investment Authority should issue the caution on the investor in order to correct the contradiction within a particular period specified in written caution before taking measure of punishment.

Article (51)

Depriving the investment project from some exemptions and privileges

The Investment Authority should deprive the investment project from some exemptions and privileges for a period specified by the decision if the investor committed one of the following contradictions:

1. To contradict the conditions of enjoy by the exemptions which are granted to the investment project.
2. To contradict the controls of this regulation regarding the employment of the national and foreign employees.
3. To neglect the keeping of the legal records and the final accounts of the project according to the occupational standards.
4. Not to be cooperated with Authority when doing the following up work or the delay in preparing the periodic reports about the activity of the project and providing the Authority by the lists, the statements and the documents.
5. The repetition of achieving caution for the same contradiction.

The investor should be informed by the decision of depriving after its issue and it should be generalized on the concerned authorities and should be written in the record of the investment record.

Article (52)

The withdrawal of the approval decision

It is permitted to present a recommendation to Secretary of the concerned sector for the withdrawal of the approval decision of establishing the investment project in the following cases:

1. If the investor did not start the measures of registering in the investment record and did not achieve the execution license of the investment project within six month from date of issuing the approval decision.
2. If the Authority found that the investor is not serious for executing the investment project or unable financially or technically to execute the project.
3. If the Authority found that the investor presented incorrect statements and documents which effected on the issue of the approval decision.

The concerned investor should be informed by the decision of withdrawing the approval on his address which is shown in application and the project should be cancelled from the investment record if it was registered and the investment Authority should issue special list containing the names which are issued for them approvals and they are withdrawn according to the rules of this Article for taking them in account when they present new applications.

Article (53)

The withdrawal of the licenses

It is permitted to the administration committee of the Authority to withdraw the license of execution and practice if the investor committed one of the following contradictions:

- The investment project is completed in the specified timetable which is prepared priory without acceptable justification
- Contradiction of the conditions which are mention for transferring the ownership of the project completely or partially to another investor.
- Contradiction of the controls which are mentioned in Article (33) for taking measure in the machines and equipments.
- Contradiction of the project with the specifications and drawing which the license is issued for.
- If the investor had changed completely the activity of the investment project to deny the required conditions for the investment projects.
- The repetition of contradictions which are mentioned in the previous Article.

The withdrawal of the licenses should result the cancellation of the project from the investment record after withdrawing the investment site and returning it on the account of the investor by its first shape and situation before the allocation and all the rights and the financial commitments of the State should be achieved for enjoying the project with the exemptions and the privileged which benefitted from. The withdrawal of the licenses is not preventing the Authority to present the matter at the judiciary to obligate the investor for paying the double of the exempted fees and taxes.

Article (54)
The clearing of the investment project

The Authority administration should do the clearing of the investment project in any of the following cases:

1. If the investor presented an application which is enclosed with the approval of the extraordinary general assembly for the clearing of project to the companies.
2. If the project loss is more than the half of the capital.
3. The expiration of specified period for the project and the investor did not request extension for it or the refusal of the extension application.
4. The impossibility for executing the project or continuity in practicing its activity.
5. A decision is issued for the cancellation of the license.

In case of the Authority administration committee approval, a decision should be issued for the clearing and the investor should appoint the clarifies for the clearing of the project and to prepare the budget of the clearing. If the investor did appoint them within three month from date of issuing the clearing decision, the Secretary of Authority administration committee should appoint them by decision from him and investor should be responsible for paying the fees of the clarifies and the cost of clearing measures.

Article (55)
The complaint

The investor should complain to from any decision resulted through implementing the rules of investment encouragement law within thirty days from date of informing him by the decision by a written message and the complaint should be presented in written to the Secretary of the Authority administration committee including the following statements:

1. Name and address of the investor.
2. Date of issuing the decision of the complaining from and date of informing hi applicant.
3. Statement about the complaint in clear and direct shape and its reasons enclosed with its supporting documents.

Article (56)

The discussion of the complaint

The Authority should take the required measures to discuss the complaint within thirty from date of receiving it and it has the right to inform the applicant of the complaint or his representative to attend to the Authority for completing the required explanations to achieve friendly solution. If the matter needed a measure from the concerned Secretary, a report should be transferred to him about the complaint enclosed by the view of the Authority to take the required decision on it without preventing the investor from the right of submitting to the judiciary.

Article (57)

The settlement of disputes

Any dispute between the investor and State by the investor or by measures which are taken against him from the State should be presented on concerned courts unless there is no bilateral agreement between Libya and the State of investor or multiple agreements and the State of the investor should be part in it and they should include items related to the arbitration or agreement between the investor and the State which contain the condition of arbitration.