Resolution No. (118) for the year 1375 (2007) Regarding the promotion of the Investment

Resolution No. (118) for the year (2007)
Regarding the regulation of the ownership of public Companies

General People's Committee

After perusal of Law No. (1) for the year 1375 AD, regarding the system of work of popular congresses and popular committees

- On commercial law.
- Law No. (65) for the year 1970 AD, establishing some provisions related to trade and commercial companies and supervising them.
- Law No. (1) of 1986 regarding the participation of Libyans in public companies. Law No. (22) of 1989 AD, regarding industrial organization, and its executive regulations. Law No. (9) of 1992 Christian Concerning Engaging in Economic Activities and its Executive Regulations.
- And Law No. (21) of 1369 A.D., establishing some provisions regarding the practice of economic activities, its amendments and its implementing regulations.
- And the decision of the General People's Committee (198) for the year 1430 AD regarding the establishment of the General Authority for the Ownership of Companies and Public Economic Units.
- Resolution of the General People's Committee No. (92) for the year 1371 AH regarding the formation of a higher committee to manage the property transfer program. And the decision of the General People's Committee No. (93) for the year 1371 AH, to form committees to supervise and follow up the program of transferring Mecca with the sperm of the popular regions and sectors.
- Resolution of the General People's Committee No. (52) of 1373 AH, regarding the issuance of a regulation for the ownership of companies and economic units.

- And the Resolution of the Secretariat of the General People's Committee No. (313) for the year 1371 and Birr, regarding the adoption of a program for restructuring public production companies (expanding the ownership base)
- And Resolution of the General People's Committee No. (132) for the year 1373 and Barr, regarding the issuance of the regulation of administrative contracts.
- And General People's Committee Resolution No. (104) for the year 1375 AH, establishing the Fund for the Liquidation of Public Companies and Dissolved Equipment.
- And the decisions of the Higher Committee for the management of the transfer of ownership program in its previous meetings.
- And based on what was decided by the Secretariat of the General People's Committee in its thirty-fourth ordinary meeting for the year 1374 and R

I decided

Article (1)

The provisions of this regulation shall apply to public companies as contained in the following articles:

Introductory provisions

Article (2)

In applying the provisions of this regulation, the words and phrases contained therein indicate the corresponding meanings.

- Companies: public or joint companies that the General People's Committee decides to own.
- Supreme Committee: The committee formed by the General People's Committee to manage the property transfer program.
- Authority: The General Authority for the Ownership of Companies and Public Economic Units.

Article (3)

Ownership of companies is the transfer of public ownership in them to tools for practicing private and investment economic activities in order to expand the base of ownership and raise efficiency and competitiveness.

Article (4)

The Authority shall prepare for the offering of companies targeted for ownership, and act on behalf of the General People's Committee for Finance and the public legal entities that own them in transferring their ownership rights and the obligations based on them in accordance with the provisions contained in these regulations and the relevant applicable legislation.

Article (5)

The authority forms joint sectoral committees with the relevant public sectors to supervise ownership. Its membership includes a number of specialists in the technical, economic and legal fields. It undertakes studies on the targeted companies for the purpose of evaluating their readiness for ownership, providing advice and expressing opinion on the issues presented to it.

Article (6)

The sectors follow up the preparation for the transfer of ownership of the companies under their supervision in terms of the following:

- Completing the preparation of balance sheets and final accounts and completing their examination and approval.
- Follow up on the origin of the obligations and verify the documents that support the validity and truth of the debt and the reasons for not settling it.
- Follow up on the cases brought from and against the company and prepare integrated files about them.
- Studying the technical condition of fixed assets and reevaluating them on the basis of the replacement value.
- Preparing an integrated file on the company's or unit's workforce that includes complete data, and a statement of receivables and deductions.

- Preparing the necessary data and documents for the prospectus of the sale and subscription, and introducing the company in terms of the advantages and gains that can be achieved for shareholders.

Article (7)

Priority shall be given to initiating ownership procedures in companies that have an economic feasibility through their involvement in civil activity, or that the Higher Committee decides to manage the direct ownership transfer program in their ownership procedures.

Article (8)

If the results of studying the conditions of some companies result in the difficulty of their continuity due to their technical, financial and marketing conditions, they may be referred to the Public Companies Liquidation Fund and dissolved bodies for disposal.

Article (9)

The share owned by the community in joint-ownership companies is presented - in accordance with their articles of association - and the necessary measures are taken by the committees of the joint sectors in them to ensure the completion of the transfer of ownership.

Article (10)

The Authority, through specialized committees formed with the participation of the concerned sectors, undertakes valuation work on the assets and liabilities of companies in order to reach a financial position on the date of the valuation at fair value and to determine the appropriate selling price.

Article (11)

The evaluation shall be by the recognized financial methods, including the evaluation by the book value at the date of the evaluation, taking into account the results of the examination and review, provided that a detailed and comprehensive report is prepared on the business results, accompanied by a brief report of the most important indicators for presentation to the shareholders.

Article (12)

The valuation of companies is carried out at the net asset value to ensure that all obligations are transferred to the new owners to be settled with their knowledge.

Article (13)

The results of budgets, final accounts prepared, and physical inventory are relied upon as a basis for evaluations, and in companies that are late in preparing their budgets, records, books, data and results of the inventory of fixed assets and stock are relied upon, and what the inventory process shows in the evaluation date to arrive at a realistic value for the company.

Article (14)

The lands are evaluated separately, guided by the level of prices with the Public Property Authority, and they are included for the assets whose ownership is transferred, whether they are real estate documented in the name of the company or the general economic unit or in the name of the Libyan state, provided that the area of the lands that owns definitive ownership is proportional to the actual need for the company's activity, and what exceeds For that, it shall be referred to the Fund for the Liquidation of Public Companies and Dissolved Organs, to be disposed of by sale according to market prices.

Article (15)

Some fixed assets may be revalued at a value that exceeds their cost value, according to the applicable scientific accounting evaluation bases.

Article (16)

The Authority shall present the results of the evaluation to the Higher Committee in the form of a detailed report that includes the following:

- Review the evaluation results and make suggestions about them.
- Suggesting the appropriate method of transfer of ownership.
- Suggesting the percentage of shares to be allocated to the employees of the Kingdom Company.
- A statement of the attractive advantages of investment and ownership.
- Suggesting the facilities that are granted to pay the value of ownership in the cases that require it.
- Results of bids or negotiation of investment shares.

  This is to approve the evaluation results and to indicate the method of offering for ownership that is being followed, the allocation percentage and all what the committee deems to include in terms of foundations, controls, facilities and advantages.

Article (17)

The approved acquisition value is the fair value of the net equity against which the ownership of the assets and liabilities included in the valuation is transferred, regardless of their book value.

Methods of transferring ownership

Article (18)

Ownership of public companies is transferred in the following ways:

1. By offering shares of public companies for sale through the stock market.
2. By selling shares by public auction.
3. In direct negotiations with the investment authorities.
4. By offering for joint investment.

Ownership by offering shares for stock and trading

Article (19)

The Higher Committee shall determine the companies that are owned by offering their shares for sale through the stock market and using one of the following methods:

1. Offer the company's shares at market value in the trading market at an initial price determined according to the results of the re-evaluation and the number of shares.
2. Amending the company's capital, net of equity, according to the results of the reevaluation, and placing it in the trading market at the nominal value of the share.

Article (20)

The authority, in coordination with the concerned sectors, shall undertake the amendment of the companies' articles of association after announcing their ownership, in order to ensure that the transitional phase of the transfer of ownership is handled and the assets covered by the ownership are preserved.

Article (21)

The Higher Committee determines the percentages that are offered for sale and trading of the company's shares, and the selling price in accordance with the results and proposals submitted to it by the Authority in this regard. to talk nonsense an.

Article (22)

The Supreme Committee may approve granting nominal shares free of charge to the company's employees, provided that they are not disposed of by sale before the lapse of three years.

Article (23)

The Authority shall prepare a file on the company that includes all the documents and data necessary for the offering in the stock market and the execution of the sale.

Article (24)

The Authority is responsible for following up the procedures for offering shares and proposing to amend the selling prices in accordance with the results of the study of market conditions. It also monitors the value obtained from the sale of shares and deposits it in the account designated for that.

Ownership by selling shares by auction

Article (25)

Partial offering for the ownership of companies may be done by selling shares of property rights, guided by the results of the evaluation, by public bidding among the tools for practicing economic and investment activities.

Article (26)

Bidding on shares is carried out in accordance with the legislation in force, and its results are approved by the Higher Committee for the Management of the Transfer of Ownership Program.

Article (27)

The Higher Committee shall allocate a share of the property rights for free ownership of the company's employees.

Article (28)

The new owners may reorganize the company in accordance with the principles set forth in the legislation regulating the conduct of economic activities.

Ownership is in direct negotiation with the investment authorities

Article (29)

The Higher Committee may authorize the Authority to initiate negotiations with funds or investment agencies wishing to fully or partially own companies, taking into account the following bases:

- Evaluation results in various accounting methods.
- Future returns on investment.
- Funding program for development and replacement work for applicants.
- The subsequent roll-out of the public offering.

Article (30)

The negotiation results are approved by the Higher Committee for the management of the ownership transfer program, provided that the ownership transfer contract includes the foundations, rights and obligations of the contracting parties.

Ownership of employees

Article (31)

The ownership of some small-sized companies may be transferred to its employees, and the ownership contract is concluded between the Authority and the employees who are owned, including the value of the net assets subject to the transfer of ownership and all the bases regulating the transfer of ownership and guaranteeing rights and obligations.

Offering for joint local and foreign investment

Article (32)

Sectoral committees undertake detailed studies of companies whose development requires high technical management techniques and knowledge to enable them to raise their competitive efficiency in the local and international markets, and propose percentages of contribution to be offered for joint investment.

In all cases, the national participation rate must not be less than (35%) of the company's capital that is owned by foreign investors by participation.

Article (33)

Information and data about companies and units that are decided to be offered for joint investment shall be published for those wishing to do so, provided that those wishing to invest submit profiles that include all information, data and certificates supporting their ability,
specialization and their proposed investment program, and these investors may make field visits to inspect those companies

Article (34)

Investors' contribution to owning part of the shares of the offered companies shall be to sell the offered shares at a specified price. Shares may be sold while leaving the price open for auction. In this case, the sale is determined according to the following:

A. Sale by public auction.

B. Selling by limited bid by studying the information received about all applicants and arriving at a list of A number of them are invited to submit detailed offers for purchase.

Article (35)

The Authority shall prepare the bid specifications for the general or limited bidding, provided that it includes detailed data about the company or unit offered for investment and the conditions that must be met in order for the bid to be considered acceptable and valid for study Advertisement.

The following should be taken into account when selling by auction:

1. Publishing the advertisement for the request for bids in two daily newspapers of wide circulation three times in a row, and in at least one of the specialized magazines or newspapers of wide circulation and through information networks and website.
2. The announcement of the invitation should be directed to the applicants to obtain the brochure of conditions and the specified period during which to submit the offer, to visit the companies whose assets or shares are offered for sale, and to express their readiness to provide the required information about them.
3. It must be among the conditions to retain workers and preserve their rights.
4. Those wishing to submit offers to purchase are given a period of no Less than (60) days from the date of the announcement to prepare and submit their offers.
5. The bidders are required to prepare two separate and sealed envelopes, the first is technical and the other is financial, on each of which is written the name of the company and the shares to be purchased.
6. Gently with the offer a guarantee of commitment to a bank instrument or letter whose value is specified in the advertisement.
7. Offers are valid for at least (90) days after the end of the period specified for submitting offers.

Article (36)

The person who is invited to participate in the limited auction should take into account the following:

1. Previous experience in investing and managing successful companies or developing troubled companies and turning them into successful companies.
2. The financial ability to buy and the serious desire to invest.
3. Ability to Providing experience and knowledge that was not available before, using advanced technology, developing sales activity, and opening new markets at home and abroad.

Article (37)

The buyer has the right to inspect and review the assets that he contracted to purchase and receive within the agreed period.

Final Provisions

Article (38)

When acquiring companies with high economic feasibility, the priority of the contribution of the Economic and Social Development Fund (for the benefit of low-income people) of at least 25% of the shares, regardless of the method of ownership, shall be taken into consideration.

Article (39)

Subject to what is mentioned in the previous articles, the company may be sold for one of the tools for carrying out economic activities as a single unit with indicators of its value, activity and return.

Article (40)

The company's employees work to the entity to which the ownership is transferred with all their rights and obligations with their right to work in accordance with the legislation in force.

Article (41)

It is permissible to authorize the settlement of the rights of the former shareholders in the companies, by granting them alternative shares according to the desire of the shareholder in one of the following ways

- The value of the original contribution.
- The value of the shares according to the results of the evaluation.
- The value of the shares according to the ownership rights as shown in the books in the last balance sheet of the company after the acquisition.

Article (42)

Kingdom companies can borrow from specialized or commercial banks to finance their activities and mortgage the assets that are the subject of the ownership contract. Kingdom companies with productive activity for export purposes may be exempted from electricity and water fees and other exemptions and other benefits by decisions of the General People's Committee based on the proposal of the Higher Committee for the Management of the Transfer of Ownership Program.

Article (43)

The proceeds of the sale shall be deposited in the account of the ownership installments determined by the General People's Committee for Finance.

Article (44)

| General assemblies are formed, management and oversight committees are selected and the competence of And the tasks of each of them and the basis for organizing their work in the Kingdom's companies in accordance with the provisions of the executive regulations of the law on the exercise of economic activities, provided that the General Authority for the Ownership of Companies and Public Economic Units is represented by membership in the control committee of the company or unit whose ownership is transferred

Article (45)

Any dispute and any problems will be resolved during the transitional phase, which ends with the full payment of the ownership value, by negotiation between the departments of the Kingdom's companies and the Commission. The Supreme Committee is referred to the issues in which an appropriate solution has not been reached, and its opinion is final.

Article (46)

The managements of the Kingdom's companies are obligated to maintain all documents, records and financial books of the previous companies, and this commitment remains in place until then End of the parties Oversight is the work of examination and review.

Article (47)

Ownership of companies does not preclude the right of the regulatory authorities to monitor the extent to which previous administrations of public companies apply the administrative and financial laws and regulations to be followed.

Article (48)

The cancellation or amendment in the commercial register of companies whose ownership is transferred as of the date of concluding their ownership contract, in accordance with the legislation in force.

Article (49)

The employees of the Authority and the evaluation committees are prohibited from owning shares in the companies they are evaluating except after three years of ownership.

Article (50)

The regulation for the ownership of public companies and economic units issued by the decision of the General People's Committee No. (52) of 1373 and t referred to, as well as any other provision that contradicts the provisions of this regulation, shall be cancelled.

Article (51)

These regulations shall be effective from the date of their issuance, and the competent authorities shall implement them and shall be published in the Procedures Code.