

MINISTRY OF COMMERCE AND INDUSTRY No. 001/2021 Date 27 January 2021

THE MINISTER OF COMMERCE AND INDUSTRY

1. Having seen Article 102, paragraph (1) of the Provisional Constitution of the Federal Republic of Somalia
2. Having seen Articles 14, 83-87, 89, 92 and 99 of the Companies Law No. 18 of 26th December 2019
3. Recognizing the need to encourage trade, production and investment to boost the Somalia's economy by facilitating procedures for the creation, registration, licensing and other business services required.
4. Having considered the possibilities offered by the information technologies to enable businesses to access, while in their offices or workplace, services provided by the ministry, and allowing as well customers to access information about companies and businesses available online

DECREES

Article 1: Establishment of the Office of the Registrar of Companies

1. The Office of the Registrar of Companies (hereinafter referred to as the "Registrar of Companies") has been established and have legal personality and will be part and under supervision of the Ministry of Commerce and Industry.
2. The Registrar of Companies shall have the power and authority to enforce this regulation and administer the activities concerning the companies as set out in this regulation.
3. The Registrar of Companies may establish branches when needed to cover the demand to extend the Registration of Companies throughout the country.

Article 2: The Head Registrar

1. The Head Registrar is a public official appointed by the Minister of Trade and Industry in accordance with the Civil Service Law n.11 of 2006.
2. The Head Registrar is the person responsible for storing and maintaining the data of the newly and existing companies registered according to the law. It also protects the newly formed, renewed or amended data of companies.
3. The Head Registrar shall be responsible for keeping all documents submitted to the Registrar of Companies, both printed and electronic, in accordance with the Company Law and this Regulation and he will allow the public to access such information in accordance with Article 32, Clause 1st of the Constitution of the Federal Republic of Somalia.
4. The Head Registrar shall inspect and record all reports and other documents submitted to the Registrar.

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5. The Head Registrar shall prepare legal opinions and brief legal reports and assist the Minister in establishing procedures / regulations for achieving the objectives of the Company Act when necessary.

Article 3: Deputy Head Registrar of Companies

1. There shall also be a Deputy Head Registrar and a number of Assistant Registrar and other officers as required for the purpose of this Regulation.
2. If approved by the Head Registrar, such other Officers shall have the power to perform the functions of the Office of the Registrar of Companies in accordance with this Regulation.

Article 4: Duties of the Companies' Registrar

The Registrars' Duties Include:

1. Issuing company certificate of incorporation with a unique serial number and security logos and issuing licenses for general business and industrial operations with a serial number and security logos.
2. Ensure that all records held by the Registrar are kept in a manner making possible to easily access all information contained in these records and easily extract copies.
3. To be responsible for ensuring that the fees paid by the Registrar under this Regulation or under other laws of the land are paid into the Treasury Account.
4. To be the custodian of the Stamp of the Company Registrar.
5. To prepare and submit a report to the Minister within six months from the end of each financial year (financial year) on the operations of the Office and the activities of the Company Registrar along with the financial report of those operations and activities.
6. To complete and update the electronic database and make the information available on each company accessible without exceeding the limits permitted by this Regulation and the Company Law.
7. The Company Registrar will receive the annual report of the registered companies.
- 8 To exercise all other powers of the Companies Law or other laws or regulations issued by the Minister to the Registrar.

Article 5: Powers of the Registrar of Companies

1. The Registrar of Companies has the power to verify compliance with the legal requirements for registration of a company by checking the name of the company, the registered office address, and the type of business, the details of the directors, and the details of the shareholders, proof of address and identity and the payment of the registration fee.

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2. The Companies' Registrar has the power to examine the register of companies held at the Companies' Registrar to obtain basic information.

3. The Companies' Registrar shall have the power to determine and administer the fees and penalties set out in Table 1 and Table 2 of this Regulation.

The Companies' Registrar must ensure that all fees published and are available to the public.

4. The Companies' Registrar shall have the power to investigate as described in this Paragraph 4 in relation to fraudulent activities referred to in sub-paragraph (a) or (b) if

(a) The Companies' Registrar finds reasonable grounds that the provisions of this Regulation or the Companies Law are not complied with,

(b) or that a document submitted under this Regulation does not disclose the facts or does not provide a full acknowledgment of the matters specified by law,

(c) The Registrar of Companies may request in writing from the relevant company to submit the books and records of the Company or to submit in writing that information or description as specified by the Registrar of Companies. Such books, records or information will be submitted within the time period specified in the written request.

(d) Upon receipt of the written instructions referred to in sub-paragraph (c) of this paragraph, it shall be the duty of all managers, directors and officers of the company to submit books, records or descriptions to the best of their ability.

(e) The Registrar of Companies shall not include in the database any documents relating to the written instruction referred to in sub-paragraph (c) of this Paragraph until such directive is fulfilled, nor shall it be included if the answers given indicate that the document does not comply with the provisions of this Regulation or Companies Law,

(f) Any questions or disagreements relating to such an investigation shall be referred to the decision of the Minister of Trade and Industry.

(g) The Ministry of Commerce and Industry shall refer to the Office of the Attorney General for an action on any potential facts of crime related to the operations of the Company Registrar.

Article 6: Issuance of Company Certificate of Incorporation

1. If the Registrar of Companies is satisfied that the requirements of this Regulation and the Company Law regarding the application for the formation of company have been completed and the fee has been paid, the Registrar shall enter the details of that company in the General Register.

2. If the Registrar of Companies is not satisfied, he shall immediately notify the applicant (s), stating in writing the reasons. Disagreement on this issue can be appealed to the Minister. If the applicant is not satisfied with the decision of the Minister, he may appeal to the Supreme Court of the Land.

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3. The Registrar of Companies, following the registration procedure, shall give the company a unique number indicating the type of the company by issuing a certificate of incorporation of the company which shall contain the type and name of the company, Ministry stamp, date and place of issuance, official statement certifying that the company has met the legal requirements and is therefore registered in the Federal Republic of Somalia and signed by the Chief Registrar or his Deputy.
4. The company incorporation certificate shall be issued within one (1) working day after the application documents correctly has been submitted and accepted.
5. The company incorporation certificate shall be valid until the company is in activity except for mergers and acquisitions or other major changes that require re-registration of the company.
6. The company incorporation certificate issued according the provision of this shall be the final proof that the requirements of this Regulation and the Companies Law regarding the registration and incorporation of companies have been fulfilled.

Article 7: Issuance of Business License

1. The Registrar of Companies shall also issue to incorporated private company or public company a unique business license number to undertake business activity, which shall be a general business license compliant to the business activity specified in the license, in accordance with the Business Licensing Law.
- 2.

Article 8: Required Documents to Register Companies

1. In accordance with Article 6 and Article 13 of the Companies Law, the application for registration of companies must be accompanied by the following documents:
 - a) An application on a form issued or approved by the Registrar of Companies.
 - b) The company's articles of associations and the memorandum of association of the company. The company's memorandum of association must specify the names of the shareholders, the type of shares and the share quota.
 - c) Copy of the passports of the founders and shareholders of the company.
 - d) Any other information requested by the Registrar in accordance with this Regulation and the Companies Law.

Article 9: Regulated Businesses

1. Commercial and service provider companies that, in accordance with other laws and regulations of the country are required to get permission or authorization by other government agencies, upon obtaining a company registration certificate and business license shall not commence their business activities, before applying and obtaining the permission or/and authorization for the specially regulated business activities.

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Article 10: Name Requirements

1. The Registrar of Companies may refuse to register a company with a name which:
 - a) Is the same name as another company already registered, or very similar to another name that may generate confusion and possibly misleading the public;
 - b) Is religiously insulting or abusive or insulting to a person or group of people;
 - c) Indicates that it benefits support or patronage from the Government of Somalia or from other Government agencies;
 - d) Bearing the name of existing person unless that person expressly authorized in written the use of his name.
2. The Registrar of Companies, after giving a company an opportunity to be heard, may give instructions to the Company to change its name within specify period of time, which shall not be less than 4 weeks from the date of the instructions.
- 3 Any person who has a complaint against the registrar's instructions referred to in paragraph two (2) of this article may submit a request for review to the Minister. If he is not satisfied with the Minister's decision, he may appeal to the Supreme Court within 30 days from the date of notification of the Minister's decision.
- 4 The name of a public company or private company in accordance with the Companies Law shall end in one of the following words or abbreviations:
 - (a) "Limited" or "Ltd."
 - (b) "Incorporated" or "Inc".

Article 11: Reservation of Company Name

1. A person who wants to reserve a company name shall submit a registration application to the company registrar. The application must indicate the name and address of the applicant and the company name he is reservation for.
2. If the reserved name is not already registered name, and is in compliance with the requirements of company name specified in this Regulation and in the Company Law, that name will be reserved in the register for a maximum of 90 days.

Article 12: Changing the Company Name

1. The company wishing to change its name shall submit an application to the Registrar of Companies in accordance with the procedure of Article 10 of this Regulation. When the registrar verifies that the application has been completed correctly, he or she will enter the new name of the company in the company register and issue a certificate to the company indicating the change of name.
2. Changes of directors, shareholders and officers, changes in business activities, shall be also communicated to the Registrar of Companies.

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Article 13: Proof of Address

1. The registration application form shall indicate the company's official address, the address of the board directors, a copy of the passport, telephone number, email address and bank account statement of each member of the board.

Article 14: Fees

1. The company incorporation certificate fee is a one-time fee of hundred (100 USD) at the time of initial registration.
2. The business license fee varies and is set out in Table 1 in accordance with the Business License Act.
3. No fee shall be charged to the Office of the Attorney General, any public agency or department for filing documents or other services provided by the Registrar of Companies.
4. Proof of payment must be prepared and given to the customer for the service provided.

Article 15: Annual Report of the Company

1. Each company shall submit an annual report to the Registrar of Companies in accordance with this Article. The annual report must be submitted within 30 days from the issuance of the company's certificate of incorporation. The information in each annual report must be accurate at the time it is submitted.
2. The annual report should include the information listed below:
 - (a) The company name.
 - (b) The address of the administrative headquarters and the headquarters of the company (if any).
 - (c) The names and addresses of the board of directors, the chief executive officer, and the names and addresses of the executive committee (if any).
 - (d) The type of the company and its main business activities.
 - (e) Information on the shareholders of the company, the total number of shares in the company and how they are divided.
 - (f) Changes in the board of directors, the executive committee and shareholders, the total number of shares and the value of the company's shares.
 - (g) Evidence that the company has conducted the business activities specified in the license.
3. The Company's Registrar office will provide forms for the submission of the annual report and may request that these forms be used.
4. If the company fails to submit the annual report under this Article, the company shall be liable to a fine as set out in Table 1.

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Article 16: Types of Payments

1. Accepted payment methods include cash, check, and direct bank transfer, mobile payment and online payment.

Article 17: Online registration

1. Company registration can be done via online using an online form.
2. The Registrar of Companies can keep records, including documents submitted by companies, in online database or in other electronic database, if these records can be easily opened, viewed and downloaded or printed.

Article 18: Correction of Registered Data

The Company may request from the Registrar of Companies to correct the information entered in the register if:

- a) It contains anything that is contrary to the law;
 - b) It consists of an issue which, in essence, has been misrepresented or misrepresented in the manner in which it is presented;
 - c) It is because something left out or misinterpreted is incomplete or incorrect or inaccurate.
2. Correction of minor items shall be forwarded to the Company Registrar to update the company records.
 3. Companies Registrar can refuse any correction requests and the refusal decision might be appealed to the Supreme Court of the Land.

Article 19: Registration of a Foreign Company Branch

1. The application for registration of a foreign company must be accompanied by:
 - a) Power of Attorney register of a foreign company notarized and certified by the Somali Embassy in the country where the foreign company is registered.
 - b) A copy of the Articles of Association and the Memorandum of Association of the company notarized and certified by the Somali Embassy in the country where the foreign company is registered.
 - c) Certificate of registration of a foreign company issued by the registrar of the country where the foreign company is registered, notarized and certified by the Somali Embassy in the country where the foreign company is registered.
 - d) A copy of the decision of the shareholders' assembly to authorize the opening of the company's branch in Somalia, and the decision must be notarized and certified by the Somali Embassy in the country where the foreign company is registered.

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- e) A copy of the passports of the shareholders or the board of directors of the foreign company.
 - f) The names and passports of the director or directors of the foreign company based in Somalia.
 - g) Name of Legal Representative of the foreign company based in Somalia.
2. When the Registrar is satisfied that the application for registration of a foreign company is complete, he shall issue to the foreign company the Certificate of Registration of Foreign Company.
3. This article does not affect the requirements and procedures of the Foreign Investment Law No. 13 of 21/01/2016.

Article 20: Immunity

No liability shall be imposed on the Registrar of Companies and all his employees for what they have done or should have done in fulfilling, in good faith, their duties under this regulation.

Article 21: Violations and Penalties

1. Any person who violates this Regulation or any regulations issued by the Ministry of Commerce & Industry under the Companies Law 2019 shall be in violation, and shall be liable to the fine specified in Table 1.
2. If there is a dispute over this regulation the matter shall be decided by the Minister, and if the dispute is not resolved, the matter may be appealed to the court.

Article 22: Regulations

1. Pursuant to Article 97 of the Companies Law 2019, the Minister shall issue any regulations as required by law.
2. Companies Law No. 18 of 26 December 2019 and this Regulation form the Companies' Code of Somalia and the Company Law has always priority.

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Article 23: Repeal of Prior Regulations.

1. This Regulation repeals Regulation No. 001/2020 of 27 December 2020.

Article 23: Enforcement

1. This Regulation shall come into force upon the signature of the Minister of Commerce and Industry and shall be published in the Official Gazette of the Federal Republic of Somalia.

Mogadishu, 27 January 2021

Hon. Khalif Abdi Omar

Minister of Commerce and Industry



SCHEDULE 1
Fees for Incorporation of Companies

SERVICE	Amount	Timeframe
For issuing the certificate of incorporation	Equivalent to \$ 100	1 day
For issuing a duplicate certificate copy of the certificate of incorporation	Equivalent to \$ 25	1 day
Filing for change of name	Equivalent \$ 100	1 day
Re-registration e.g. merger or major changes	Equivalent to \$ 100	1 day
Filing annual report	No fee	N/A
Filing for voluntary struck off	No fee	N/A
For conducting an electronic search of the records	No Fee	1 day
Registration of establishing a foreign company in Somalia	Equivalent to \$ 100	Up to five (5) weeks.
Change of corporate name or alternative name of a foreign company	Equivalent to \$ 100	Up to four (4) weeks.
Company or business name search	No Fees	Subject to the nature of the service
Company Name Reservation	\$20	Subject to the nature of the service
Copy of Company Information	\$20	Subject to the nature of the service

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SCHEDULE 2
PENALTIES

Delayed Annual return	Penalty
Four (4) months delay	10% (ten per cent) of the value of the business license held by the company.
More than 1 year	Warning to submit annual report within 60 days. At the end of the 60-day period without submitting the annual report, the company will be removed from the company register.

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THE INDUSTRIAL CLASSIFICATION CODE (ICC)

The Industrial Classification Code is intended to help classify businesses according to the type of their economic activity. One or more ICC codes can be attributed to a business.

A. AGRICULTURE, FORESTRY AND FISHING

ICC	INDUSTRY	COST (USD)
A1	AGRICULTURAL PRODUCTION -- CROPS	\$300
A2	AGRICULTURAL PRODUCTION - LIVE STOCK	\$300
A3	AGRICULTURAL SERVICES	\$300
A4	FORESTRY	\$300
A5	HUNTING	\$300
A6	FISHING	\$300
A7	FISHING SERVICES	\$300
A8	AGRICULTURAL PRODUCTION - POULTRY	\$300

B. MINING

ICC	INDUSTRY	COST (USD)
B1	METAL MINING	\$1,000
B2	MINERAL MINING	\$3000
B3	OIL AND GAS EXTRACTION	\$3000
B4	NON-METALLIC MINERALS EXCEPT FUELS	\$500

C. CONSTRUCTION

ICC	INDUSTRY	COST (USD)
C1	GENERAL BUILDING CONSTRUCTORS (SERVICE)	\$300
C2	HEAVY CONSTRUCTION CONTRACTORS	\$500
C3	SPECIAL CONTRACTORS (IMPORT CONSTRUCTION MATERIAL)	\$300

D. MANUFACTURING

This will be based on annual income and number of employees as per the definitions identified in the SME policy:

	Number of employees	Total asset
<u>Micro</u>	<u>1-5</u>	<u>\$1,000 - \$10,000</u>
<u>Small</u>	<u>6 - 50</u>	<u>\$10,001 - \$50,000</u>
<u>Medium</u>	<u>51-100</u>	<u>\$50,001 - \$100,000</u>
<u>Large</u>	<u>101 and more</u>	<u>100,001 and more</u>

ICC	INDUSTRY	COST (USD)			
		Micro	Small	Medium	Large

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D1	FOOD AND ASSOCIATED PRODUCTS	\$300	\$500	\$700	\$1,000
D2	TOBACCO MANUFACTURERS	\$300	\$500	\$700	\$1,000
D3	TEXTILE MILL PRODUCTS	\$300	\$500	\$700	\$1,000
D4	CLOTHING AND OTHER TEXTILE PRODUCTS	\$300	\$500	\$700	\$1,000
D5	TIMBER AND WOOD PRODUCTS	\$300	\$500	\$700	\$1,000
D6	FURNITURE AND DECORATIONS	\$300	\$500	\$700	\$1,000
D7	PAPER AND ALLIED PRODUCTS	\$300	\$500	\$700	\$1,000
D8	PRINTING AND PUBLISHING	\$300	\$500	\$700	\$1,000
D9	CHEMICALS AND ALLIED PRODUCTS	\$300	\$500	\$700	\$1,000
D10	PETROLEUM AND COAL PRODUCTS	\$300	\$500	\$700	\$1,000
D11	RUBBER AND MISC.PLASTIC PRODUCTS	\$300	\$500	\$700	\$1,000
D12	LEATHER AN LEATHER PRODUCTS	\$300	\$500	\$700	\$1,000
D13	STONE CLAY AND GLASS PRODUCTS	\$300	\$500	\$700	\$1,000
D14	PRIMARY METAL INDUSTRIES	\$300	\$500	\$700	\$1,000
D15	MACHINERY, EXCEPT ELECTRICAL	\$300	\$500	\$700	\$1,000
D16	ELECTRIC AND ELECTRONIC EQUIPMENT	\$300	\$500	\$700	\$1,000
D17	TRANSPORTATION EQUIPMENT	\$300	\$500	\$700	\$1,000

E. TRANSPORTATION AND PUBLIC UTILITIES

ICC	INDUSTRY	COST (USD)
E1	RAILROAD TRANSPORTATION	\$500
E2	LOCAL AND INTERUBAN PASSENGER TRANSIT	\$300
E3	TRUCKING AND WAREHOUSING	\$500
E4	POSTAL SERVICES	\$300
E5	WATER TRANSPORTATION	\$300
E6	TRANSPORTATION BY AIR	\$1,000
E7	PIPE LINES, EXCEPT NATURAL GAS	\$300
E8	TRANSPORTATION SERVICES	\$300
E9	COMMUNICATION	\$3,000

F. WHOLESALE TRADE

ICC	INDUSTRY	COST (USD)
F1A	WHOLESALE TRADE - DURABLE GOODS	\$300
F2A	WHOLESALE TRADE - NONDURABLE GOODS	\$500

G. RETAIL TRADE

ICC	INDUSTRY	COST (USD)
F1	BUILDING MATERIALS AND GARDEN SUPPLIES	\$300
F2	GENERAL MERCHANDISE STORES	\$300
F3	FOOD STORES	\$300

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F4	AUTOMATIVE DEALERS & SERVICE STATIONS	\$300
F5	APPAREL AND ACCESSORY STORES	\$500
F6	FURNITURE AND HOME FURNISHINGS STORES	\$500
F7	EATING AND DRINKING PLACES	\$300
F8	MISCELLANEOUS RETAIL	\$300

H. FINANCE, INSURANCE AND REAL ESTATE

ICC	INDUSTRY	COST (USD)
G1	BANKING	\$3,000
G2	CREDIT AGENCIES OTHER THAN BANKS	\$500
G3	SECURITY, COMMODITY BROKERS & SERVICES	\$1,000
G4	INSURANCE CARRIERS	\$1,000
G5	INSURANCE AGENTS, BROKERS & SERVICES	\$500
G6	REAL ESTATE	\$300

I. SERVICES

ICC	INDUSTRY	COST (USD)
H1	HOTELS AND OTHER LODGING PLACES	\$500
H2	PERFESIONAL SERVICES	\$300
H3	BUSINESS SERVICES (CONSULTANCY)	\$300
H4	AUTO REPAIR, SERVICES AND GARAGES	\$300
H5	MISCELLANEOUS REPAIR SERVICES	\$300
H6	AMUSEMENT & RECREATION SERVICES	\$300
H7	HEALTH SERVICES:	
	HOSPITAL	\$800
	MCH	300
H8	LEGAL SERVICES	\$300
H9	EDUCATIONAL SERVICES:	
	UMBRELLA	\$500
	UNIVERSITY	\$1,000
	K - 12 (SCHOOLS)	\$300
	INSTITUTE	\$300
H10	SOCIAL SERVICES	\$300
H11	MUSEUMS, BOTANICAL, ZOOLOGICAL GARDENS	\$300
H12	MEMBERSHIP ORGANIZATIONS	\$300
H13	MANAGEMENT SERVICES	\$300
H14	CLEARANCE AND LOGISTICS	\$500
H15	INTERNET AND ICT SERVICES	\$300
H16	MISCELLANEOUS SERVICES	\$300
H17	GENERAL IMPORT	\$2,000
H18	GENERAL EXPORT	\$1,500
H19	GENERAL IMPORT AND EXPORT	\$3,000
H20	MEDICINE IMPORT	\$500
H21	KHAT AND CIGARETES IMPORT	\$2,000
H22	GOLD IMPORT	\$1,000
H23	HAJJ AND UMRA	\$500

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H24	TRAVEL SERVICES	\$300
H25	ARABIC GUM AND FRANKINCENSE	\$300
H26	COSMETCS	\$1,000
H27	MANAGEMENT AND CAPACITY BUILDING	\$500
H28	CLEANNG SERVICE	\$300
H29	FOREIGN COMPANIES	\$3,000
H30	FOREIGNER AND NATIONALS COMPANIES	\$3,000
H31	OIL AND GAS IMPORT	\$1,000

K -NONCLASSIFIABLE ACTIVITIES

ICC	INDUSTRY	COST (USD)
K1	NONCLASSIFIABLE ACTIVITIES	\$1,000

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