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Formation of Holding Companies under Ethiopian Law

Holding Company is a company that is formed by two or more Limited Liability Companies and issued with a Special Certificate of Registration.

Limited Liability Companies that wish to form a Holding Company must first convene a meeting individually and decide in favor of forming a Holding Company.

Minutes of the meetings of each Limited Liability Company should be authenticated and registered with the Federal Documents Authentication and Registration Service.

The Limited Liability Companies that already decided to form a Holding Company shall then prepare a Memorandum of Association for their Holding Company.

The draft Memorandum of Association will be submitted to the FDRE Ministry of Trade and Regional Integration who issues a letter to the Federal Documents Authentication and Registration Service, after having ascertained that the proposed trade name of the Holding Company under the Memorandum of Association is not preoccupied.

The Limited Liability Companies will take the letter received from the FDRE Ministry of Trade and Regional Integration to the Federal Documents Authentication and Registration Service where the draft

Memorandum of Association is signed and registered.

Once the Memorandum of Association of the Holding Company has been authenticated and registered with the Federal Documents Authentication and Registration Service, the Ministry of Trade and Regional Integration will conduct a commercial registration for the Holding Company and issue the Holding Company with the Special Certificate of Registration.

Note that this is only a brief overview on the procedure for Holding Company formation. Each paragraph in this brief overview contains concepts that demand further explanation. The following points and other related issues need separate discussions, indeed.

- Among the different business organizations, which are the Limited Liability Companies that can form Holding Companies?
- What are the contents of Memorandum of Association for Holding Companies?
- What are the requirements to get company minutes and Memorandum of Association authenticated and registered with the Service?
- What are the regulations at the Ministry concerning Holding Companies?
- What can Holding Companies do with their Special Certificate of Registration?

Hence, a separate discussion will be made.