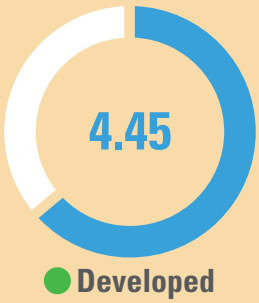
UNITED NATIONS
الاسكوا
ESCWA

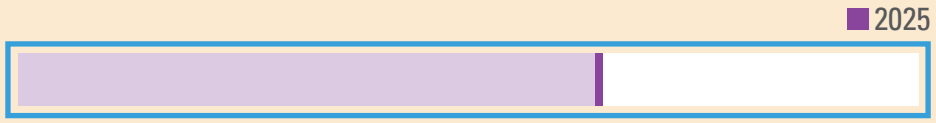
Shared Prosperity Dignified Life

Country profile
LEBANON

ARAB BUSINESS LEGISLATIVE FRAMEWORKS



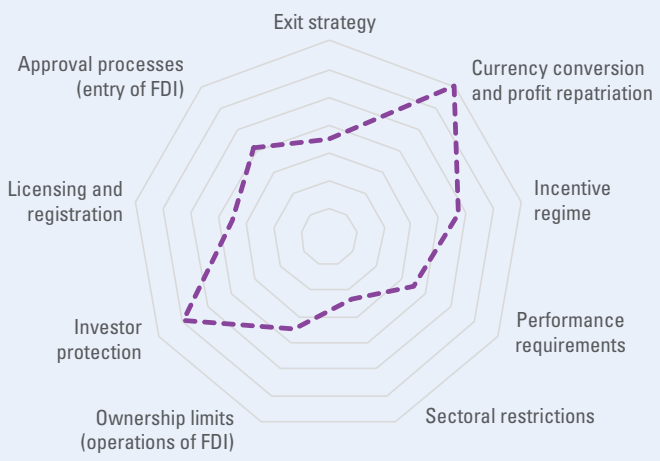
FOREIGN DIRECT INVESTMENT



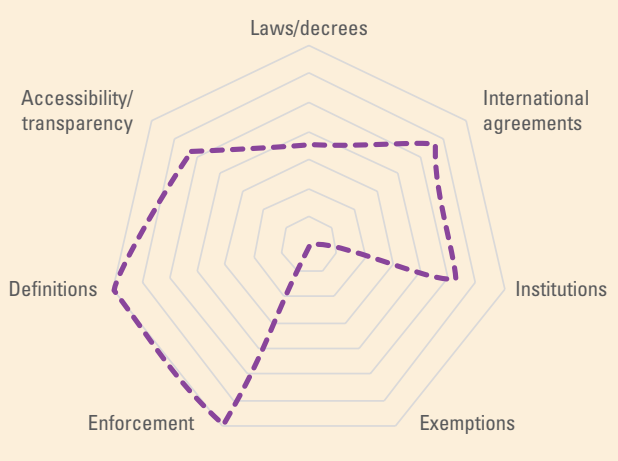
Very weak | Weak | Basic | Moderate | Developed | Strong | Very strong

COMPONENTS	2025
Approval processes (entry of FDI)	4.20
Licensing and registration	3.50
Investor protection	6.00
Ownership limits (operations of FDI)	3.50
Sectoral restrictions	2.33
Performance requirements	3.50
Incentive regime	4.67
Currency conversion and profit repatriation	7.00
Exit strategy	3.50

COMPONENTS



ELEMENTS



Note on methodology: The foreign direct investment (FDI) pillar was fully revised in 2023 following a legal and methodological review and first applied in the 2025 assessment. The 2020 edition assessed the macroeconomic enabling environment for investment. The revised methodology shifts to a business-conducting perspective, assessing the regulatory treatment of foreign investment.

2020 EDITION

Developed

Foreign direct investment framework assessment

Macroeconomic enabling environment lens

The 2020 assessment examined whether the country's **macroeconomic policies** provided a stable foundation for investment, whether the **investment regulatory framework** set clear rules of engagement, how far **incentivization schemes** attracted foreign capital, the extent to which **bilateral treaties** offered investors legal certainty, and whether **banking regulations** enabled the financial operations required for investment.



Macroeconomic policies



Investment regulatory framework



Incentivization schemes



Bilateral treaties



Banking regulations

This country profile is prepared based on the legal and regulatory framework in force as at April 2025.

This country profile assesses the foreign direct investment (FDI) framework of Lebanon based on the nine FDI assessment components adopted under the Arab Business Legislative Frameworks methodology. The analysis is structured to ensure that each component is examined against its specific definition and indicators, supported by relevant legal and regulatory evidence.

In Lebanon, foreign direct investment is governed by Law No. 360 of 2001. The law includes provisions to facilitate investment, support economic and social development, and develop capacity in strategic economic sectors. Foreign direct investment remains critical for the recovery of Lebanon from the economic crisis of recent years.



Approval processes

This assessment component examines the mechanisms and institutional arrangements governing the authorization of FDI, the applicable regulatory requirements, and the legal basis for international investment commitments and access to bank financing.

Article 3 of Investment Law No. 360 established the Investment Development Authority of Lebanon as a public institution with legal personality and administrative and financial autonomy, under the authority of the Prime Minister. Under article 6 of the same law, the authority exercises direct regulatory and executive powers, including proposing implementing texts, approving project submissions, reviewing applications for licenses, approvals and administrative permits. It also acts, on an exclusive basis, in place of public administrations and municipalities in granting the required authorizations for projects subject to the law, demonstrating the existence of a designated body responsible for organizing and enforcing regulatory policies related to investors.

The Law does not contain explicit provisions imposing mandatory registration fees on foreign investors, referring only to the possibility of charging fees or subscriptions for certain information and support services provided to investors.

With regard to bilateral and multilateral investment agreements, Lebanon has concluded several bilateral treaties for the promotion and protection of investments. These provide an international legal framework that ensures a favourable investment climate and fair and non-discriminatory treatment, and guarantee full protection and security to foreign investments in Lebanon and in the contracting States. The Code of Civil Procedure further establishes the primacy of international treaties over ordinary legislation in case of conflict, thereby ensuring the domestic enforceability of the country's international investment obligations.

However, Investment Law No. 360 does not contain explicit provisions governing the use of mortgages or security interests by foreign investors in relation to bank loans.



Licensing and registration

This assessment component reviews the legal and regulatory framework for the licensing and registration of foreign investment projects in Lebanon, with particular attention to transparency and predictability in administrative procedures, land use and ownership conditions, and streamlining of registration processes.

Lebanese legislation introduces explicit legal restrictions on foreign ownership of land, including quantitative and territorial limitations. Foreign individuals and foreign-owned entities may acquire up to 3,000 square metres of real estate without prior authorization, while larger acquisitions require approval by the Council of Ministers, are subject to statutory time limits for registration and completion of construction, and remain capped at fixed percentages of the total surface of the national territory, cadastral districts and the city of Beirut, demonstrating the existence of binding legal constraints on land ownership applicable to foreign investors.

Minimum capital requirements are determined by commercial legislation (Commercial Code) and apply to foreign investors according to the legal form adopted, with statutory thresholds imposed for the incorporation of Lebanese joint-stock companies, holding companies, offshore companies and limited liability companies. No minimum capital requirement applies to branches and representative offices of foreign companies.

The legislation does not establish any obligation to conduct a formal cost-benefit analysis as a legal condition for the approval of foreign investment projects, reflecting the absence of an explicit statutory framework for this indicator.

With regard to licensing and registration procedures, Investment Law No. 360 assigns the Investment Development Authority of Lebanon responsibility for receiving, examining and processing applications for licenses, approvals and administrative permits for projects subject to the law. Ongoing digital initiatives, including the development of an interoperable commercial registry platform operating as a one-stop shop for company registration, indicate that streamlining through electronic systems is in progress but not yet established as a completed or fully operational legal framework.



Investor protection

This assessment component reviews the legal protections available to foreign investors in Lebanon, including statutory guarantees, access to dispute resolution mechanisms, and the role of domestic courts and arbitration frameworks in ensuring the enforcement of investor rights and investment-related obligations.

Lebanon provides a legal and institutional framework that promotes investor protection through enforcement, treaty participation, guarantees and dispute settlement mechanisms. Enforcement mechanisms for FDI promotion are reflected in the powers of the Investment Development Authority of Lebanon to administer incentive schemes and contractual arrangements. Under article 18 of the Investment Law, disputes arising from incentive contracts may be settled amicably or, where no amicable settlement is reached, through arbitration in Lebanon or before an international arbitration centre, subject

to prior approval by competent authorities. Lebanon has concluded preferential and regional trade and investment agreements, including the Euro-Mediterranean Association Agreement with the European Union (ratified by Law No. 771 of 2006), and participates in the Greater Arab Free Trade Area. These frameworks promote cross-border investment flows.

Lebanon is a party to several international conventions governing foreign investment and dispute settlement, including the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, in force since 25 April 2003, and the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), providing an international legal framework for arbitration and enforcement.

Investment Law No. 360 further provides contractual guarantees and expressly authorizes recourse to domestic or international arbitration for investment disputes. Judicial independence and compliance with judicial decisions are constitutionally guaranteed under article 20 of the Lebanese Constitution, which affirms the independence of the judiciary and the binding and enforceable nature of judicial rulings issued in the name of the Lebanese people, thereby providing a constitutional basis for the enforcement of foreign arbitral awards and judicial decisions in accordance with applicable international conventions and domestic procedures.



Ownership limits

This assessment component examines the extent to which Lebanese legislation imposes ownership limits, foreign equity restrictions, or screening and prior approval mechanisms on foreign investment operations, including restrictions related to acquisition of real estate or participation in certain economic activities.

Lebanon does not apply a general foreign equity cap comparable to a mandatory 49/51 ownership rule. Foreign investors are in principle permitted to own up to 100 per cent of the capital of most business entities, subject to sector-specific restrictions applicable in regulated or strategic activities under the relevant sectoral legislation.

By contrast, the acquisition of real rights in immovable property by non-Lebanese persons is governed by a separate legal regime, namely Legislative Decree No. 11614 of 4 January 1969, amended by Law No. 296 of 3 April 2001, which constitutes the core legal framework regulating foreign ownership of real estate and introduces strict quantitative and territorial limitations, statutory ceilings on surface areas and ownership shares, and prior approval requirements, including the requirement of a decree by the Council of Ministers for acquisitions exceeding the legal thresholds. This restricts the full acquisition of immovable property by foreign investors and prevents excessive concentration of land ownership.



Sectoral restrictions

This assessment component reviews sector-specific regulations that affect foreign direct investment in Lebanon, focusing on market access limitations, competition-related considerations, and exceptions justified on grounds.

Lebanon has adopted a comprehensive competition framework that applies on a non-discriminatory basis to domestic and foreign enterprises and contributes to maintaining open and contestable markets conducive to foreign direct investment, thereby providing a regulatory environment supportive of FDI entry and operation. As a general rule, Lebanese legislation imposes very limited sectoral restrictions on foreign investment, as most economic sectors are open to foreign participation, and foreign investors are entitled to participate in public procurement procedures without the requirement of a local partner. Market access restrictions are limited to a narrow set of activities, notably sectors related to weapons and armaments, media and broadcasting, certain forms of real estate ownership, and activities connected with national security. These sector-specific exclusions and security-related limitations constitute the principal exceptions to FDI promotion under Lebanese law, reflecting a policy approach that is broadly open to foreign investment while preserving targeted safeguards in sensitive or strategic sectors.

Performance requirements

This assessment component examines whether Lebanese investment legislation or policies impose performance-related obligations on foreign investors, such as requirements related to employment, skills development, export promotion, or compliance with social and labour standards.

Lebanese legislation incorporates performance and labour-related requirements and incentive-based measures for foreign direct investment under Investment Law No. 360. Article 17 conditions access to work permits and incentives on maintaining national employment, requiring beneficiary projects to employ at least two Lebanese workers for each foreign employee and to register them with the National Social Security Fund, thereby introducing binding social and labour market obligations linked to FDI promotion and workforce development. In parallel, article 6, paragraph 11, mandates the Investment Development Authority of Lebanon to grant financial incentives, participate in the capital of companies organizing exhibitions and promotional activities, support the marketing and export of Lebanese agricultural and industrial products, and contribute to training programmes aimed at aligning production with external market requirements, thereby establishing an explicit legal basis for export promotion and skills development within the FDI framework. These provisions do not establish any formal criteria or statutory mechanism for evaluating the opportunity costs, effectiveness or efficiency of national FDI strategies, indicating the absence of a legislated cost-benefit assessment framework for this component.

Incentive regime

This assessment component reviews the legal framework governing investment incentives in Lebanon, which includes defining incentive schemes in legislation, specifying the adopted incentive regime, and identifying the competent authorities responsible for administering and implementing these incentives.

The Investment Law of Lebanon describes several ways to encourage capital. According to the law, Lebanese regions are classified into three investment zones:

Zone A:

According to article 11, certain projects related to tourism and marine resources are eligible for specific exemptions, an income tax exemption granted to companies managing investment projects for a period of two years following their listing on the Beirut Stock Exchange.

Zone B:

Article 12 establishes that, in addition to exemptions for projects in Zone A, projects in Zone B receive a 50 per cent reduction in taxes on income and project dividends for a period of five years from the project start date.

Zone C:

Article 13 states that projects classified under Zone C are fully exempt from taxes on income and project dividends for a ten-year period from the project start date.

Article 14 states that information technology and technology projects immediately fall into this category.

Package-deal contracts:

Articles 15 and 17 of the Investment Law establish package-deal contracts. Investors using these contracts are entitled to the following incentives:

- Full exemption from taxes on income and project dividends is granted for up to ten years from the project start date.
- Work permits are granted smoothly to necessary foreign staff.
- The requirement for one of the company directors to be a Lebanese national is lifted.
- Real-estate registry fees are not imposed.

Currency conversion and profit repatriation

This assessment component examines the legal provisions governing currency conversion and the repatriation of profits by foreign investors in Lebanon, including guarantees for capital transfers, the role of financial and banking authorities, and applicable capital control measures.

Foreigners can transfer money into and out of Lebanon in any way they want due to freedom of exchange. Full transfers of money from Lebanon to other countries are allowed. There are no limits on switching currencies, and banking security is maintained at all times. Thus, Lebanese legislation imposes no formal capital controls.

Exit strategy

This assessment component assesses the legal framework governing the exit of foreign investors from the Lebanese market, focusing on provisions related to divestment, liquidation, mergers and acquisitions.

Lebanese legislation does not provide a specific statutory framework that governs the exit of foreign investors, nor does it contain dedicated provisions regulating mergers and acquisitions undertaken by foreign investors under the FDI regime. Exit from the host economy is governed by the general rules of the Commercial Code, under which foreign investors may divest their shareholdings or liquidate companies in accordance with the corporate law provisions applicable to all shareholders without distinction. Similarly, mergers and acquisitions involving foreign investors are not subject to a specialized FDI statute but are regulated exclusively under the general merger and acquisition provisions of the Commercial Code, which apply on a non-discriminatory basis to both Lebanese and foreign investors, indicating the absence of FDI-specific exit or merger and acquisition regulations and the reliance on ordinary corporate law mechanisms for investor exit and corporate restructuring.

RECOMMENDATIONS

- Introduce a statutory or regulatory framework requiring a structured cost-benefit assessment as part of investment project appraisal.
- Formalize the scope, legal effect and operational status of the commercial registry one-stop digital platform to ensure predictability of licensing and registration procedures.
- Establish clear legal criteria or reporting mechanisms to assess the effectiveness and opportunity costs of national FDI strategies, given the absence of a legislated evaluation framework.
- Introduce clear FDI-relevant provisions that consolidate the procedures for investor exit and merger and acquisition transactions, including competent authorities and applicable steps, beyond reliance on general Commercial Code rules.