SME Digital Enabling Portal for the Arab Region
Lebanon Case Study
http://smeportal.unescwa.org/
November 2019
Main Categories

All data can be filtered by their respective countries
WELCOME to SME Digital
Enabling Portal for the
Arab Region

EXPLORE OPPORTUNITIES

EXCHANGE EXPERIENCE

ACHIEVE DEVELOPMENT
ESCWA SME Portal for the Arab Region serves as a one-stop-shop for information regarding sources of financing, and national legislation and guides for setting up a business. It helps Arab entrepreneurs explore learning and training opportunities for every stage of their business journey and facilitates foreign markets access.

The portal works within the objective of ESCWA to support economic and social development in the Arab Region in the framework of the Sustainable Development Goals and Agenda 2030, to ultimately promote cooperation between member countries, and empower youth and women.

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**Our Mission**

To support and cultivate SMEs across Arab countries by fostering a business support ecosystem.

**Our Vision**

Empowering Arab entrepreneurs and SMEs to prosper nationally, regionally and globally.
Check out the Media Center for upcoming events, useful links and video tutorials.

**Calendar**
Click here to find upcoming events, including exhibitions, training workshops, trade missions, conferences.

**Useful Links**
Click here to discover other useful websites to help build your business.

**Video Tutorial**
Click here to watch instructional videos to help improve the navigation experience throughout the portal.
Useful Links

Countries

- Bahrain
- Egypt
- Iraq
- Jordan
- Kuwait
- Lebanon
- Libya
- Mauritania
- Morocco
- Oman
- Palestine
- Qatar
- Saudi Arabia
- The Sudan
- The Syrian Arab Republic
- The United Arab Emirates
- Tunisia
- Yemen

Podcast - Arab Entrepreneurs Podcast

Has top shows and podcasts for entrepreneurs in Arabic

Podcast - How to Start a Startup

Provides the way higher education should. The "episodes" are lectures, sometimes with live individuals and sometimes as slide presentations. All are incredibly powerful in their message.

Podcast - Tropical MBA

Aims to show the inside story of the people who are building "micro-multinational" businesses while they travel the world. It is interested in entrepreneurship, travel, internationalization, and personal freedom.

Podcast - The Tim Ferriss Show

Deconstructs world-class performers from eclectic areas (investing, chess, pro sports, etc.), digging deep to find the tools, tactics, and tricks that listeners can use.

Podcast - Mixergy Startup Stories

In over 1,000 interviews, Andrew Warner asks uncomfortable questions to dig deep into the success and failures of the most successful business founders and thought leaders. The ideas and stories are so powerful that hearing them will change the listener.

Available in Arabic
Available in English
Available in English
Lebanon Case Study
Lebanon General Information

- CAPITAL: BEIRUT
- POPULATION: 5.9 M
- REAL GDP GROWTH: 1%
- MANUFACTURES VALUE-ADDED (% GDP): 5.1%
- INFLATION: 4.4%
- UNEMPLOYMENT: 6.3%
- TAXES ON DIVIDENDS: 10% (2017)
- SME CONTRIBUTION TO GDP: 27%
- NUMBER OF REGISTERED SMES: 70062, REPRESENTING 97% OF ALL ENTREPRISES IN LEBANON
- DOING BUSINESS (NUMBER OF PROCEDURES): 8
- DOING BUSINESS (NUMBER OF DAYS): 15
Categories Overview - Financing

- Loans
- Grant
- Crowdfunding Tools
- Equity

[https://investinlebanon.gov.lb/](https://investinlebanon.gov.lb/)
Categories Overview - Financing

Loans

- Fund for early stages, pre-seed, seed and emerging companies investing in 100 K$ up to 10 M $ in startups.

- The Central Bank BDL's circular 331 provides up to USD 650 million for Lebanese Bank’s equity investment into incubators, accelerators and funds operating in Lebanon.

- KAFALAT: provides financial guarantees for loans of up to USD 400,000 granted by commercial banks to SMEs.

- Telco Fund: Fund of USD 48 million initiated by MIC that supports startup operating in the ICT sector. Investments in startups start with a value of USD 100,000 and could reach up to USD 2 million.

- IDAL’s “Agro-Map” Program (2014): Provides exporters with access to foreign market through subsidizing their participation in international fairs.

- Economic and Social Fund for Development: Loans up to 50,000 for SMEs in the Agrofood sector.
Categories Overview - Financing

Grants

Examples:
- Afac
- Culture Resource (Al Mawred Al Thaqafy)
- BIAT
- Alfanar

Crowd funding Tools

Examples:
- Zoomal
- Aflamnah
Venture Capitals

In Lebanon there are 10 venture capital firms operating in 4 different governorate:

**Beirut:**
- Berytech
- Hult Prize
- Smart ESA
- Speed
- Tech Hub
- Flat 6 Lab

**North:**
- Booster6
- BIAT

**South:**
- South BIC

**Mount Lebanon:**
- NEOPRENEUR
Financing Landscape for SMEs in Lebanon

Should include everything related to SMEs, such as:

• Registration System
• Investment Laws
• Commercial Laws
• IP Rights Laws
• Taxes
• Trade
## Categories Overview - Legislation

**Registration System**

1. Company’s articles of association
2. Subscription deed
3. Letter to the bank requesting the opening of a bank account in which the capital will be deposited
4. A confirmation letter issued by the bank confirming the subscription in full.
5. Minutes of the constitutive general assembly meeting
6. Registration request
7. Commercial circular
8. Domiciliation documents: title deed, lease agreement or permit of occupancy letter
Investment Laws:

INVESTMENT LAW NO. 360:
# IP Laws

## A. Trademark

<table>
<thead>
<tr>
<th>FORM TYPE</th>
<th>CONDITIONS &amp; REQUIREMENTS</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application form</td>
<td>- signed by the applicant&lt;br&gt;- subject “ trade mark registration”</td>
<td>Ministry of Economy</td>
</tr>
<tr>
<td>Trade mark film</td>
<td>Positive</td>
<td>Photoshop</td>
</tr>
<tr>
<td>Trade mark picture</td>
<td>6 pictures</td>
<td>Applicant</td>
</tr>
<tr>
<td>Declaration</td>
<td>- prototype from the ministry&lt;br&gt;- 6 copies&lt;br&gt;- Attached a picture of the trade mark</td>
<td>Ministry of economy</td>
</tr>
<tr>
<td>Copy of the commercial registration</td>
<td>- If the applicant is a Lebanese company or corporation</td>
<td>Commercial register</td>
</tr>
<tr>
<td>Copy of the commercial circular</td>
<td>- If the applicant is a Lebanese company&lt;br&gt;- No need to be a certified copy</td>
<td>Commercial register</td>
</tr>
<tr>
<td>Proxy/Power of Attorney</td>
<td>- If application is not handed by owner&lt;br&gt;- no need to be a certified copy&lt;br&gt;- Description of the goods &amp; services covered by the trade mark</td>
<td>Applicant</td>
</tr>
</tbody>
</table>
### Categories Overview - Legislation

**IP Laws**

**B. Patent**

<table>
<thead>
<tr>
<th>FORM TYPE</th>
<th>CONDITIONS &amp; REQUIREMENTS</th>
<th>REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application form</td>
<td>- signed by the applicant&lt;br&gt;- subject “Patent registration”</td>
<td>Ministry of Economy</td>
</tr>
<tr>
<td>Patent description &amp; summary</td>
<td>- Main description of the patent&lt;br&gt;- Two copies</td>
<td>Applicant</td>
</tr>
<tr>
<td>Explanatory illustration</td>
<td>To help understand; 2 copies; 3 dimensional</td>
<td>Applicant</td>
</tr>
<tr>
<td>List of papers deposited</td>
<td>- List of all enclosed documents with their number of pages&lt;br&gt;- 2 copies</td>
<td>Applicant</td>
</tr>
<tr>
<td>commercial registration</td>
<td>- If the applicant is a Lebanese company or corporation</td>
<td>Commercial register</td>
</tr>
<tr>
<td>commercial circular</td>
<td>- If the applicant is a Lebanese company</td>
<td>Commercial register</td>
</tr>
<tr>
<td>Proxy/Power of Attorney</td>
<td>- Signed by the owner&lt;br&gt;- If application is not handed by owner&lt;br&gt;- Sealed by the company if a company owns it&lt;br&gt;- Name of the patent must be mentioned&lt;br&gt;- No need to be a certified copy</td>
<td>Applicant</td>
</tr>
</tbody>
</table>
Categories Overview - Legislation

Taxes

- SAL & SRL Co.
- Corporation
- Holding Co.
- Offshore Co.
SAL & SARL

- Corporate tax
- Tax on profits received from sale of fixed and financial assets
- A withholding derived from movable assets generated in Lebanon

Corporation

TAXES ON CORPORATIONS IN LEBANON (% | 2017)

- Taxes on Dividends: 10%
- Taxes on Deposit Interests: 7%
- Branch Remittance Tax: 10%
- Payroll Tax: Between 2% and 20%
- Real Property Tax: Between 4% and 14%
- Social Security including three schemes:
  - Family (6%), Medical (11%) and End of Service Indemnity (8.5%)
HOLDING COMPANIES

- Holding company is subject to:
  - Tax on capital and reserves ranging from LBP 1.8 Million up to LBP 5 million maximum
  - 10% on the interest on loans with less than 3 years maturity
  - 5% on amounts collected from Management fees
  - 10% tax on capital gains received from the sale of shares or its participation in Lebanese companies it has owned for less than 2 years
  - 10% on amounts collected from renting patents

- Holding company is exempted from:
  - Income tax on profits
  - Income tax on profits distribution
OFFSHORE COMPANIES

Offshore company is subject to:
- LBP 1 million (USD 663) fixed annual tax
- 15% tax on profit received from the sale of the fixed assets in Lebanon
- Payroll tax on the salaries of company employees working in Lebanon
- Income tax on profits
- Income tax on profits distribution
- Stamp duties on overseas business contracts signed in Lebanon
- Payroll tax on 30% of foreign employees’ basic salary

Offshore company is exempted from:
Categories Overview - Legislation

Trade

- Imports
- Exports
- Customs
- Regulation
Categories Overview - Legislation

Trade

Imports

• Declaration form based on the Single Customs Declaration;
• Bill of Lading, or any other substitute document;
• Packing List, the detailed itemized lists if the invoices do not include the required details;
• Original Purchase or Commercial invoice (original);
• Any other document required by the applicable laws and regulations (such as: the proof of payment, special statement of value elements etc.);
• Certificate of origin according to the Customs Act and the bilateral or collective treaties signed by Lebanon.

Exports

• Declaration form based on the Single Customs Declaration;
• Packing List, the detailed itemized lists if the invoices do not include the required details;
• Original Purchase or Commercial invoice (original);
• Any other document required by the applicable laws and regulations (such as: the proof of payment, special statement of value elements etc.);
• Certificate of origin issued by the Ministry of Industry and certified by the Lebanese Customs Authorities for exporting goods to Europe in accordance with protocol number 4 with the EU, where necessary.
Customs

- Customs Duty - Refer to Customs website.
- Local Consumption Duty: applicable to certain types of goods including, but not limited to, tobacco products, fuels, cars, cement, lime, plaster and alcohols. This duty is applicable to imported products and locally produced products.
- The Value Added Tax (VAT) = 11% of the value of imported goods.
- Stamp Duty (LBP Fifty Thousand).

Regulation

NON-TARIFF MEASURES
To know more about the Non-Tariff Measures NTMs on trade imposed by various Lebanese government state bodies on import and export of goods, such as prohibitions, licenses and visas TBT and SPS certificates, please refer to this report.
Categories Overview - UN for SMEs

ESCWA Data Portal
https://data.unescwa.org/

UN Entities Initiatives
https://www.unido.org/
https://learning.intracen.org/
https://www.smefinanceforum.org/
https://www.ifc.org

SDGs & Agenda 2030
https://sustainabledevelopment.un.org/
Categories Overview - UN for SMEs

SDGs and Agenda 2030

https://sustainabledevelopment.un.org
https://www.un.org/sustainabledevelopment
http://data.unescap.org/sdg/
https://stat.unido.org/SDG
https://www.globalgoals.org/
http://17goals.org/
https://sdgcompass.org/
Categories Overview - UN for SMEs

SDGs and Agenda 2030
Categories Overview - Market Opportunities

- Home
- Financing
- Legislation
- Learning & Development
- UN for SMEs
- Market Opportunities

More
- FTAs
- Market Analysis
- Go Global

Countries
Sectors
Market Types
- Capacity Building
- Market Access
- Market Facilitators

Go Global
FTAs

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Market Analysis

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Media Center - Useful Links

Includes:

- Incentives
- Tech. Support
- Promotion
- Incubators
- Others:
  - Business Guides
  - Strategies
  - Success Stories
  - Resources
  - Reports
  - Podcasts
  - Events
  - Documents
  - Videos/TED talks
  - Financial Calculators
**Taxes & Subsidies**

- For offshore companies are exempted from taxes on profits, and dividends distribution.
- The transfer of shares is exempted from taxation, and is not subject to stamp duties.
- Lump sum annual tax of 667 $.
- IDAL’s Tax Incentives: Exemptions on corporate income tax for up to 10 years for local and foreign companies operating in the ICT, and agri-food sectors.
- AGRI PLUS (2012): Provides subsidies and support to exporters of agricultural products.
• 10 incubators & accelerators that provide training, technical & financial assistance to new and existing businesses across Lebanon.

• The newly-established Business Support Unit (BSU) at IDAL provides startups with free legal and tax/accounting advice, as well as licensing support to operate and grow.

• In 2017, Lebanon ranked 4th worldwide on the Global Ranking for Total Early Stage Entrepreneurial Activity (TEA).
A. Investment

IDAL’s INVESTMENT PROMOTION

• Provide economic, commercial and legal information of relevance to investors
• Identifies business opportunities across various economic sectors
• Provide in depth analysis of sectors
• Grant fiscal exemptions to investment projects
• Facilitate issuance of permits and licenses
• Provide on-going support for investment projects
• Promote Lebanon as a key investment destination

Tripoli Special Economic Zone (Industry)
B. Exports

IDAL’s EXPORTS PROMOTION

- Provide data on external markets
- Support companies in accessing external markets
- Subsidize participation in foreign fairs

• EXPORT PROMOTION PROGRAMS IN PLACE:

1. AGRO-MAP (2004)
   Subsidizes the participation of agri-food companies in international fairs.
2. AGRI PLUS (2012)
   Provides subsidies and support to exporters of agricultural products.
3. MARITIME BRIDGE PROGRAM M LEB (2015)
   Provides support to exporters to Arab countries.
# Media Center - Useful Links

## Services

### A. Business Development

<table>
<thead>
<tr>
<th>PROVIDER NAME</th>
<th>TARGETED SECTORS</th>
<th>SERVICES</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>SoftShore Cluster</td>
<td>ITC</td>
<td>Export Promotion; Networking; Training, Seminars</td>
<td><a href="http://www.lebanonsoftshore.com">www.lebanonsoftshore.com</a></td>
</tr>
<tr>
<td>IDAL</td>
<td>ALL startup</td>
<td>Business support</td>
<td><a href="mailto:bsu@idal.com.lb">bsu@idal.com.lb</a></td>
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<tr>
<td>ERBD</td>
<td>Financial institution</td>
<td>Project &amp; trade finance; business advice; procurement</td>
<td><a href="http://www.erbd.com">www.erbd.com</a></td>
</tr>
<tr>
<td>Berytech</td>
<td>ALL</td>
<td>Business Advisory; Access to market</td>
<td><a href="mailto:info@berytech.org">info@berytech.org</a></td>
</tr>
<tr>
<td>Mowgli</td>
<td>MSMEs in services, ITC, Health</td>
<td>Networking, mentoring, training</td>
<td><a href="http://www.mowgli.org">www.mowgli.org</a></td>
</tr>
<tr>
<td>Entrepreneurs Lebanon</td>
<td>ALL startup</td>
<td>Online platform</td>
<td><a href="http://www.entrepreneurslebanon.com">www.entrepreneurslebanon.com</a></td>
</tr>
</tbody>
</table>

## Services

### B. Incubators

<table>
<thead>
<tr>
<th>PROVIDER NAME</th>
<th>TARGETED SECTORS</th>
<th>SERVICES</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agritech</td>
<td>Agri-food</td>
<td>Start-up funding; customer access; industry connections</td>
<td><a href="mailto:info@agritech.org">info@agritech.org</a></td>
</tr>
<tr>
<td>Beirut creative cluster</td>
<td>Marketing; Advertising and Media</td>
<td>Business Development</td>
<td><a href="http://www.Beirutcreativecluster.org">www.Beirutcreativecluster.org</a></td>
</tr>
<tr>
<td>Smart ESA</td>
<td>ALL startup</td>
<td>Incubation, and acceleration programs</td>
<td><a href="mailto:startup@esa.edu.lb">startup@esa.edu.lb</a></td>
</tr>
<tr>
<td>Speed</td>
<td>ITC software</td>
<td>Investing coaching</td>
<td><a href="mailto:info@speedlebanon.com">info@speedlebanon.com</a></td>
</tr>
<tr>
<td>Touch innovation program</td>
<td>Lebanese business</td>
<td>Training programs</td>
<td><a href="http://www.Tip.touch.com.lbb">www.Tip.touch.com.lbb</a></td>
</tr>
</tbody>
</table>

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Media Center - Useful Links

Others

https://investinlebanon.gov.lb
https://portal.economy.gov.lb/
www.customs.gov.lb
https://lb.kompass.com/
https://exportpotential.intracen.org/#/home
https://macmap.org/en/query/trade-agreement
https://marketanalysis.intracen.org/en
http://globaltradehelpdesk.org/en
https://learning.intracen.org/
https://www.bizmove.com/
Documents & Videos

- IDAL - Investment Opportunities in Lebanon - 2019
- Challenges facing the Lebanese SMEs Sector
- Lebanon-SME-Strategy - UNDP
- IDAL-LOAN FINANCING
- IDAL - Investment Incentive Schemes
- IDAL-MoFT_Registration_Process_for_trademark_patent_and_copyrights_protection

https://www.youtube.com/channel/UCzZmaSPI0oV1-99kwr2m4g
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