TUNISIAN REPUBLIC

COMMERCIAL COMPANIES CODE

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SUMMARY

Law No. 2000–93 of November 3, 2000, promulgating the Commercial Companies Code [1].

(Jort No. 89 of November 7, 2000, page 2744) In the name of the people,

The Chamber of Deputies having adopted,

The President of the Republic promulgates the following law:

Article 1.- The texts relating to commercial companies are hereby promulgated under the title "Commercial Companies Code."

Article 2.- All contrary provisions are repealed as of the date of entry into force of this code, in particular:

- Articles 14 to 188 of the Commercial Code,
- Law No. 88-111 of August 8, 1988, regulating bond issues,
- Articles 24 to 41 of Law No. 92-107 of November 16, 1992, establishing new financial products for the mobilization of savings, and Law No. 94-118 of November 14, 1994 supplementing Law No. 92-107 of November 16, 1992 establishing new financial products for the mobilization of savings.

However, the decrees and orders in force on the date of promulgation of this code shall remain applicable until the promulgation of the implementing texts provided for in this code.

Article 3.- Existing commercial companies must, within one year from the date of entry into force of this code, regularize their situation in accordance with its provisions.

.....

(1) Preparatory work:

Discussion and adoption by the Chamber of Deputies at its meeting on October 31, 2000.

However, the functions of the management bodies of companies: chief executive officers, chairmen of boards of directors, managing directors, managers of "quels" companies [1], regardless of their type, boards of directors, company auditors and their statutory auditors, shall cease in accordance with the legal provisions under which they were appointed and within the time limits set, unless otherwise decided by the company or the court.

Commercial companies and the above-mentioned bodies shall remain, for the period specified, subject to the legal provisions in force prior to the entry into force of the Commercial Companies Code.

Cases pending before the date of promulgation of this code shall remain subject to the legal provisions in force on the date of their introduction, regardless of the level of jurisdiction before which they are pending.

They shall continue to be examined and settled in accordance with those same provisions until a final decision is rendered.

Article 4.- The provisions of Titles I and II of Book V of this Code shall not apply to company mergers in progress on the date of promulgation of this Act, provided that they are completed before December 31, 2001.

This law shall be published in the Official Journal of the Republic of Tunisia and enforced as a law of the State.

Tunis, November 3, 2000.

Zine El Abidine Ben Ali

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(1) Published in the JORT "quelles."

COMMERCIAL COMPANIES CODE

BOOK ONE
COMMON PROVISIONS TO THE DIFFERENT FORMS OF COMPANIES(*)

Title I
General Provisions

Article 1.- The provisions of this code apply to all commercial companies.

Article 2.- A company is a contract whereby two or more persons agree to pool their contributions with a view to sharing the profits or benefiting from the savings that may result from the company's activities.

However, in a single-member limited liability company, the company is formed by a single member.

Article 3.- With the exception of joint ventures, the partnership agreement must be drawn up by private deed or authentic deed. If the contributions include contributions in kind relating to a registered immovable property, the deed must be drawn up in accordance with the legislation in force, failing which it shall be null and void.

.....

(*) Article 4 of Law No. 2009-16 of March 16, 2009, provides that: "Commercial companies existing on the date of entry into force of this law must regularize their situations in accordance with its provisions within one year.

Cases pending on the date of entry into force of this law shall remain subject to the legal provisions in force on the date of their introduction, regardless of the level of jurisdiction before which they are pending, until a final decision is rendered."

The drafter of the deed shall be liable to the company and the partners in the event of gross negligence or fraud.

No evidence shall be admissible between partners against the articles of association. However, agreements concluded between partners on behalf of the company shall be valid and binding on the parties thereto when they are limited to governing rights specific to those partners and do not contravene the provisions of the articles of association. (Paragraph 3 amended by Article 1 of Law No. 2009-16 of March 16, 2009)

Agreements containing preferential terms for the sale or purchase of securities representing an interest in the capital or conferring the right to participate in the capital issued by publicly traded companies must be sent to the company concerned and to the Financial Markets Council within five trading days of the date of their signature. Failing this, their effects are automatically suspended and the parties are released from them during the public offering period. The date of expiry of the agreement must also be notified to the company and the Financial Market Council. A regulation of the Financial Market Council determines the terms and conditions for informing the public of the terms of the above-mentioned agreements. (Paragraph 4 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Third parties may, where applicable, be allowed to prove, by any means, the existence of either the company or one or more clauses of the articles of association.

Article 4.- Every commercial company gives rise to a legal entity independent of the persons of each of its partners from the date of its registration in the commercial register, with the exception of joint ventures.

The transformation of the company or the extension of its term does not result in the creation of a new legal entity.

The company is designated by its trade name or corporate name.

Article 5.- Contributions may be made in cash, in kind, or in industry. All of these contributions, with the exception of contributions in industry, constitute the capital of the company. The latter is the exclusive security for the company's creditors.

Article 6.- Each partner is liable to the company for their contribution. The company may claim damages from them for any delay in the payment of their contribution.

If the contribution is in kind, the contributor is liable to the company under the same conditions as the seller. If the contribution is in the form of use, the contributor is liable to the company under the same conditions as the lessor.

Article 7.- The company is commercial either by its form or by its purpose.

Limited partnerships with share capital, limited liability companies, and public limited companies are commercial companies by form, regardless of the purpose of their activity.

All commercial companies, regardless of their purpose, are subject to commercial laws and practices.

Article 8.- The duration of a company may not exceed ninety-nine years. This duration may, where applicable, be extended.

Article 9.- The form, duration, name or corporate name, registered office, corporate purpose, and amount of share capital must be mentioned in the company's articles of association.

Article 10.- Companies whose registered office is located in Tunisia are subject to Tunisian law.

The registered office is the location of the principal place of business where the company is effectively administered.

Article 11 (Paragraphs 6, 7, and 8 added by Article 2 of Law No. 2009-16 of March 16, 2009). No person may be a partner in a general partnership or a limited partner in a limited partnership or limited liability partnership unless they have the capacity required for commercial practice.

However, persons who do not have the capacity required to engage in commerce may be limited partners in a limited partnership, partners in a limited liability company, or shareholders in a corporation or a limited partnership with share capital [(1)].

.....

(1) The sentence: "Contributions in kind to a limited liability company do not prevent the exercise of this right" has been omitted due to duplication in the original text.

The existence of contributions in kind to a limited liability company does not prevent the partners from exercising this right.

All partners have the right to participate in general meetings. They are entitled to a number of votes proportional to their contributions and shares. They have the right at any time of the year, either personally or through a representative, to consult and make copies of all documents presented at general meetings held during the last three financial years. Members may also obtain copies of the minutes of said meetings.

Shareholders vote in person or through their representative for all of their shares. They may not give proxy voting rights for part of their shares.

The documents referred to in the preceding paragraphs must be made available to all shareholders at a location specified in the articles of association.

They may be consulted during the company's normal business hours.

The fundamental rights of shareholders may not be reduced or limited by the provisions of the articles of association or the decisions of general meetings.

Article 11 bis (Added by Article 2 of Law No. 2009-16 of March 16, 2009) - In addition to the registers and documents required by the legislation in force, the company must keep:

- a register listing the surnames, first names, and addresses of each of the directors and members of the supervisory board;

- a register of shares or securities, including information on the securities covered by the register, the identity of their respective owners, the transactions to which they have been subject, and the charges and rights attached to the securities in question, subject to the provisions of Law No. 2000-35 of March 21, 2000, on the dematerialization of securities.

Shareholders are entitled to obtain extracts from these registers, under the conditions set out in the aforementioned Article 11, during the company's normal working hours.

However, in the case of public limited companies, shareholders may consult the securities register to the extent that it relates to their shareholding. In other cases, consultation may be carried out pursuant to an order issued at the request of the president of the court of first instance in whose jurisdiction the company's registered office is located, if the applicant can prove a legitimate interest.

The list of shareholders in a public limited company must also be made available to them at least fifteen days before each general meeting of shareholders.

Article 12.- Commercial companies whose share capital has not been fully paid up are prohibited from issuing debt securities.

However, the company may proceed with such an issue if the proceeds are used to repay debt securities resulting from a previous issue.

Article 13 (Amended by Article 1 of Law No. 2005-96 of October 18, 2005). Commercial companies are required to appoint an auditor.

However, commercial companies other than joint stock companies are exempt from appointing an auditor:

- for the first fiscal year of their activity,

- if they do not meet two of the numerical limits relating to total assets, total revenue excluding taxes, and average number of employees,

- or if they no longer meet two of the numerical limits referred to in the second indent during the last two financial years of the auditor's term of office.

The auditor must be appointed from among the certified public accountants registered with the Tunisian Institute of Certified Public Accountants if two of the numerical limits relating to total assets, total revenue excluding tax, and average number of employees are met. If these numerical limits are not met, the auditor aux comptes is appointed either from among the experts

accountants registered with the Tunisian Institute of Chartered Accountants, or among the accounting specialists registered with the Tunisian Association of Accountants.

The numerical limits and method of calculating the average number of employees, as provided for in paragraphs 2 and 3 of this article, shall be set by decree.

Any auditor appointed in accordance with the provisions of this article shall be subject to the provisions referred to in Chapter Three of Subtitle Three of Title One of Book Four of this Code.

Article 13 bis (Added by Article 3 of Law No. 2005-96 of October 18, 2005) - The auditor shall be appointed for a renewable term of three years.

However, the number of successive terms of office, taking into account renewal, may not exceed, for commercial companies subject to the obligation to appoint an auditor registered with the Tunisian Institute of Chartered Accountants, three terms when the auditor is a natural person and five terms if the auditor is an accounting firm with at least three certified public accountants registered with the Tunisian Institute of Certified Public Accountants, provided that the professional who assumes personal responsibility for the content of the audit report is changed and the team involved in the audit is changed at least once after three terms of office. The terms and conditions for the application of this paragraph shall be laid down by decree.

The provisions of the second paragraph of this article shall apply to the renewal of mandates as of January 1, 2009.

Article 13b (Added by Article 5 of Law No. 2005-96 of October 18, 2005) - The following are subject to the appointment of two or more auditors registered with the Tunisian Institute of Certified Public Accountants:

- credit institutions offering securities to the public and multi-branch insurance companies,

- companies required to prepare consolidated financial statements in accordance with the legislation in force if their total balance sheet under the consolidated accounts exceeds an amount set by decree,

- companies whose total liabilities to credit institutions and outstanding bond issues exceed an amount set by decree.

These auditors must not be bound by any association or other ties that could limit their independence, and are required to set the terms and conditions for preparing their reports based on the adversarial review procedure.

A professional standard shall lay down the rules and procedures relating to the joint auditing of companies.

Article 13 quater (Added by Article 7 of Law No. 2005-96 of October 18, 2005) - Notwithstanding their legal obligations, auditors are required to provide the Central Bank of Tunisia with a copy of each report addressed to general meetings for:

- companies that issue securities to the public,

- companies required to prepare consolidated financial statements in accordance with the legislation in force if their total balance sheet under the consolidated accounts exceeds an amount set by decree,

- companies whose total liabilities to credit institutions and outstanding bond issues exceed an amount set by decree.

Article 13 "quinter"(*) (Added by Article 10 of Law No. 2005-96 of October 18, 2005). - The management bodies and those responsible for financial and accounting matters in commercial companies, which are subject to the obligation under this Code to appoint one or more auditors registered with the Tunisian Institute of Chartered Accountants, shall be required to sign an annual statement submitted to the auditors certifying that they have taken the necessary steps to ensure that the financial statements are complete and comply with accounting legislation. The content of this declaration is determined by order of the Minister of Finance.

.....

(*) Read: quinquies.

Article 13 sexies (Added by Article 11 of Law No. 2005-96 of October 18, 2005).-Any manager of a commercial company or economic interest group who obstructs the work of the auditor(s) or refuses to provide, at their request, by any means that leaves a written record, the documents necessary for the performance of their duties shall be punished by six months' imprisonment and a fine of five thousand dinars or one of these two penalties.

Title Two
Registration and Publicity of Companies

Article 14.- The company must be registered in the commercial register of the court of its registered office within one month of the date of its incorporation.

Registration shall be effected by filing the company's articles of association and the documents required by the law on the commercial register.

Article 15.- All companies, with the exception of joint ventures, must publish their articles of incorporation.

The advertisement shall be published in the Official Journal of the Republic of Tunisia within one month of either the final incorporation of the company or the date of the minutes or deliberations of the company's constituent general meeting. (Paragraph 2 amended by Article 1 of Law No. 2009-16 of March 16, 2009)

The publicity formalities shall be carried out by the legal representative of the company and under his or her responsibility.

Article 16.- All deeds and deliberations relating to the following are subject to filing and publicity formalities:

- amending the articles of association,

- the appointment of company officers, the renewal or termination of their functions,

- dissolution of the company,

- the transfer of shares or stock, except for those relating to a publicly traded company or a corporation whose articles of incorporation do not include the conditions for transfer,

- mergers, demergers, partial or total transfers of assets,

- liquidation,

- notice of closure of the "financial statements" (1) following dissolution or liquidation or merger or demerger or the partial or total transfer of assets.

- the place where the documents and registers referred to in Articles 11 and 11 bis of this Code are filed. (Indent 8 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Publication must be made within one month of the registration of the deed or minutes of the deliberation in the commercial register.

Article 17.- Failure to comply with the publicity formalities prescribed by the preceding articles shall result in the nullity of the newly formed company and the nullity of the deed or resolution, subject to the regularization provided for in this code.

Article 18.- The legal representatives of the company, as well as the partners of a general partnership or the sole partner of a single-member limited liability company, may not invoke the nullity referred to in Article 17 of this Code against third parties.

Article 19.- The foregoing provisions shall apply to all commercial companies and without prejudice to the provisions relating to publications provided for by the legislation in force.

Article 20.- Notwithstanding the provisions of Articles 14, 18, and 19 of this code, failure to comply with the above-mentioned publicity formalities shall render the corporate officers responsible for them liable to a fine of three hundred to three thousand dinars.

Title Three
Dissolution of Companies

Subtitle One

Causes for Dissolution

Article 21.- A company shall be dissolved in the following cases:

.....

(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

1) upon expiry of its term,

2) upon the termination of its corporate activity,

3) by the will of the partners,

4) by the death of one of its partners,

5) by its judicial dissolution.

Article 22.- The company shall be dissolved upon expiry of its term. However, the company may be extended by a decision taken by the general meeting deliberating in accordance with the conditions laid down in the articles of association.

If the partners, upon expiry of the company's term, maintain its activity, they are deemed to extend it for one year, renewable each time for the same term, in accordance with the provisions of Article 16 of this Code.

Article 23.- If all the shares of a partnership or limited liability company are held by a single partner, the company shall be converted into a single-member limited liability company. If this is not done within one year of the date on which all the shares came to be held by a single person, any interested party may apply to the court for the dissolution of the company.

The competent court may set an additional period of no more than six months for the regularization to be completed.

In any event, dissolution shall not be ordered if the regularization has taken place before the court has ruled on the merits in the first instance.

Article 24.- Where a partner has promised to make a contribution in kind to a company being formed, the loss of the object of that contribution prior to delivery may result in the dissolution of the company.

If the property contributed for use is destroyed before delivery, the company shall be dissolved.

However, in both cases, the representative of the company is required to convene the constituent general meeting in accordance with the conditions laid down in the articles of association in order to deliberate on the continuation or dissolution of the company.

Article 25.- The company is automatically dissolved upon the extinction of its corporate purpose.

Article 26.- The dissolution of any company may be voluntary or judicial.

The company may be dissolved by a decision taken by the partners under the conditions provided for in the articles of association. It is dissolved judicially by a court ruling.

In all cases, any partner may, in accordance with the specific provisions of each company, refer the matter to the competent court with a view to having the company dissolved on valid grounds.

Article 27.- A company may be dissolved when its equity capital falls below half of its share capital as a result of losses recorded in its accounting documents. In this case, the legal representative of the company is required to convene a general meeting, deliberating under the conditions provided for in the articles of association, to decide on the dissolution of the company or its continuation with regularization of its situation.

This is subject to compliance with the provisions of the law on the recovery of companies in economic difficulty.

Subtitle two

The effects of dissolution

Article 28.- The provisions of the articles of association govern the liquidation of the dissolved company, except insofar as they conflict with the mandatory legal provisions in force.

Article 29.- The company shall be in liquidation from the moment of its dissolution, regardless of the cause. The company name or corporate name must be followed by the words "company in liquidation" on all documents issued by the company. However, the legal personality of the company shall survive until the liquidation is completed.

The company may only invoke its dissolution vis-à-vis third parties from the date of publication of the dissolution in the Official Journal of the Republic of Tunisia after registration in the commercial register.

Article 30.- If the articles of association do not specify the conditions for appointing a liquidator, the liquidator shall be appointed by a decision of the general meeting of shareholders taken in accordance with the form of the company and the conditions laid down in its articles of association.

If the shareholders have been unable to appoint a liquidator, the liquidator shall be appointed by order upon request by any interested party.

If the dissolution is pronounced by a court decision, the court shall appoint one or more liquidators from among those who have obtained the agreement of the partners. In the absence of agreement, the liquidator shall be appointed in accordance with the provisions of the law relating to liquidators, judicial representatives, trustees, and judicial administrators. A liquidator who has been appointed without the agreement of the partners shall be subject to the rules of recusal provided for in the Code of Civil and Commercial Procedure.

The liquidator's fees shall be set by the general meeting of shareholders or, failing that, by the president of the court of first instance of the place where the company's registered office is located.

After dissolution and before the appointment of the liquidator, the company's officers shall continue to perform their duties. However, during this period, they shall no longer be authorized to enter into new transactions on behalf of the company, except those required for the liquidation of transactions already commenced and urgent transactions.

Article 31.- Where there are several liquidators, they may not act separately unless expressly authorized to do so, except in the case of an urgent transaction intended to preserve the rights of the company.

Article 32.- The liquidator may only commence liquidation operations after his appointment has been entered in the commercial register and published in the Official Journal of the Republic of Tunisia, within fifteen days of his appointment.

Upon taking office, the liquidator shall be required to draw up, jointly with the company's officers, an inventory of the company's assets and liabilities. This inventory shall be signed by the aforementioned persons.

The liquidator is required to comply with the decisions of the general meeting of shareholders relating to the administration of the company and the disposal of its assets. He may not compromise or grant security interests; however, he may settle if expressly authorized to do so by the general meeting or, where applicable, by the judge.

Article 33.- The dissolution of the company shall result in the forfeiture of all its claims from the date of publication of the dissolution decision in the Official Journal of the Republic of Tunisia.

All enforcement proceedings against the company during the liquidation period shall be suspended. The amount of the debts recognized by the judgments rendered against the company shall be recorded as liabilities with the related privileges.

The dissolution of the company shall not result in the termination of leases relating to the buildings where the company's business is carried on.

Article 34.- Any transfer of all or part of the company's assets to the liquidator, his spouse, his ascendants, his descendants, one of his employees, or any legal entity in which he has a direct or indirect interest shall be null and void.

Article 35.- For the overall transfer of the assets of the dissolved company or their contribution to another company, the liquidator must be authorized to do so by a decision of the general meeting. This meeting shall deliberate in accordance with the conditions necessary for the amendment of the articles of association.

Article 36.- Within three months of the date of his appointment, the liquidator shall be required to convene a general meeting of the shareholders to submit a report on the financial situation of the company and the liquidation plan that he undertakes to execute.

If this meeting is not convened within the period specified in the previous paragraph, any interested party may apply to the judge in summary proceedings, who shall appoint a representative to convene the general meeting.

Article 37.- The liquidator shall convene the general meeting in order to record the closure of the liquidation, approve the final accounts, and discharge the liquidator for his management.

Article 38.- The liquidator shall be liable to the company and to third parties for any misconduct in the performance of his duties.

Liability claims are time-barred three years after publication of the liquidation closure document.

Article 39.- The dissolution of the company does not terminate the functions of the auditors. If necessary, the general meeting shall renew their term of office for the entire liquidation period.

Article 40 (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005).- The term of office of the liquidator shall be one year. If the liquidation is not completed within this period, the liquidator shall submit a report stating the reasons why the liquidation could not be completed and the time frame within which he proposes to do so.

The liquidator's term of office may be renewed twice for the same period by decision of the general meeting of shareholders in accordance with the conditions set out in Article 30 of this Code, or, failing that, by order of the judge hearing the application for interim relief at the request of any interested party.

Article 41.- The conditions set forth in Article 30 of this Code shall apply to the removal and replacement of the liquidator.

Article 42.- The liquidator is the legal representative of the dissolved company. In this capacity, he has the broadest powers to realize the assets, pay the creditors, represent the company in court, and distribute the available balance among the partners.

The liquidator may delegate to third parties the power to perform one or more specific acts. However, the liquidator remains liable for such acts.

Any statutory restriction on the powers of the liquidator is not enforceable against third parties.

For the purposes of liquidation, the liquidator may continue to perform existing contracts or enter into new ones.

Article 43.- Before the expiry of his term of office, the liquidator shall convene a general meeting at which he shall present the liquidation accounts and a report on the liquidation operations.

Prior to the meeting, any partner may inspect the accounting and corporate documents in accordance with the provisions of the articles of association or, failing that, in accordance with the provisions of this code.

If the liquidator fails to convene the general meeting, any interested party may apply to the judge in summary proceedings to have a representative appointed to convene the meeting.

Article 44 (Paragraph 3 amended by Article 1 of Law No. 2005-65 of July 27, 2005) - The resolutions of the general meeting provided for in Article 43 of this code, held in ordinary session, shall be taken in accordance with the majority and quorum requirements of the form of the company.

The liquidating partners shall have the right to vote.

If these conditions are not met, the liquidator must refer the matter to the judge in summary proceedings, who shall take the decision he deems appropriate. Any interested party may also initiate the same procedure.

Article 45 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).- If the general meeting does not meet to deliberate on the matters provided for in Article 37 of this Code within two months of the completion of the liquidation proceedings, or if it refuses to approve the final liquidation account, the liquidator shall apply to the competent court for a decision approving the said account. Any interested party may also initiate the same procedure. The decision approving the final liquidation account shall only be enforceable against third parties from the day following its publication in the Official Journal of the Republic of Tunisia, after it has been entered in the commercial register.

Article 46.- The liquidator shall distribute the available funds among the creditors according to their ranking. If the creditors are of the same rank and the proceeds of the liquidation are insufficient to pay all their claims, the distribution shall be made in proportion to their claims of the same rank and the sums due to them, and whoever subrogates a privileged creditor shall be substituted for that creditor in all its rights. The liquidator shall also distribute the remainder of the liquidation surplus to the partners after preserving the rights of the company's creditors and

depositing the claims of those who are not present and whose claims are certain and liquid.

The decision to distribute must be published in the form of a notice in the Official Journal of the Republic of Tunisia and in two daily newspapers, one of which must be in Arabic. Any interested party may lodge an objection within ninety days of the date of publication of the last notice by applying to the judge in charge of summary proceedings, who will rule on the legality of the distribution.

No distribution may be made before the expiry of the period for lodging objections. The objection suspends the distribution until the final judgment is handed down.

Where the liquidation results from the dissolution of the company, the partners may, after payment of all creditors, recover the movable or immovable property that was the subject of their contributions, unless otherwise stipulated in the articles of association.

Article 47.- The liquidation surplus shall be distributed among the partners in proportion to their share in the capital stock.

After the liquidation has been completed, the liquidator is required to submit his accounts and file the books, papers, and documents relating to the company with the clerk of the court in which the dissolved company has its registered office, or in another secure location designated by the court, unless the partners, by majority vote, designate a person to whom he shall submit these documents. These documents must be kept for three years from the date of filing.

Article 48.- The liquidator must publish the closure of the liquidation of the company in the Official Journal of the Republic of Tunisia and in two daily newspapers, one of which must be in Arabic, within five days of the closure being entered in the commercial register.

Subtitle three

Penal provisions

Article 49 (Number 3 added by Article 2 of Law No. 2005-65 of July 27, 2005).

Any liquidator who fails to register the decision to dissolve the company and his appointment in the commercial register within 30 days of being notified of his appointment shall be punished by imprisonment for one to six months and a fine of three hundred to one thousand dinars.

1) fails, within 30 days of being notified of his appointment, to register the decision to dissolve the company and his appointment in the commercial register.

2) fails to convene the partners to decide on the company's final accounts and on the discharge of his management at the close of the liquidation or fails to request the court's approval as provided for in Article 45 of this Code.

3) has contravened the provisions of Articles 36, 40, 43, and 44 and Article 46, with the exception of the obligation to deposit funds provided for at the end of the said article, or has violated the provisions of Article 47 of this code.

Article 50 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).- A liquidator who has not deposited with the Caisse des Dépôts et Consignations, within one month of the closure of the liquidation proceedings, the sums due to the partners and creditors and which they have not claimed shall be punished by the penalties provided for in Article 297 of the Penal Code.

Article 51.- Any liquidator who exploits the reputation of the company in liquidation or knowingly uses the assets of the said company in a manner contrary to its interests, for personal gain or to favor a business or company in which he had an interest, either directly or indirectly or through an intermediary.

Article 52.- Any liquidator who has disposed of all or part of the assets of the company in liquidation in violation of the provisions of Articles 34 and 35 of this Code shall be punished by imprisonment for one month to two years and a fine of three hundred to three thousand dinars.

Article 53.- The penalties provided for in Articles 49 to 52 of this Code shall not preclude the application of more severe penalties provided for by other laws criminalizing the same acts.

BOOK TWO
PARTNERSHIPS

Title I
General Partnership

Article 54.- A general partnership is formed between two or more persons who are personally and jointly liable for the partnership's liabilities. It operates under a business name consisting of the names of all the partners or the name of one or more of them followed by the words "and company."

Any person outside the company who knowingly allows their name to appear in the company's trade name shall be liable for the company's debts to anyone who may have been misled as a result.

Article 55.- Partners in a general partnership have the status of merchants; however, the company's creditors may only pursue a partner for payment of the company's debts fifteen days after giving him formal notice.

Partners who were members of the company at the time the corporate commitment was made are jointly and severally liable with their own assets.

Creditors must take action within three years of the due date of their claims.

(Paragraph 4 repealed by Article 3 of Law No. 2009-16 of March 16, 2009)

Article 56.- Except in cases expressly provided for in the company's articles of association, a partner may not transfer his or her share to a third party without the unanimous consent of the other partners and subject to compliance with disclosure requirements.

However, a partner may transfer to a third party the rights and benefits attached to his or her share, such agreement having effect only between the contracting parties.

Article 57.- The management of the company is a right for all partners unless the articles of association or a subsequent agreement provide otherwise.

Article 58.- The manager(s) shall be appointed either by the articles of association or by a subsequent unanimous decision of the partners.

The manager(s) may or may not be partners. In the latter case, the decision to appoint the manager(s) may be taken by the partners holding three-quarters of the share capital.

Article 59.- The manager may be dismissed under the same conditions under which he or she was appointed. However, if the dismissal is abusive, it may give rise to compensation.

The replacement of a former manager by a new one must be published in accordance with the legal procedure.

Article 60.- The manager shall perform all management acts required in the interests of the company, unless his powers are expressly limited by the articles of association.

In the event of multiple managers, each of them shall separately hold all the powers provided for in the preceding paragraph. Any objection raised by one manager to the acts of another manager shall have no effect on third parties, unless it is established that they were aware of it.

If a legal entity is a manager, its officers shall incur the same civil and criminal liability as if they were managers in their own right, without prejudice to the joint and several liability of the legal entity they manage.

Article 61.- Managers bind the company whenever they act within the limits of their powers and sign under the company name, even if they use this signature for their own personal benefit, unless the third-party contracting party is acting in bad faith.

Article 62.- Managers may not manage a company or sole proprietorship engaged in a competing activity.

Article 63.- Without special authorization from the partners, managers may not enter into contracts or undertake projects with the company on their own behalf. Authorization must be renewed annually if necessary.

Article 64.- Non-managing partners have the right to inspect the accounting documents twice a year at the company's registered office. They also have the right to submit written questions about the management of the company. Responses to these questions must be provided in writing within a period not exceeding one month.

Article 65.- In addition to the causes of dissolution common to all companies provided for in this code, general partnerships are subject to the following causes of dissolution:

1) The inability of one of the partners to transfer their shares if the company has been formed for an unlimited period, provided that their decision to transfer their shares does not harm the legitimate interests of the company in view of the circumstances in which the decision to transfer was taken.

2) The incapacity or bankruptcy of a partner.

However, the other partners may unanimously decide that the company will continue between them, excluding the resigning, incapacitated, or bankrupt partner, but on condition that the legal publicity measures are carried out.

Unless otherwise provided in the articles of association, in the event of the death of one of the partners, the general partnership shall continue between the survivors, if the
"deceased" (1) has not left any heirs to whom his rights are devolved. Otherwise, the company shall continue with the heirs, who shall become limited partners, and the company shall be automatically converted into a limited partnership, which must be subject to legal publicity measures.

Article 66.- In all cases, the value of the rights of the deceased, disqualified, or bankrupt partner shall be determined by a special inventory, unless the articles of association provide for another method of valuation.

Title Two
The Limited Partnership

Article 67 (First paragraph amended by Article 1 of Law No. 2005-65 of July 27, 2005).- A limited partnership comprises two groups of partners: general partners, who alone may be responsible for managing the partnership and who are jointly and severally liable for the partnership's debts; and limited partners, who are financial backers and are liable only to the extent of their contributions.

General partners are subject to the same legal regime as partners in a general partnership.

.....

(1) Published in error in the JORT: "preceded".

Limited partners are subject to the same legal regime as partners in a limited liability company.

A limited partner may not make a contribution in kind.

Article 68.- The provisions relating to general partnerships shall apply to limited partnerships, subject to the rules set out in this title.

Article 69.- A limited partnership shall be designated by a business name that includes the names of the general partners followed or preceded by the words "limited partnership."

The company name shall not include the names of the limited partners.

A limited partner who consents to the inclusion of his name in the company name shall be liable to third parties acting in good faith under the same conditions as a general partner.

Article 70.- The articles of association of the company must contain the following information:

1) The amount or value of the contributions of all partners.

2) The share of this amount or value attributable to each general partner or limited partner.

3) The total share of the general partners and the share of each limited partner in the distribution of profits and liquidation proceeds.

Article 71.- Limited partners may not interfere in the management of the company, even by virtue of a power of attorney.

In the event of a breach of this prohibition, they shall be held jointly and severally liable with the general partners for the commitments resulting from the prohibited acts. Depending on the number of acts of interference or their seriousness, their liability shall be either limited to the consequences resulting from the prohibited act or extended to all the debts of the company.

The following do not constitute acts of interference in the administration and external management of the company: monitoring the actions of managers, providing them with advice and consultation, and authorizing

given to them to perform acts that exceed the limits of their powers.

Article 72.- Decisions shall be taken in accordance with the conditions laid down in the articles of association. However, a meeting of all partners shall be held as of right if requested by either a general partner or by a quarter of the limited partners in terms of number and capital.

Article 73.- Limited partners may submit questions in writing relating to the management of the company by the manager. The latter must respond to them in writing[1] . They may also inspect all documents and accounting records at the registered office twice a year.

Article 74.- The articles of association may only be amended with the consent of all general partners and the consent of the majority of limited partners in terms of number and capital. A change in the nationality of the company may only be decided unanimously by the partners. Any clause to the contrary shall be deemed null and void.

Article 75.- Shares may only be transferred with the consent of all partners.

However, the articles of association may stipulate:

1) that the transfer of limited partners' shares is unrestricted between partners.

2) that the transfer of limited partners' shares to non-partners may only be made with the consent of all general partners and a majority of limited partners in terms of number and capital.

3) that a general partner may transfer part of their shares to a limited partner or to a third party outside the company under the conditions set out in the second paragraph of this article.

Article 76.- The dissolution of a limited partnership is subject to the same rules governing the dissolution of general partnerships. A change in the form of a limited partnership shall be effected in accordance with the conditions set out in Articles 403 and 433 et seq. of this Code.

.....

(1) According to the Arabic version, this should read: "in writing within a period not exceeding one month."

Title Three
Joint Venture

Article 77.- A joint venture is a contract whereby the partners freely determine their mutual rights and obligations and set their contributions to losses and their shares in any profits and savings that may result.

Article 78.- The joint venture is subject to the general rules governing companies and may have a commercial purpose.

A joint venture does not have legal personality. It cannot be known to third parties. It is not subject to registration or any form of publicity.

The joint venture agreement and related agreements may be proven by any "means of evidence admissible in commercial matters." (1)

Article 79.- If the company is disclosed to third parties in any way, the partners shall be bound by the same conditions as those of a general partnership.

The disclosure of the joint venture to third parties shall not invalidate the agreement, which shall continue to govern the relations between the partners. Any provision in the articles of association to the contrary shall not be enforceable against third parties.

Article 80.- Third parties shall have a legal relationship only with the partner with whom they have contracted. The latter shall be personally liable and responsible on behalf of all the partners.

Article 81.- Each partner in a joint venture is required to act and enter into contracts in accordance with the partnership agreement and in the interests of all partners.

Each partner must report to his co-partners on all acts, transactions, and contracts he enters into within a period not exceeding three months from the date of their conclusion.

Article 82.- A partner in a joint venture must refrain from any activity that competes with that of the company, unless such activity was carried out prior to its incorporation.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

In the event of a breach of the provisions of the preceding paragraph, the other partners may request the cessation of the competing activity without prejudice to their right to damages. In this case, the liability action must be brought within three months from the effective exercise of the competing activity or from the date on which knowledge of this activity was acquired.

Article 83.- The joint venture may be managed by one or more managers chosen from among the partners. In all cases, the managers may only carry out their activities in their own name in the interests of the company.

The manager represents all the partners in accordance with Articles 1104 et seq. of the Code of Obligations and Contracts.

Article 84.- The articles of association of the joint venture shall lay down the procedures for the dismissal and resignation of the manager.

If the articles of association are silent on this matter, the dismissal and resignation of the manager shall be subject to the rules applicable to the manager of a general partnership.

Article 85.- The distribution of profits and losses among the partners shall be in accordance with the articles of association.

If the articles of association are silent on this matter, the rule of equality between all partners shall apply.

Article 86.- Each partner in a joint venture has the right to transfer their shares to one of their co-partners in accordance with the provisions of the articles of association. They may only transfer them to a third party if their co-partners have refused the offer to purchase within three months of the date of the offer.

In the event of the transfer of shares to a third party, the company shall be converted into a general partnership.

Article 87.- The joint venture shall terminate either upon expiry of the term fixed for it, by agreement of all the partners, or upon the death of one of them.

Article 88.- When the company is dissolved, the partners must prepare the final "financial statements"(1) of the company and proceed with the

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

distribution of profits and company assets and the allocation of losses in accordance with Article 85 of this Code.

Each partner contributing in kind shall recover his contribution, of which he remains the owner.

Assets acquired during the life of the company and assets that are undivided between the partners shall be shared between them in accordance with the provisions of Article 85 of this Code. Failing this, the division shall be carried out in accordance with the provisions of Articles 116 et seq. of the Code of Property Rights.

Article 89.- The company may not issue transferable or negotiable securities.

BOOK THREE
LIMITED LIABILITY COMPANIES

Title I
General Provisions

Article 90.- A limited liability company is formed between two or more persons who are liable for losses only up to the amount of their contributions.

When a limited liability company has only one member, it is referred to as a "single-member limited liability company." This member exercises the same powers as those vested in the company's manager in accordance with the provisions of this book.

Article 91.- The company is designated by a corporate name, which may include the names of certain partners or one of them. This corporate name must be preceded or followed immediately by the words "S.A.R.L" and the statement of the share capital.

If the company is a single-member company, the designation shall be "S.U.A.R.L" followed by the amount of the share capital.

The company may not be designated by a corporate name that is identical to that of a pre-existing company or that bears a resemblance to it that could mislead third parties.

In this case, any interested party may apply to the competent court to have this similarity removed, without prejudice to compensation for any damage suffered.

Article 92 (Amended by Law No. 2005-12 of January 26, 2005, and by Article 12 of Law No. 2007-69 of December 27, 2007) - The capital of a limited liability company is set by its articles of association. The share capital is divided into shares of equal nominal value.

Title Two
The Limited Liability Company

Subtitle One
On the formation of a limited liability company

Article 93.- The number of partners in a limited liability company may not exceed fifty. If the company comes to have more than fifty partners, it must be converted into a joint stock company within one year, unless the number of partners is reduced to fifty or less within the aforementioned period.

Failing this, any interested party may request the judicial dissolution of the company.

However, the court hearing the dissolution action may grant an additional period to allow the members to comply with the provisions of the first paragraph of this article.

If all the shares of a limited liability company are held by a single person, it shall be converted into a single-member limited liability company.

Article 94.- Under penalty of nullity, insurance companies, banks and other financial institutions, credit institutions and, in general, any company that is required by law to take a specific form may not take the form of a limited liability company.

Article 95.- A limited liability company of Tunisian nationality must have its registered office in Tunisia.

Article 96.- A limited liability company shall be formed in writing in accordance with the provisions of Article 3 of this Code, which must be signed by all the partners or by their representatives with special power of attorney.

The articles of association must include the following information:

1) for natural persons: full names, civil status, domicile, and nationality; and for legal entities: corporate name, nationality, and registered office.

2) the corporate purpose.

3) the duration of the company.

4) the amount of the company's capital with the distribution of the shares representing it (Amended by Law No. 2019-47 of May 29, 2019).

5) the distribution of cash and in-kind contributions and their valuation.

6) Where applicable, the manager(s).

7) the terms and conditions of payment.

8) the closing date of the annual financial statements[1].

Article 97 (Last paragraph amended by Article 16 of Law No. 2007-69 of December 27, 2007). A limited liability company is only definitively incorporated when the articles of association state that all shares representing cash or in-kind contributions have been distributed among the partners and that their value has been fully paid up.

The founders must expressly state in the articles of association that these conditions have been met.

Contributions to the company may be in kind. The valuation of such contributions and the determination of the share of profits they generate shall be agreed upon by the partners in the articles of association. Such contributions shall not form part of the company's capital.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 98 (Amended by Law No. 2019-47 of May 29, 2019) - The manager may only dispose of the funds resulting from the payment of the shares after all the formalities for the incorporation of the company have been completed and it has been registered in the national register of companies.

If the funds resulting from the payment of shares have been deposited with a banking institution and the company has not been incorporated within six months of the date of deposit of the funds, any contributor may, by order of the president of the court in whose jurisdiction the bank is located, withdraw the amount of his or her contributions.

Article 99.- If the capital contribution is in foreign currency, its value in Tunisian dinars shall be determined at the exchange rate prevailing on the date of payment of the contribution.

Article 100.- The articles of association of the company must include a valuation of any contribution in kind.

The valuation of the contribution in kind shall be carried out by a contribution auditor who shall be appointed unanimously by the partners or, failing that, by order on request issued by the president of the court of first instance in whose jurisdiction the company's registered office is located. This order shall be issued at the request of the most diligent future partner.

"The report of the contribution auditor must be appended to the articles of association"(((2))).

However, the partners may decide by majority vote not to appoint a contribution auditor if the value of each contribution in kind does not exceed three thousand dinars.

If a contribution auditor has not been appointed, the partners shall be jointly and severally liable to third parties for the value attributed to contributions in kind at the time of the company's incorporation.

The liability action is time-barred after a period of three years from the date of incorporation.

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(2) Translated and added in accordance with the Arabic version.

Article 101.- A limited liability company is prohibited from issuing or guaranteeing securities. Any decision to the contrary shall be considered null and void.

Article 102.- Shares may not be represented by negotiable securities. Any decision to the contrary shall be null and void.

Article 103.- The company is only validly incorporated after its registration in the commercial register.

Until it is registered in the commercial register, the company shall be considered a limited liability company in the process of being formed and shall remain subject to the rules governing de facto partnerships.

Article 104.- Any limited liability company formed in violation of Articles 93 to 100 of this Code shall be null and void.

The nullity may not be invoked against third parties by the partners.

The action for nullity shall be time-barred after a period of three years from the date of incorporation of the company, which shall be considered a de facto partnership.

Article 105.- When the nullity of the company is declared by a judgment that has become final, it shall be liquidated in accordance with the provisions of the articles of association and the law in force.

Article 106.- The managers and partners to whom the nullity is attributable shall be jointly and severally liable to the other partners and third parties for any damage resulting from the annulment.

The liability action shall be time-barred three years from the date on which the annulment decision becomes final.

The liability action shall cease to be admissible when the cause of the nullity has ceased to exist on the day the court rules on the merits in the first instance, or if the nullity has been covered within the time limit set by the judge.

The costs of proceedings incurred by actions for annulment shall be borne by the defendants.

Article 107.- Any nullity is covered by the regularization of its cause.

The action for nullity shall be extinguished when the cause of nullity has ceased to exist, even on the day the court rules on the merits in the first instance, unless the nullity is based on the illegality of the corporate purpose.

first instance, unless the nullity is based on the illegality of the corporate purpose.

If, in order to cover a nullity, a meeting must be convened or a consultation of the partners must be carried out, and if a regular convening of this meeting is justified, the court shall grant the necessary time for the partners to proceed with the regularization.

The court hearing an action for nullity may, even on its own initiative, set a time limit to allow the nullity to be covered. It may not declare nullity less than three months after the date of the writ of summons.

Article 108.- Where the nullity of the company or of subsequent deliberations is based on a violation of the rules of publicity, any person with an interest in regularization may give the company formal notice to do so within thirty days.

If the situation is not rectified within that period, any interested party may ask the judge hearing the application for interim relief to appoint an agent to carry out the formalities.

Subtitle two

The shareholding regime

Article 109.- Shares may only be transferred to third parties outside the company with the consent of a majority of the shareholders representing at least three-quarters of the share capital.

Where the company has more than one shareholder, the proposed transfer shall be notified to the company and to each of the shareholders.

If the company has not made its decision known within three months of the last notification provided for above, the company's consent shall be deemed to have been given.

If the company refuses to approve the transfer, the partners are required to acquire or arrange for the acquisition of the shares within three months of the date of refusal. In the event of disagreement on the transfer price, it shall be determined by a certified public accountant registered on the list of court experts, appointed either by mutual agreement of the parties or at the request of the most diligent party by order of the president of the competent court. (Paragraph 4 amended by Article 1 of Law No. 2005-65 of 27

diligent party by order of the president of the competent court. (Paragraph 4 amended by Article 1 of Law No. 2005-65 of July 27, 2005)

The company may also, within the same period and with the express consent of the transferor, repurchase the shares at the price set in accordance with the terms set out above and reduce its capital by the nominal value of the shares transferred.

The president of the court of first instance of the place where the registered office is located may, upon request, grant the company a payment period not exceeding one year. In this case, the sums owed by the company to the transferor shall be increased by the legal interest rate applicable to commercial transactions.

(The seventh paragraph was repealed by Article 13 of Law No. 2007-69 of December 27, 2007).

If, upon expiry of the specified period, none of the solutions provided for in this article has been implemented, the partner may proceed with the transfer as initially planned.

Any clause in the articles of association that conflicts with the above provisions shall be deemed null and void.

However, the articles of association may provide for a limitation on transferability, without the conditions being more stringent than those set out in this article.

However, the articles of association may provide for a shortening of the time limits and a reduction in the majority required.

Article 110.- The transfer of shares must be recorded in writing and bear the certified signatures of the parties. Such transfer shall only be enforceable against the company if the conditions set forth in Article 109 above have been met and the company has been notified thereof.

Article 111.- A register of shareholders shall be kept at the registered office under the responsibility of the manager, in which the following information must be recorded:

1) the precise identity of each shareholder and the number of shares they hold.

2) an indication of the payments made.

3) transfers and assignments of shares, stating the date of the transaction and its registration in the case of inter vivos transfers.

In the case of transfer by inheritance, the date of death of the deceased must be mentioned.

Transfers and conveyances shall only be enforceable against the company from the date of their entry in the register of shareholders or their notification in accordance with the conditions laid down in Article 109 of this Code. Any shareholder may consult this register.

Subtitle three

Management of the limited liability company

Chapter One

Management

Article 112.- A limited liability company shall be managed by one or more natural persons.

The manager(s) may be appointed in the articles of association or by a subsequent deed, from among the partners or from among third parties. If the articles of association or the appointment decision are silent on this point, the manager's term of office shall be three years, renewable.

The manager represents the company vis-à-vis third parties and before the courts as plaintiff or defendant.

Article 113.- The articles of association shall determine the powers of the managers in their relations with the partners.

Unless otherwise stipulated in the articles of association, the manager may perform all acts falling within the scope of the company's purpose and in the interests of the company.

Article 114.- In its dealings with third parties, the company is bound by all acts performed by the manager and falling within the scope of the corporate purpose.

The above provisions apply, in the event of multiple managers, to acts performed by each of them. Any objection raised by one manager to the acts of another manager shall have no effect on third parties, unless it is established that they were aware of such acts.

Actions taken by the manager that exceed the corporate purpose bind the company vis-à-vis third parties, unless it has been proven that the third party could not have been unaware of this given the circumstances. The mere publication of the articles of association cannot be considered proof of such knowledge.

Provisions in the articles of association limiting the powers of the manager are not enforceable against third parties, even if the articles of association have been published.

Article 115.- Any agreement entered into directly or through an intermediary between the company and its manager, whether a partner or not, as well as between the company and one of its partners, must be the subject of a report presented to the general meeting either by the manager or by the auditor, if there is one.

The general meeting shall decide on this report, without the manager or partner concerned being entitled to take part in the vote, or their shares being taken into account for the calculation of the quorum or majority.

When the company has only one partner, the agreement entered into with the company must be set out in a document attached to the annual accounts.

Unapproved agreements shall be effective, but the manager or contracting partner shall be held liable, individually and jointly where applicable, for any damage suffered by the company as a result.

The provisions of this article apply to agreements entered into with a company whose jointly and severally liable partner, manager, director, chief executive officer, or member of the management board or supervisory board is simultaneously a manager or partner of the limited liability company.

The following are also subject to the procedures mentioned in the preceding paragraphs of this article: (Added by Law No. 2019-47 of May 29, 2019).

- the sale of the business or any of its assets, or their lease to a third party, unless such transactions constitute the main activity carried out by the company,

- the transfer of more than fifty percent of the gross book value of the company's fixed assets,

- the conclusion of a significant loan for the benefit of the company, provided that the articles of association set the minimum amount,

- the sale of real estate where provided for in the articles of association,

- guaranteeing the debts of others, unless the articles of association provide for an exemption from the procedures referred to within the limits of a specified threshold.

Article 116 (First paragraph amended by Article 1 of Law No. 2005-65 of July 27, 2005) - The company is prohibited from granting credit to its manager or to individual partners, in any form whatsoever, or from endorsing or guaranteeing their commitments to third parties. The prohibition extends to the legal representatives

of associated legal entities, as well as to the spouses, ascendants, and descendants of the persons referred to above.

Any interested party may invoke the nullity of any act concluded in violation of the above provisions.

Article 117.- The manager(s) shall be individually or jointly liable, as the case may be, to the company or to third parties for any infringements of the legal provisions applicable to limited liability companies, any violations of the articles of association, or any misconduct in their management.

If the acts giving rise to liability are the work of several managers, the court shall determine the contributory share of each of them in the compensation for the damage.

The court shall order the de jure or de facto manager to return the sums he has taken from the company's funds, plus any profits he may have derived from the use of those funds for his own benefit or for the benefit of a third party, without prejudice to the right of the partners to claim greater damages and to bring criminal proceedings, if applicable.

The sums awarded by the judgment are payable to the company. (Paragraphs 3 and 4 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Article 118.- Each partner may individually bring an action for liability for compensation for personal damage suffered.

Partners representing one-tenth of the share capital may, by joining forces, bring corporate action against the manager or managers responsible for the damage. (Paragraph 2 amended by Article 1 of Law No. 2009-16 of March 16, 2009)

Any change in the above-mentioned share of the partners occurring after the liability action has been brought shall not have the effect of extinguishing said action.

Article 119.- Any clause in the articles of association that has the effect of making the bringing of the corporate action provided for in Article 118 of this Code subject to the prior opinion or authorization of the general meeting or that would involve a waiver in advance of the bringing of such action shall be deemed null and void.

Any decision of the general meeting that has the effect of prohibiting the exercise of liability action against the manager for misconduct in the performance of his duties shall also be deemed null and void.

Article 120.- The liability actions provided for in Articles 117 to 119 of this Code shall be time-barred three years after the harmful event, or if it has been concealed, three years after its disclosure.

When the act is classified as a crime, the action is time-barred after ten years.

Article 121 (Amended by Article 1 of Law No. 2009-16 of March 16, 2009) - When judicial settlement or bankruptcy reveals insufficient assets, the court may, at the request of the judicial administrator, the bankruptcy trustee, or one of the creditors, decide that the debts of the company shall be borne, in whole or in part, jointly or severally, and up to the limit of the amount designated by the court, by the manager(s) or any de facto director. It may also prohibit the convicted person from managing companies or engaging in commercial activities for a period specified in the judgment.

The de jure or de facto manager is only exempt from liability if he can prove that he has managed the company with all the skill and diligence of a prudent entrepreneur and loyal agent.

The action is time-barred three years after the judgment pronouncing judicial settlement or bankruptcy.

Article 122.- The statutory manager may be dismissed by a decision of the shareholders at a general meeting representing at least three-quarters of the share capital.

A manager appointed by separate deed may be dismissed by a decision of the partners representing more than half of the share capital.

The shareholder(s) representing at least one-quarter of the share capital may bring an action before the competent court seeking the dismissal of the manager for legitimate reasons.

Chapter Two

Supervisory bodies: Auditors

Article 123 (Amended by Article 1 of Law No. 2005-96 of October 18, 2005).- Where the appointment of one or more auditors is required pursuant to Article 13 of this Code, such appointment shall be made by the partners deliberating under the quorum and majority conditions applicable to ordinary general meetings.

One or more partners, representing at least five percent of the share capital, may request that the appointment of one or more auditors be included on the agenda of the ordinary general meeting, even if the company is not required to do so because it does not meet the criteria set out in Article 13 of this Code. In this case, the ordinary general meeting shall examine the request in accordance with the procedures mentioned in the previous paragraph. (Amended by Law No. 2019-47 of May 29, 2019).

Article 124 (First paragraph amended by Article 1 of Law No. 2005-96 of October 18, 2005).The appointment of one or more auditors shall be mandatory for a limited liability company if one or more partners representing at least one-fifth of the share capital so request, even if the company does not meet the conditions for appointment referred to in Article 13 of this Code. The president of the court in whose jurisdiction the company's registered office is located shall appoint the auditor(s) by order upon request, at the request of the partner(s) referred to above.

In all cases, a provision in the articles of association may require the appointment of one or more auditors.

Article 125 (First paragraph amended by Article 4 of Law No. 2005-96 of October 18, 2005).- Without prejudice to the provisions of Article 13 bis of this Code, auditors shall in all cases be appointed for a term of three years. Their powers, duties, obligations, and responsibilities, as well as the conditions for their dismissal and remuneration, shall be determined in accordance with the provisions of Articles 258 to 273 of this Code.

The same applies to the rules on incompatibilities and prohibitions.

Chapter Three

Deliberative bodies: the shareholders' meeting

Article 126.-Corporate decisions are taken by the partners at an ordinary or extraordinary general meeting. However, if the number of partners is less than six, and if a statutory clause so provides, decisions may be taken by written consultation of the partners, except for the deliberations provided for in Article 128 of this Code.

The partners are convened to general meetings by the manager, or failing that, by the auditor, if there is one.

The notice shall be sent by registered letter with acknowledgment of receipt or by any other means leaving a written record or having the probative force of a written document at least twenty days before the date of the general meeting. It shall clearly state the agenda of the general meeting and the text of the proposed resolutions (Amended by Law No. 2019-47 of May 29, 2019).

Article 127 (Amended by Law No. 2019-47 of May 29, 2019). Notwithstanding any contrary provision in the articles of association, one or more partners may:

- call a general meeting if they hold at least half of the share capital or one-tenth of the capital if the number of partners does not exceed ten,

- request the manager, once a year, to convene a general meeting if they hold at least a quarter of the share capital,

- request, for just cause, that the judge in summary proceedings order the manager or the auditor, if there is one, or a judicial representative appointed by him, to convene the general meeting and set the agenda.

In all cases, the conditions and procedures provided for in Article 126 of this Code shall apply and the company shall be required to bear the expenses incurred in convening the general meeting.

Any partner may bring legal proceedings to have a general meeting declared null and void on the grounds that it was not duly convened, unless all the partners were present or represented at the meeting. The court shall hear and rule on the application in accordance with the procedures for summary proceedings. (Paragraph 3 amended by Article 1 of Law No. 2005-65 of July 27, 2005).

Article 128 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005). The annual general meeting must be held within six months of the end of the financial year.

At least thirty days before the general meeting called to approve the financial statements, the following documents shall be sent to the partners by registered letter with acknowledgment of receipt

or by any other means leaving a written record or having the probative force of a written document (Amended by Law No. 2019-47 of May 29, 2019):

- the management report,
- the inventory of the company's assets,
- the financial statements,
- the text of the proposed resolutions,
- the auditor's report where his appointment is mandatory.

One or more shareholders, representing at least five percent of the share capital, may request that items be added to the agenda for deliberation. These items shall be included on the agenda of the general meeting after the shareholder or shareholders have sent a registered letter with acknowledgment of receipt to the company. The request must be sent before the first general meeting is held. (Added by Law No. 2019-47 of May 29, 2019)

Any partner may submit questions in writing to the manager at least eight days before the date scheduled for the general meeting.

The manager shall be required to answer written questions during the general meeting.

Any partner may, at any time, inspect the above-mentioned documents relating to the last three financial years on site and seek the assistance of a certified public accountant or accountant.

The court shall hear the action for annulment of the decisions taken in violation of the above provisions and shall rule on it in accordance with the procedures of summary justice.

Any statutory clause contrary to the above provisions shall be deemed null and void.

Article 129.- Notwithstanding any clause to the contrary, each partner shall have a number of votes equal to the number of shares they hold.

They may be represented by another person with special power of attorney.

Article 130.- A resolution shall only be adopted if it has been voted for by one or more partners representing more than half of the share capital.

If the majority specified above is not reached at the first meeting, the partners shall be reconvened, with no less than 15 days between the first and second general meetings, and this convocation shall be made by registered letter with acknowledgment of receipt or any other means leaving a written record or having the probative force of a written document at least eight days before the second meeting is held. At the second general meeting, decisions shall be taken by a majority of the votes of the partners present or represented, regardless of the number of voters, unless otherwise stipulated in the articles of association. (Amended by Law No. 2019-47 of May 29, 2019).

Article 131.- (Paragraph 1[1]amended by Article 1 of Law No. 2009-16 of March 16, 2009) The company's articles of association may only be amended by a resolution approved by shareholders representing at least three-quarters of the share capital at an extraordinary general meeting.

The articles of association may provide that they may be amended by a decision of the extraordinary general meeting held in the presence of shareholders holding at least 50% of the shares. If this quorum is not reached, a second meeting shall be held after a period of at least 60 days, in the presence of shareholders holding at least one-third of the share capital. The notice of the second general meeting shall be given in accordance with the procedures laid down in Article 126 of this Code. In all cases, decisions shall be taken by a two-thirds majority of the shareholders present or represented. The articles of association may provide for a higher quorum or majority, but may not require unanimity.

The articles of association may be amended by the company's manager if such amendment is made in accordance with the legal or regulatory provisions that prescribe it. The amended articles of association shall be submitted for approval at the next general meeting. (Paragraphs 2 and 3 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Each partner shall have the right to participate in the increase in share capital in proportion to their share.

The subscription rights of members may be exercised within the period specified in the resolution deciding on the capital increase.

The above-mentioned period may not be less than twenty-one days from the date on which the subscription right becomes effective.

The partners shall be notified of the opening of the subscription and of the deadline for subscribing by registered letter with acknowledgment of receipt or by any other means leaving a written record or having the probative force of a written document. (Amended by Law No. 2019-47 of May 29, 2019).

After this period, the partner shall be deemed to have waived their right to participate in the increase. In this case, the new shares not subscribed for shall be distributed among the other partners within twenty-one days and in proportion to their shares in the company. After this period, the subscription shall be open to third parties by virtue of a decision of the general meeting.

However, no decision may compel a partner to increase their shareholding.

Article 132.- Notwithstanding the provisions of Article 131 of this Code, the decision to change the nationality of the company must be taken unanimously by the partners.

Article 133.- Any increase in capital must be decided by a resolution taken in accordance with the provisions of Article 131 of this Code.

Notwithstanding the preceding paragraph, the decision to increase the share capital by incorporating reserves may be taken by shareholders representing more than half of the share capital.

Article 134.- If the capital increase is carried out by means of a cash subscription for shares, the funds collected shall be deposited with a financial institution in accordance with the provisions of Article 98 of this Code.

If the increase is not carried out within six months of the date of the general meeting that decided on it, any contributor may request authorization to withdraw the amount of their contribution, by order of the judge hearing the application for interim relief, if one or several partners "refuse"[1] to subscribe and pay up the unpaid amount of the capital increase.

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(1) Published in the JORT: "refuses."

Article 135.- Where the capital increase has been carried out, in whole or in part, by contributions in kind, the valuation of such contributions shall be carried out in accordance with the provisions of Article 100 of this Code.

Where the value retained differs from that proposed by the contributions auditor, the shareholders on the date of the increase and the persons who subscribed to the capital increase shall be jointly and severally liable to third parties for the valuation of the contribution in kind for a period of three years.

Article 136.- Any reduction in capital must be approved by an extraordinary general meeting held in accordance with the provisions of Article 131 of this Code.

Where one or more auditors have been appointed, the proposed capital reduction shall be communicated to them at least three months before the date of the extraordinary general meeting that is to deliberate on it. The auditor(s) shall prepare a report addressed to the general meeting giving their opinion on the reasons for and conditions of the proposed reduction.

The company's creditors shall be notified of the capital reduction by registered letter with acknowledgment of receipt or by any other means leaving a written record or having the probative force of a written document, within fifteen days of the general meeting that decided on the reduction. (Amended by Law No. 2019-47 of May 29, 2019).

Article 137.- When "the general meeting"[1] decides on a capital reduction, creditors whose claims predate the deliberation may file an objection within one month of the date of publication of the reduction decision.

The opponent must, within the above-mentioned period, refer the matter to the judge in summary proceedings, who will rule on the merits of the opposition and, if he considers it to be well-founded, will order either the forfeiture of the term of the claim or the provision of sufficient security to guarantee its payment. The capital reduction cannot be carried out until the opposition period has expired.

Article 138.- Any non-managing partner may, twice per financial year, submit a written question to the manager concerning any act or fact that may expose the company to risk.

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(1) According to the Arabic version, this should read: "the extraordinary general meeting."

The manager is required to respond in writing within one month of receiving the question. His response must be communicated to the auditor, if there is one.

Article 139.- One or more partners representing at least one-tenth of the share capital may, either individually or jointly, ask the judge in summary proceedings to appoint an expert or a panel of experts to report on one or more management operations.

The expert report shall be communicated to the applicant, the manager, and, where applicable, the auditor. It shall be appended to the auditor's report and communicated to the partners before the ordinary general meeting, under the conditions provided for in Article 130 of this code.

Article 140.- Five percent of profits shall be deducted after each financial year and allocated to the creation of a "reserve" fund[(((2))2].

This deduction shall cease to be mandatory when the "reserve" fund[(2)] reaches one-tenth of the capital.

All partners must receive their share of dividends within a maximum of three months from the date of the general meeting that decided on the distribution. The partners may decide otherwise unanimously.

If the three-month period referred to above is exceeded, undistributed profits shall generate commercial interest within the meaning of the legislation in force. (Added by Law No. 2019-47 of May 29, 2019).

Where profits are made, dividends shall be distributed in a proportion of not less than 30%, at least once every three years, after the legal and statutory reserves have been set aside, unless the general meeting of shareholders unanimously decides otherwise. (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).

The company may require shareholders to repay dividends they have received that do not correspond to actual profits.

The action for repayment is time-barred three years from the date of receipt of the undue dividends.

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(2) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

Subtitle four

Dissolution and transformation of the company

Article 141.- A limited liability company may not be dissolved by the death of a partner, and any provision to the contrary in the articles of association shall be deemed null and void.

Similarly, it shall not be dissolved by the receivership or bankruptcy of a partner, or by the loss of his capacity.

Article 142.- If the accounting documents show that the company's equity is less than half of the share capital as a result of losses it has "incurred"[(1)], an extraordinary general meeting shall be convened within two months of the losses being recorded to decide, if necessary, on the early dissolution of the company in accordance with the majority conditions provided for in Article 131 of this Code.

If dissolution is not decided, the company shall be required, no later than the end of the following financial year, to reduce or increase its capital by an amount at least equal to the losses.

This increase in share capital may be achieved by incorporating "its reserves" [(2)]or by revaluing its equity.

In the event of non-compliance with the above provisions, any interested party may apply to the court for the dissolution of the company. The court may grant the company a period of not more than six months to regularize the situation.

Article 143.- The conversion of a limited liability company into a "general partnership"[(3)] , a limited partnership or a limited partnership with share capital shall be carried out by a decision of the extraordinary general meeting, taken unanimously by the partners, failing which it shall be null and void.

Article 144 (First paragraph amended by Law No. 2005-65 of July 27, 2005).- A limited liability company shall be converted into a corporation by a decision of the extraordinary general meeting, which shall deliberate in accordance with the conditions set forth in Article 131 of this Code after presentation of a special report on the company's situation.

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(1) Published in the JORT: "Subi".

(2) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

(3) Published in the JORT: "General partnership."

Prepared by a certified public accountant or accountant. In this case, non-liquid assets shall be valued in accordance with Articles 173 and 174 of this Code.

Notwithstanding the provisions of the above paragraph, the decision to convert may be taken by a majority of the partners representing at least half of the share capital if the latter exceeds one hundred thousand dinars.

Failure to comply with the above requirements shall render the conversion decision null and void.

Article 145.- Managers who, directly or through intermediaries, have opened a public subscription to securities of any category on behalf of the company shall be punished by imprisonment for sixteen days to six months or a fine of 1,000 to 3,000 dinars, or by one of these two penalties only.

Article 146.- The following shall be punished by imprisonment for one to five years and a fine of 500 to 5,000 dinars:

1/ partners in a limited liability company who knowingly make false statements in the company's articles of association or during a capital increase.

2/ persons who knowingly and in bad faith "cause" (1) contributions in kind to be valued at more than their actual value.

3/ managers who, in the absence of any distribution of the remaining dividends, knowingly presented to the shareholders "financial statements" (2))) that did not reflect the true situation of the company, or who, in bad faith, made use of the company's assets or credit in a manner that they knew to be contrary to the interests of the company, for personal gain or to favor another company or enterprise in which they had a direct or indirect interest, or they used the powers they held or the votes they possessed, which they knew to be contrary to the interests of the company, for personal gain or to favor another company or enterprise in which they had a direct or indirect interest.

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(1) Correction of conjugation; appeared as "font."

(2) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 147.- Managers who:

1/ have not prepared an inventory, balance sheet, or management report for each financial year.

2/ have not convened a shareholders' meeting at least once a year.

3/ have not communicated to the shareholders one month before the general meeting, "the financial statements"(2) , the management report, the proposed decisions, and, where applicable, the auditor's report.

4/ have not consulted the partners with a view to taking the necessary measures within one month of the approval of the "financial statements" (2) which show that the company's equity capital is less than half of the share capital as a result of losses incurred.

5/ failed to comply with the provisions of Article 123 of this Code.

Title Three

Single-Member Limited Liability Companies

Article 148.- The legal regime for limited liability companies shall apply to single-member limited liability companies, subject to the contrary provisions set forth in this title.

Article 149 (Amended by Law No. 2019-47 of May 29, 2019). A single-member limited liability company is made up of a single member, who may be a natural person or a legal entity.

A natural person may only form a single single-member limited liability company, and a single-member limited liability company may not form another single-member limited liability company.

Article 150.- A single-member limited liability company is a commercial company by its form, regardless of its purpose.

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(2) The term has been amended in accordance with the Arabic text by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 151.- In a single-member limited liability company, the contribution auditor referred to in Article 100 above shall be appointed by the sole member. This auditor is required to draw up a report which shall be appended to the company's articles of association.

If no contribution auditor is appointed, the sole shareholder shall be personally liable to third parties for the value attributed to the contribution in kind when the company was formed.

The liability action shall be time-barred three years after the date of incorporation of the company.

Article 152.- Any agreement entered into between the sole shareholder and the company, either directly or through an intermediary, must be appended to the annual accounting documents, as well as the auditor's report, if any.

In the event of failure to comply with the provisions of the first paragraph of this article, the sole shareholder shall be personally liable for any damage suffered by the company or by third parties.

Article 153.- The sole member must prepare the management report, inventory, and annual accounts, to which the auditor's report, if any, shall be appended. These documents shall be approved by the sole member within three months of the closing of the accounts.

The provisions of Articles 126 to 132 above do not apply to single-member limited liability companies.

Article 154 (Amended by Law No. 2019-47 of May 29, 2019) - The sole member may delegate the management of the company to only one agent.

All corporate resolutions shall be signed by the sole member or the agent and recorded in a special register numbered and initialed by the clerk of the court of first instance of the place where the company's registered office is located.

Any act or decision taken in violation of the above provisions shall be null and void.

Any interested party may request the judge in summary proceedings to order the suspension of the execution of said act or decision within a maximum period of sixty days from the date on which said decision became known.

Article 155.- If the sole partner transfers all of his shares, the transferee shall be subrogated to the rights and obligations of the

transferor, effective from the date of publication of the transfer. In this case, the company shall continue with the new sole shareholder.

Article 156.- The company shall be dissolved upon the death, incapacity, or bankruptcy of the sole shareholder.

Any "interested party"may apply to the court for the dissolution of the company and the appointment of a liquidator. The application shall be decided in accordance with the summary proceedings procedure.

However, if the deceased sole partner leaves a single heir, the latter may continue the company in place of his or her "de" (2)cujus.

In the event of multiple heirs and in the absence of an agreement to transfer to one of them, they may continue the company in the form of "single-member limited liability company"((4)) after having completing the formalities prescribed by Article 157 of this Code.

Article 157.- If the share capital no longer belongs exclusively to the sole partner, the company shall be subject to the provisions of Articles 90 to 147 of this Code.

In this case, the partners are required to amend the articles of association and take the necessary legal publicity measures within one month of the new distribution of the share capital, failing which the company shall be null and void.

Any interested party may apply to the court to have this nullity declared.

The request shall be judged in accordance with the summary proceedings procedure.

Article 158.- The sole member of a single-member limited liability company who knowingly:

1/ makes a false declaration in the company's articles of association or during a capital increase,

2/ has, in bad faith, attributed to a contribution in kind a valuation higher than its actual value.

3/ presents an inaccurate balance sheet in order to conceal the true situation of the company.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

(2) Published in the JORT: "de".

(3) Published in the JORT: "le".

(4) To be corrected as follows: "limited liability company."

4/ or who, in bad faith, has used the company's assets or credit in a manner that he knew to be contrary to the company's interests for personal gain or to favor another company with which he was

"directly or indirectly interested" [1] .

Article 159.- A partner in a single-member limited liability company shall be punished by a fine of 500 to 5,000 dinars:

1/ who has not, for each financial year, drawn up the inventory, prepared the annual "financial statements"[2] and the management report in accordance with the provisions of Article 153 of this Code.

2/ who has not taken the necessary legal measures when the losses recorded by the company are equal to or greater than one-third of its equity capital within three months of the preparation of the "financial statements"[2] .

BOOK FOUR
JOINT STOCK COMPANIES

Title I
Public Limited Companies

Subtitle I
General Provisions

Article 160.- A public limited company is a joint stock company with legal personality, formed by at least seven shareholders who are liable only to the extent of their contributions.

A public limited company is designated by a company name preceded or followed by the form of the company and the amount of share capital.

This name must be different from that of any pre-existing company.

Article 161 (Amended by Law No. 2005-12 of January 26, 2005). The capital of a public limited company may not be less than five thousand dinars if it does not make a public offering. When the company makes a public offering, its capital may not be less than fifty thousand dinars.

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(1) Added in accordance with the Arabic version.

(2) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

In both cases, the capital must be divided into shares with a par value of not less than one dinar[1].

Article 162.- Companies that issue or transfer securities by appealing to the public for savings are considered to be companies that appeal to the public for savings.

The same applies to all companies designated as such by special laws.

Subtitle two

On the formation of public limited companies

Chapter One

Formation of a public company

Article 163.- Before any subscription to the capital, a draft "des statutes"[2] signed by the founders, must be filed with the clerk of the court of first instance of the registered office. Any interested party may request a copy.

Article 164.- All those who have effectively contributed to the formation of the company are deemed to be founders.

Persons who have been deprived of the right to administer or manage a company may not be founders.

Before any subscription, the founders must publish a notice for the information of the public in the Official Journal of the Republic of Tunisia and in two daily newspapers, one of which must be in Arabic. The notice must contain the following information:

1/ the name of the company to be formed, followed, where applicable, by its registered office.

2/ the form of the company.

3/ the amount of share capital to be subscribed. 4/ the planned address of the registered office.

5/ A summary of the corporate purpose. 6/ The planned duration of the company.

7/ The date and place of filing of the draft articles of association[1] .

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(1) Published in the JORT: "dinars."

(2) Published in the JORT: "articles of association".

(1) Published in the Official Journal of the French Republic: "status."

8/ the number of shares to be subscribed for in cash, the amount immediately payable. (Amended by Article 4 of Law No. 2005-65 of July 27, 2005).

9/ "the nominal value of the shares to be issued, where applicable, between each category"(2).

10/ a summary description of contributions in kind, their overall valuation and method of remuneration, indicating the provisional nature of this valuation and method of remuneration.

11/ any special advantages stipulated in the draft articles of association for the benefit of any person.

12/ the conditions for admission to shareholders' meetings and the exercise of voting rights, with, where applicable, an indication of the provisions relating to the allocation of double voting rights.

13/ the provisions relating to the distribution of profits, the creation of reserves and the distribution of liquidation surpluses.

14/ the name and registered office of the bank that will receive the funds from the subscription and, where applicable, an indication that the funds will be deposited with the "Caisse des dépôts et consignations"(4)(5) .

15/ The subscription period, with an indication of the possibility of early closure in the event of full subscription before the expiry of said period.

16/ The procedures for convening the constituent general meeting and the place of the meeting.

The notice shall be signed by the founders, who shall indicate either their surname, first name, domicile, and nationality, or their name, legal form, registered office, and amount of share capital.

This is subject to compliance with the provisions of the law relating to financial market regulation.

Article 165.- The company shall only be incorporated after the entire share capital has been subscribed. The cash contributor must pay to the

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(2) According to the Arabic version, this should read: "the nominal value of the shares to be issued, distinguishing between categories, where applicable."

(3) According to the Arabic version, it shall read: "general meetings."

(4) Article 17 of Decree-Law No. 2011-85 of September 13, 2011 stipulates that: "The term 'Caisse des Dépôts et Consignations' appearing in the texts in force where it has been mentioned shall be replaced by the term 'Trésorerie Générale de la Tunisie' from the date of entry into force of this Decree-Law."

(5) Amended in accordance with the Arabic text by Article 4 of Law No. 2005-65 of July 27, 2005.

less than a quarter of the amount of the shares subscribed by him. (Amended by Article 4 of Law No. 2005-65 of July 27, 2005).

The full payment of cash shares must be made within a maximum period of five years from the date of the company's final incorporation.

Article 166.- Shares allocated in consideration for contributions in kind must be fully paid up upon issue.

Shares may not represent contributions in industry.

Article 167.- The subscription must be recorded in a subscription form signed by the subscribers or their representatives and stating:

1) the surname, first name, and domicile of the subscriber.

2) the name and legal form of the company.

3) the registered office.

4) a summary description of the corporate purpose.

5) reference to the number of the Official Journal of the Republic of Tunisia in which the notice provided for in Article 164 of this Code was published.

6) the amount of capital, specifying the portion of capital to be paid in cash and the portion consisting of contributions in kind.

7) the date of filing of the draft articles of association with the clerk of the court of first instance pursuant to Article 163 of this Code.

8) The bank and the account number where the funds from the subscription will be deposited. (Amended by Article 4 of Law No. 2005-65 of July 27, 2005).

A copy of the subscription form shall be given to subscribers and mention of this delivery shall appear on the said form.

Article 168.- Funds from cash subscriptions shall be deposited in a bank account in the name of the company being formed, together with a list of subscribers and an indication of the amounts paid by each of them. (Amended by Article 4 of Law No. 2005-65 of July 27, 2005).

The founders must deposit the funds collected on behalf of the company being formed within ten days of the date of payment.

Article 169.- The withdrawal of funds from subscriptions shall be carried out by the legal representative of the company against delivery by him of a

certified copy of the minutes of the constituent meeting and the minutes of the first board of directors or executive board meeting, as well as a copy of the company's certificate of registration in the commercial register.

If the company is not incorporated within six months of the date of filing of the draft articles of association with the clerk of the court of first instance of the place where the registered office is located, any subscriber may request the president of said court to refund the amount of the funds he has deposited, after deduction of his share of the distribution costs, by order on request.

Article 170.- Subscriptions and payments shall be recorded in a declaration by the founders, received by the registrar of the registered office.

A certificate from the custodian of the funds confirming their payment shall also be attached to the above-mentioned declaration. The registrar authorized to receive the above-mentioned declaration shall issue the subscription forms.

The original declaration shall be accompanied by the list of subscribers, the statement of payments made, and one of the originals of the company's articles of incorporation. The registrar shall be authorized to issue to subscribers certified copies of the declarations received and the accompanying documents.

One original copy of the articles of association shall be filed at the registered office and another original copy shall be filed with the clerk of the court of first instance of the place where the registered office is located.

Article 171.- Within fifteen days of the closing of the subscription, the founders shall convene the subscribers to a constituent general meeting in the manner and within the time limits specified in the prospectus.

A statement of the acts performed by the founder(s) on behalf of the company shall be made available to the shareholders at the registered office at least fifteen days before the first constituent general meeting. The meeting shall decide on the company's assumption of the commitments previously made by the founders.

Article 172 (Paragraph 3 amended by Article 4 of Law No. 2005-96 of October 18, 2005) - The constituent general meeting shall verify that the share capital has been fully subscribed and that the amount due on the shares has been paid up. It shall decide on the approval of the articles of association, which may only be amended by a unanimous vote of all subscribers. It shall appoint the first directors and the first auditors in accordance with the provisions of Articles 189 and 260 et seq.

amended except by unanimous vote of all subscribers. It shall appoint the first directors and the first auditors in accordance with the provisions of Articles 189 and 260 et seq. of this Code.

The first administrators are appointed for a term of three years.

Their term of office may be renewed unless otherwise stipulated in the articles of association. Subject to the provisions of Article 13 bis of this code, the auditor is appointed for a period of three years.

The minutes of the meeting shall record the acceptance by the directors and auditors of their duties.

Article 173.- In the event of a contribution in kind and prior to the incorporation of the company, one or more contribution auditors shall be appointed by order of the president of the court of first instance at the place of the registered office from among the judicial experts, at the request of the founders.

The contribution auditors shall assess the contributions in kind under their responsibility in a report that must contain a description of each contribution in kind, its consistency, its method of assessment, and its value to the company, indicating the nature of the specific advantages provided for in No. 11 of Article 164 of this Code. (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005).

The report must be filed at the company's registered office and made available to subscribers, who may obtain a copy at least fifteen days before the date of the constituent general meeting.

The constituent general meeting shall decide on the valuation of contributions in kind. It may not reduce the valuation made by the contribution auditors unless all subscribers unanimously agree.

The contributor in kind may not take part in the vote on the valuation of his contribution.

The minutes of the constituent general meeting must expressly mention the approval of the contributions in kind, failing which the company cannot be legally formed.

Article 174.- The following persons may not be appointed as contribution auditors:

1) persons who made the contribution in kind that is the subject of the valuation.

2) ascendants, descendants, collateral relatives, and relatives by marriage up to and including the second degree of the following persons:

a) Contributors in kind.

b) the founders of the company.

c) directors or members of the board of directors at the time of capital increases.

3) Persons receiving, in any form, a salary or remuneration for functions other than those of commissioner, of the following persons:

a) Contributors.

b) the founders of another company subscribing to ten percent of the company's capital at the time of its incorporation.

c) managers or the company itself, or any company holding ten percent of the company's capital or which would hold one tenth of the capital during the capital increase.

4) persons who are "prohibited" [(1)] or who have been disqualified from exercising this function.

5) the spouses of the persons referred to in numbers 1 to 3.

(Amended by Article 1 of Law No. 2005-65 of July 27, 2005).

If any of the above causes of incompatibility arise during the term of office, the person concerned must immediately cease to perform their duties and inform the founders or directors or members of the executive board, as applicable, no later than fifteen days after the occurrence of such incompatibility.

Any decisions taken by the constituent general meeting that contravene the provisions of this article shall be null and void.

The action for nullity shall be time-barred after a period of three years from the date of the decision.

Article 175.- The constituent general meeting shall deliberate under the quorum and majority conditions provided for extraordinary general meetings in accordance with Articles 291 et seq. of this Code.

When the constituent general meeting deliberates on the approval of a contribution in kind, the shares of the contributor shall not be taken into account for the calculation of the majority.

.....

(1) Published in the JORT as "prohibited."

The contributor in kind may not participate in the vote either for himself or as a proxy.

Article 176.- The full subscription of the capital and the payment of the amount due for the shares referred to in Article 165 of this Code shall be the subject of a declaration drawn up by the founders or the legal representative of the company.

This declaration shall be filed with the Registrar of the registered office.

Attached to the declaration are a certificate from the depositary institution holding the funds from the payment, as well as the subscription forms, a list of subscribers by name, a statement of payments made, and a copy of the original articles of incorporation drawn up in accordance with Article 3 of this code. However, the subscription certificate is not required for stockbrokers and banks, provided that they can prove that they have been entrusted with the subscription on behalf of others. (Paragraph 3 amended by Article 1 of Law No. 2005-65 of July 27, 2005).

The registrar shall issue to the contracting parties five certified copies of the declaration received and the documents attached thereto. Within one month of this declaration, the company must be registered in the commercial register at the request of its legal representative in accordance with the provisions of the law relating to the commercial register.

The company may only acquire legal personality from the date of its registration in the commercial register.

Article 177.- The founders are jointly and severally liable to the company, shareholders, and third parties for any damage resulting from the inaccuracy or insufficiency of the information provided by them to the "meeting"((1) ()) concerning the subscription and payment of shares, the use of funds raised, the costs of establishing the company, and contributions in kind.

They are also jointly and severally liable for any damage caused by the omission or irregular performance of any formality required by law for the incorporation of the company. Actions for liability against the founders are time-barred three years after the date of incorporation of the company.

.....

(1) According to the Arabic version, this should read "the general meeting."

Article 178.- If the company is not formed due to the fault of one of the founders, the liability action for compensation for the damage suffered by the subscribers must be brought within one year from the expiry of the six-month period provided for in Article 169 of this Code, failing which it shall be time-barred.

Article 179.- Any public limited company formed in violation of the provisions of Articles 160 to 178 of this Code shall be null and void.

This nullity may not be invoked against third parties by either the shareholders or the company.

If a general meeting is convened to cover the nullity, the court shall stay proceedings from the date of the regular convening of that meeting. In the event of failure to regularize by that meeting, the action for nullity shall resume its course.

The action for nullity of the company or of acts and deliberations subsequent to its incorporation shall be extinguished when the cause of nullity has ceased to exist before the filing of the claim, or in any event before the court rules on the merits in the first instance.

To cover the nullity, the court hearing an action for nullity may even set a time limit of no more than three months on its own initiative.

Notwithstanding the regularization, the costs of previously brought actions for nullity shall be borne by the defendants.

The action for nullity shall be time-barred three years from the date of incorporation of the company.

Chapter Two

On the incorporation of a "publicly traded" company

Article 180 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).Where no public offering is made, the provisions of Title I of Book IV of this Code shall apply, with the exception of Article 163, paragraphs 3, 4, and 5 of Article 164, items (5) and (7) of paragraph 1er of Article 167, and Article 175.

Article 181.- The articles of association shall be signed by the shareholders, either in person or by a representative holding special power of attorney.

The articles of association shall contain an assessment of contributions in kind, which shall be carried out on the basis of a report appended to the articles of association and drawn up by one or more contribution auditors under their responsibility.

The founders shall make available to the subscribers a statement mentioning the payment of the portion of the shares due, as well as a statement of the commitments made by them for the purposes of the incorporation.

The first members of the board of directors and the supervisory board are appointed by minutes for a term of three years, which is renewable(1).

Subject to the provisions of Article 13 bis of this Code, the first auditors shall be appointed by decision of the constituent general meeting for a period of three years. (Paragraph 5 amended by Article 4 of Law No. 2005-96 of October 18, 2005).

The articles of association must be filed with the clerk of the court of first instance of the place where the registered office is located. Any interested person may consult them.

The rules set out in Article 291 of this Code shall apply to the constituent general meeting.

Article 182.- The liability of the founders of a company that does not make a public offering is subject to the provisions of Article 177 of this Code.

Failure to comply with the provisions of Article 160, paragraph 2 of Article 164, Articles 165 and 166, and Article 167, with the exception of numbers (5) and (7) of paragraph 1er , and Article 168 of this Code shall result in the nullity of the company. This nullity may not be invoked against third parties, either by the company or by the shareholders. (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005).

If the company or its acts and deliberations have been declared null and void in accordance with the preceding paragraph, the founders to whom the nullity is attributable and the first members of the board of directors shall be jointly and severally liable to third parties and shareholders for any damage resulting from such nullity.

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(1) To be read in accordance with the Arabic version: "renewable by election."

Chapter Three

Offenses relating to the formation of a public limited company

Article 183.- The issuance of shares in a company formed in violation of Articles 160 to 178 of this Code shall be punishable by a fine of 1,000 to 10,000 dinars.

Article 184.- Anyone who knowingly accepts or retains the position of contribution auditor in contravention of the provisions of Article 174 above shall be punished by a fine of between 1,000 and 10,000 dinars.

Article 185.- The chief executive officer or managing director who fails to call for funds in a timely manner to pay up the capital under the conditions set out in Article 165 of this Code shall be punished by a fine of 1,000 to 10,000 dinars.

Article 186.- The following shall be punished by imprisonment for one to five years and a fine of 1,000 to 10,000 dinars:

1) those who, in the declaration referred to in Article 170 of this Code, have affirmed as genuine subscriptions that they knew to be fictitious or have declared in bad faith that the funds have been effectively paid in when they have not been made available to the company.

2) those who, by simulating subscriptions or payments, or by making false publications, false subscriptions or false payments, have obtained or attempted to obtain subscriptions or payments.

3) Those who, in order to induce subscriptions or payments, have, in bad faith, falsely published the names of persons as being part of the company in any capacity whatsoever.

4) those who, by means of fraudulent maneuvers, have caused a contribution in kind to be valued at more than its actual value.

Where the company does not make a public offering, the penalty incurred is limited to a fine.

Article 187.- Any person who has traded shares whose initial

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(1) Published in the JORT "punished"

quarter has not been paid up, or before the expiry of the period during which trading is prohibited.

Subtitle three

Management and administration of the public limited company

Article 188.- The public limited company is administered by a board of directors or by a management board and a supervisory board in accordance with the provisions of this code.

Chapter One

The Board of Directors

Article 189.- A public limited company shall be administered by a board of directors composed of at least three and at most twelve members.

Unless otherwise provided in the articles of association, it is not necessary to be a shareholder to be a member of the board of directors of a public limited company.

Article 190.- The members of the board of directors are appointed by the constituent general meeting or by the ordinary general meeting for the term specified in the bylaws, which may not exceed three years.

This appointment may be renewed unless otherwise stipulated in the articles of association.

Members of the board of directors may be dismissed at any time by decision of the ordinary general meeting. Any appointment in violation of this article shall be null and void. Such nullity shall not invalidate the deliberations in which the irregularly appointed member took part.

Article 190 bis (Added by Law No. 2019-47 of May 29, 2019) - The term of office of each of the two independent members may be renewed only once.

Any appointment contrary to the provisions of this article shall be null and void, without prejudice to the nullity of the deliberations in which the independent member participated illegally.

The ordinary general meeting may not dismiss the two independent members except for a valid reason relating to their

violation of legal requirements or the articles of association, or for having committed management errors or for the loss of their independence.

An independent member is any member who has no relationship with the companies referred to in the first paragraph, or with their shareholders or directors, which is likely to affect the independence of their decision or place them in a situation of actual or potential conflict of interest.

Article 191.- A legal entity may be appointed as a member of the board of directors. Upon appointment, it is required to appoint a permanent representative who is subject to the same conditions and obligations and incurs the same civil and criminal liability as if he were a director in his own name, without prejudice to the joint and several liability of the legal entity he represents.

When the representative of the legal entity loses its status for any reason whatsoever, the legal entity is required to appoint a replacement at the same time.

Article 192 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).- Within one month of taking office, the director of a public limited company must notify the company's legal representative of his or her appointment as manager, director, chief executive officer, managing director, or member of the executive board or supervisory board of another company. The company's legal representative must inform the ordinary general meeting of shareholders at its next meeting.

The company may seek compensation for any damage it has suffered as a result of the accumulation of functions. Its right to compensation shall expire three years after the new functions were taken up.

Article 193 (Amended by Law No. 2016-36 of April 29, 2016). The following persons may not be members of the board of directors:

- Bankrupt persons for a period of five years from the date of the bankruptcy judgment,

- Persons declared by judgment to be prohibited from managing or directing companies, minors, persons of unsound mind, and persons sentenced to penalties involving disqualification from public office,

- Persons convicted of crimes or offenses against public decency or public order, or against the rules governing companies, as well as persons who, due to their position, are prohibited from engaging in trade,

- Civil servants in the service of the administration, unless specially authorized by the relevant ministry.

Article 194.- The appointment of members of the board of directors shall take effect upon their acceptance of office and, where applicable, from the date of their attendance at the first meetings of the board.

Article 195 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).Subject to the provisions of Article 210 of this Code, in the event of a vacancy on the board of directors due to death, physical incapacity, resignation, or legal incapacity, the board of directors may, between two general meetings, make provisional appointments.

Appointments made in accordance with the preceding paragraph shall be subject to ratification at the next ordinary general meeting. In the event that approval is not granted, the decisions taken and actions undertaken by the board shall nevertheless remain valid.

When the number of members of the board of directors falls below the legal minimum, the other members must immediately convene an ordinary general meeting in order to fill the vacancy.

Where the board of directors fails to make the required appointment or to convene the general meeting, any shareholder or the auditor may apply to the judge hearing applications for interim relief for the appointment of a representative responsible for convening the general meeting in order to make the necessary appointments or to ratify the appointments provided for in the first paragraph of this article.

Article 196.- Unless otherwise provided in the articles of association, an employee of the company may be appointed as a member of the board of directors.

An employee may only hold both positions if their employment contract was signed at least five years prior to their

appointment as a member of the board of directors and corresponds to an actual job.

Any appointment in violation of the provisions of the preceding paragraph shall be null and void. Such nullity shall not invalidate the deliberations in which the aforementioned member of the board of directors took part.

Article 197.- The board of directors is vested with the broadest powers to act in all circumstances on behalf of the company within the limits of the corporate purpose.

However, the board of directors may not encroach on the powers reserved by law for general meetings of shareholders.

The provisions of the articles of association limiting the powers of the board of directors are not enforceable against third parties.

In its dealings with third parties, the company is bound even by acts of the board of directors that do not fall within the corporate purpose, unless it proves that the third party knew or could not have been unaware that the act exceeded that purpose.

Article 198.- The members of the board of directors shall perform their duties with the diligence of a prudent entrepreneur and a loyal agent.

They shall keep confidential information secret, even after they have ceased to hold office.

Any outside person who has attended the deliberations of the board of directors shall be bound to discretion with regard to confidential information that they have learned on that occasion.

Article 199.- The board of directors may only validly deliberate if at least half of its members are present.

Any provision in the articles of association to the contrary shall be deemed null and void.

Decisions shall be taken by a majority of the members present or represented, unless the articles of association provide for a larger majority.

In the event of a tie, the chairperson shall have the casting vote, unless otherwise stipulated in the articles of association.

Article 200 (Amended by Article 1 of Law No. 2009-16 of March 16, 2009).

I. Avoidance of conflicts of interest

The directors of a public limited company must ensure that there is no conflict between their personal interests and those of the company and that the terms of any transactions they enter into with the company they manage are fair. They must declare in writing any direct or indirect interest they have in contracts or transactions entered into with the company or request that this be mentioned in the minutes of the board of directors' meetings.

II- Transactions subject to authorization, approval, and audit

1. Any agreement entered into directly or through an intermediary between the company, on the one hand, and the chairman of its board of directors, its chief executive officer, its managing director, one of its deputy managing directors, one of its directors, one of its shareholders who is a natural person holding directly or indirectly more than ten percent of the voting rights, or the company controlling it within the meaning of Article 461 of this Code, on the other hand, is subject to the prior authorization of the board of directors in light of a special report by the auditor(s) indicating the financial and economic impacts of the transactions presented on the company. (Supplemented by Law No. 2019-47 of May 29, 2019).

The provisions of the previous subparagraph shall also apply to agreements in which the persons referred to above have an indirect interest.

Agreements entered into between the company and another company are also subject to prior authorization when the chief executive officer, managing director, delegated administrator, one of the deputy managing directors, or one of the directors is a partner jointly and severally liable for the debts of that company, or is a manager, managing director, administrator, or, in general, an officer of that company.

The interested party may not take part in the vote on the authorization requested.

2. The following transactions are subject to prior authorization by the board of directors, approval by the general meeting, and audit by the statutory auditor:

- the sale of the business or any of its assets, or their lease to a third party, unless they constitute the main activity carried out by the company;

- a significant loan taken out for the benefit of the company, the minimum amount of which is set in the articles of association;

- the sale of real estate when provided for in the articles of association;

- Guaranteeing the debts of others, unless the articles of association provide for exemption from authorization, approval, and audit within a specified threshold. The above provisions do not apply to credit and insurance institutions.

- the sale of fifty percent or more of the gross book value of the company's fixed assets. (Added by Law No. 2019-47 of May 29, 2019).

- The board of directors shall examine the authorization in the light of a special report drawn up by the auditor(s) indicating the financial and economic impact of the transactions presented on the company. (Added by Law No. 2019-47 of May 29, 2019).

3. Each of the persons referred to in paragraph 1 above must inform the chief executive officer, the managing director, or the managing director of any agreement subject to the provisions of the same paragraph as soon as they become aware of it.

The chief executive officer, managing director, or executive director must inform the statutory auditor(s) of any authorized agreement and submit it to the general meeting for approval.

The auditor shall draw up a special report on these transactions, on the basis of which the general meeting shall deliberate.

Any interested party who has participated in the transaction or who has an indirect interest therein may not take part in the vote. Their shares shall not be taken into account for the calculation of the quorum and majority.

4. Agreements approved by the general meeting, as well as those it disapproves, shall be effective vis-à-vis third parties unless they are annulled on the grounds of fraud. The consequences of such agreements that are detrimental to the company shall be borne by the interested party when they are not authorized by the board of directors and disapproved by the general meeting. For transactions authorized by the board of directors and disapproved by the general meeting, liability shall be borne by the interested party and the directors, unless they establish that they are not responsible.

5. Obligations and commitments entered into by the company itself or by a company it controls within the meaning of Article 461 of this Code, for the benefit of its chief executive officer, managing director, delegated administrator, one of its deputy managing directors, or one of its directors, concerning the elements of their remuneration, the indemnities or benefits granted to them or due to them or to which they may be entitled in connection with the termination or modification of their duties or following the termination or modification of their duties, are subject to the provisions of subparagraphs 1 and 3 above. In addition to the liability of the person concerned or the board of directors, where applicable, agreements entered into in violation of the above provisions may, where applicable, be annulled when they cause prejudice to the company.

III- Prohibited transactions

With the exception of legal entities that are members of the board of directors, the chief executive officer, managing director, deputy managing director, deputy managing directors, members of the board of directors, and "spouses"[(1)] ·ascendants, descendants, and any intermediary acting on behalf of any of them, from entering into any form of loan agreement with the company, from obtaining an advance, an overdraft facility, or any other form of credit from the company, or from receiving subsidies from the company, as well as from obtaining guarantees or endorsements from the company for their commitments to third parties, under penalty of nullity of the contract.

The prohibition provided for in the preceding paragraph applies to the permanent representatives of legal entities that are members of the board of directors.

Under penalty of nullity of the contract, no shareholder, their spouse, ascendants or descendants, or any person acting on behalf of any of them, may enter into any form of loan agreement with the company, obtain an advance, overdrafts on current accounts or otherwise, or to receive subsidies from it for the purpose of subscribing to the company's shares.

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(1) Published in the JORT "joint".

IV. Free transactions

The provisions of paragraph II above shall not apply to agreements relating to day-to-day transactions entered into under normal conditions. The provisions of paragraph III shall not apply to day-to-day transactions entered into under normal conditions by credit institutions.

However, such agreements must be disclosed by the interested party to the chairman of the board of directors, the chief executive officer, or the managing director. A detailed list of such agreements shall be disclosed to the members of the board of directors
and the "auditor"(2) or the statutory auditors. These
transactions shall be audited in accordance with standard auditing practices.

Article 201.- At the end of each financial year, the board of directors shall, under its responsibility, prepare the company's financial statements in accordance with the law on the accounting system for companies.

The board of directors must attach to the balance sheet a statement of the sureties, endorsements, and guarantees given by the company, and a statement of the securities granted by it.

It shall, together with the accounting documents, submit to the general meeting a detailed annual report on the management of the company.

The detailed annual report must be communicated to the auditor.

Article 202.- Any benefit specified in Article 200 of this Code, obtained by virtue of agreements entered into by the president, chief executive officer, or deputy chief executive officer, as well as one or more members of the board of directors, to the detriment of the company, shall not exempt them from liability.

Notwithstanding the liability of the person concerned, the agreements referred to in Article 200 of this Code, entered into without the prior authorization of the board of directors, may be subject to cancellation if they cause damage to the company.

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(2) Added in accordance with the Arabic version.

The action for annulment shall be time-barred within three years from the date of the agreement.

However, if the agreement has been concealed, the starting point of the limitation period shall be postponed to the day "on which"(1) it was revealed.

Nullity may be covered by a vote of the general assembly on report special "de commissioner or"(2) of auditors explaining the circumstances under which the authorization procedure was not followed.

In this case, the interested party may not take part in the vote and their shares are not taken into account for the calculation of the quorum and majority.

Article 203 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).— The auditors shall ensure, within the scope of their duties and under their responsibility, compliance with the provisions of Articles 200, 201, and 202 of this Code.

Article 204.- The general meeting may allocate to the members of the board of directors, as remuneration for their activities, a sum fixed annually as attendance fees.

The amount of this remuneration is recorded as "operating expenses"(3) of the company.

Article 205.- The board of directors may allocate exceptional remuneration for assignments or mandates entrusted to members of the board of directors. In this case, such remuneration, recorded as "operating expenses"(1) of the company, shall be subject to the provisions of Articles 200 and 202 of this Code.

Article 206.- Members of the board of directors may not receive any remuneration from the company other than that provided for in Articles 204 and 205 of this code.

Any clause in the articles of association to the contrary shall be deemed null and void.

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(1) Published in the JORT "or".

(2) Added in accordance with the Arabic version.

(3) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 207.- Members of the board of directors are jointly and severally liable, in accordance with the rules of common law, to the company or to third parties, for any acts contrary to the provisions of this code or for any faults they may have committed in their management, in particular by distributing or allowing the distribution, without opposition, of fictitious dividends, unless they can prove that they acted with the diligence of a prudent entrepreneur and a loyal agent.

Article 208.- The board of directors shall elect from among its members a chairperson who shall serve as chief executive officer. The chairperson must be a natural person and a shareholder of the company, failing which the appointment shall be null and void.

The board of directors shall determine the remuneration of the "chairman"(2) chief executive officer. The latter shall be appointed for a term that may not exceed that of his or her term as a member of the board of directors. He or she shall be eligible for one or more terms.

The board of directors may dismiss him at any time. Any provision to the contrary shall be deemed null and void.

Article 209 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).- The chief executive officer of a public limited company must, within one month of taking office, notify the board of directors of his appointment as manager, director, chief executive officer, managing director, or member of the executive board or supervisory board of another company. The board of directors must inform the ordinary general meeting of shareholders at its next meeting.

The provisions of paragraph 2 of Article 192 of this Code shall apply.

Article 210.- In the event of the temporary incapacity or death of the Chairman, the board of directors may delegate one of its members to perform the duties of chairman. This delegation shall be for a limited period of three months, renewable once.

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(2) Published in the JORT "present".

In the event of death, this delegation shall remain in force until the election of a new President.

Article 211.- The Chairman of the Board of Directors shall be responsible for the general management of the company. He shall represent the company in its dealings with third parties.

Subject to the powers expressly granted by the articles of association to shareholders' meetings, as well as the powers specifically reserved for the board of directors, the chairman shall have the broadest powers to act on behalf of the company in all circumstances, within the limits of the corporate purpose.

However, the provisions of the articles of association or the decisions of the board of directors limiting these powers are not enforceable against third parties in accordance with the last paragraph of Article 197 of this code.

Article 212.- On the recommendation of the president, the board of directors may appoint one or more deputy chief executive officers to assist the president of the board. The board shall determine their remuneration.

The board of directors may dismiss or replace the deputy director[s] at any time.

Article 213.- The president and chief executive officer of the company shall be considered a merchant for the purposes of applying the provisions of this code.

In the event of a judgment of bankruptcy of the company, the president and chief executive officer or the chief executive officer shall be prohibited from exercising management functions in companies for a period of five years from the date of the judgment. (Amended by Law No. 2016-36 of April 29, 2016).

Where the chief executive officer is prevented from exercising his or her functions, the same prohibition shall apply to the deputy chief executive officer or managing director. (Amended by Law No. 2016-36 of April 29, 2016).

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(1) According to the Arabic text, "deputy directors general."

Article 214 (Amended by Law No. 2009-16 of March 16, 2009).-Where judicial settlement or bankruptcy reveals insufficient assets, the court may, at the request of the judicial administrator, the bankruptcy trustee, or one of the creditors, decide that the company's debts shall be borne, in whole or in part, jointly or severally, and up to the limit of the amount designated by the court, by the chief executive officer, the deputy chief executive officer(s), the members of the board of directors, or any other de facto manager. It may also prohibit the convicted person from managing companies or engaging in commercial activity for a period specified in the judgment.

The persons referred to above shall only be exempt from liability if they can prove that they have managed the company with all the skill and diligence of a prudent entrepreneur and a loyal agent.

The action is time-barred three years after the judgment pronouncing the judicial settlement or bankruptcy.

Article 215.- The company's articles of association may provide for the separation of the functions of chairman of the board of directors and those of chief executive officer of the company. The separation of these functions is mandatory for listed companies. (Amended by Law No. 2019-47 of May 29, 2019).

In this case, the functions and responsibilities shall be determined in accordance with the provisions of Articles 216 to 221 of this Code.

Article 216.- The chair of the board of directors shall propose the agenda for the board, convene the board, chair its meetings, and ensure that the decisions taken by the board are implemented.

If the chair of the board of directors is unable to perform their duties, they may delegate their powers to a member of the board of directors. This delegation shall always be for a limited and renewable period.

If the chairperson is unable to delegate, the board may do so ex officio.

"Contrary to the provisions of Article 213 of this Code, the chair of the board of directors is not considered a merchant in this case.

In the event of a ruling declaring the company bankrupt and proving its direct involvement in its management, it shall be prohibited from exercising management functions in companies for a period of five years from the date of the ruling. (Amended by Law No. 2016-36 of April 29, 2016).

Article 217.- The board of directors shall appoint the company's chief executive officer for a fixed term. If the chief executive officer is a member of the board of directors, the term of his or her office may not exceed that of his or her term of office.

The chief executive officer must be a natural person.

The chief executive officer may be dismissed by the board of directors.

Subject to the powers expressly conferred by law on shareholders' meetings, the board of directors, and the chairman of the board of directors, the chief executive officer shall be responsible for the general management of the company.

When he or she is not a member of the board of directors, the chief executive officer attends board meetings without voting rights.

The board of directors may, at the request of the chief executive officer, assist him or her with one or more deputy chief executive officers.

If the Chief Executive Officer is unable to perform his or her duties, he or she may delegate all or part of his or her powers to a Deputy Chief Executive Officer. This delegation is renewable and is always granted for a limited period. If the Chief Executive Officer is unable to delegate his or her powers, the Board may do so on its own initiative.

In the absence of a deputy chief executive officer, the board of directors shall appoint a delegate.

"The Chief Executive Officer is considered a trader within the scope of the provisions of this Code.

In the event of a bankruptcy ruling against the company and if his direct involvement in its management is proven, he shall be prohibited from exercising management functions in companies for a period of five years from the date of the ruling." (Amended by Law No. 2016-36 of April 29, 2016).

Article 218.- In the event of the company's bankruptcy, the chief executive officer shall be subject to the provisions of Article 214 of this Code.

The chief executive officer shall be subject to all the obligations and responsibilities imposed on the members of the board of directors or its chairman by this code, with the exception of those provided for in the first paragraph of Article 215 of this code.

Article 219.- The duties of a director shall terminate by:

- the end of the term of his appointment,

- the occurrence of a personal event preventing them from performing their duties,

- the dissolution, transformation, or liquidation of the company,

- a change in the form of the company,

- dismissal,

- voluntary resignation.

The termination of the duties of a member of the board of directors must be published in accordance with Article 16 of this code.

Article 220.- Liability proceedings against members of the board of directors shall be brought by the company, following a decision of the general meeting, even if the subject matter does not appear on the agenda.

Such action must be brought within three years of the date on which the harmful event was discovered. However, if the event is classified as a crime, the action shall be time-barred after ten years.

The general meeting may, at any time, settle or waive the action, provided that one or more shareholders holding at least five percent of the capital of the corporation not making a public offering or three percent of the capital of the corporation making a public offering, and not having

the status of member or members of the board of directors, do not object. The decision to bring an action or to settle shall result in the dismissal of the members of the board of directors concerned.

One or more shareholders holding at least five percent of the capital in the case of a public limited company not offering shares to the public, or three percent of the capital in the case of a public limited company offering shares to the publicor whose shareholding is at least equal to one million dinars and who are not members of the board of directors may, in the common interest, bring an action for liability against the members of the board of directors for misconduct in the performance of their duties. The general meeting may not decide to withdraw from the action. Any clause to the contrary in the articles of association shall be deemed null and void. (Paragraphs 3 and 4 amended by Article 1 of Law No. 2009-16 of March 16, 2009)

The court shall order the de jure or de facto manager to return the sums he has taken from the company's funds, plus any profits he may have derived from the use of those funds in his own interest or in the interest of a third party, without prejudice to the right of the partners to claim greater damages and to bring criminal proceedings, if applicable.

The compensation awarded by the judgment shall be payable to the company.

The foregoing provisions shall not prevent a shareholder from bringing an individual action in his own name. (Paragraphs 5, 6, and 7 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Article 221.- The resignation of a member of the board of directors must not be decided in bad faith, at an inopportune moment, or to escape the difficulties facing the company. In such cases, the director shall be liable for any damage resulting directly from his resignation.

Article 222.- The chief executive officer, or the managing director, or the chair of the meeting who fails to draw up the minutes or does not keep a special register containing the deliberations of the board of directors at the company's registered office shall be punished by a fine of five hundred to five thousand dinars.

The same penalties provided for in the first paragraph of this article shall apply to members of the board of directors who fail to make available to the shareholders, within the time limits and in accordance with the procedures laid down in this code, the documents and reports to be submitted to the general meeting. (Paragraph 2 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Article 223.- The following shall be punished by imprisonment for a minimum of one year and a maximum of five years and a fine of two thousand to ten thousand dinars, or by one of these two penalties alone:

1) members of the board of directors who, in the absence of inventories, or by means of fraudulent inventories, have distributed fictitious dividends among shareholders.

2) members of the board of directors who, even in the absence of any distribution of dividends, knowingly published or presented to shareholders an inaccurate balance sheet in order to conceal the true situation of the company.

3) members of the board of directors who, in bad faith, have used the company's assets or credit in a manner they knew to be contrary to the company's interests for personal gain or to favor another company in which they had a direct or indirect interest.

4) Members of the board of directors who, in bad faith, have used the powers they possessed or the votes they had at their disposal in a manner they knew to be contrary to the interests of the company for personal gain or to favor another company in which they had an interest of any kind.

Chapter Two

The Management Board and the Supervisory Board

Article 224.- The articles of association of any public limited company may stipulate that it is governed by the provisions of Articles 225 to 257 of this Code.

In this case, the company shall remain subject to all the rules applicable to public limited companies, with the exception of those provided for in Articles 189 to 221 of this Code.

The extraordinary general meeting may decide, during the company's existence, to adopt or abolish this method of administration.

Article 225.- A public limited company shall be managed by a management board, which shall be responsible for its management and shall exercise its functions under the supervision of a supervisory board.

The management board may consist of a maximum of five members. They must be natural persons.

In public limited companies with capital of less than one hundred thousand dinars, the functions assigned to the board of directors may be exercised by a single person.

Failure to comply with the provisions of this article shall result in nullity.

Article 226.- The members of the management board shall be appointed by the supervisory board for a maximum term of six years, renewable unless otherwise stipulated in the articles of association. They may be chosen from outside the shareholders. The supervisory board shall appoint one of the members of the management board as chairman.

If a single person performs the duties of the management board, he or she shall be referred to as the sole chief executive officer.

Appointment to the management board shall take effect upon acceptance of the position by the person concerned and, where applicable, from the date of attendance at the first meetings of the management board.

Article 227.- A member of the management board may be dismissed by the general meeting on the recommendation of the supervisory board.

If the dismissal is decided without just cause, it may give rise to damages.

If the person concerned has entered into an employment contract with the company, dismissal from the Management Board shall not result in the termination of that contract.

Article 228.- The supervisory board shall determine the method and amount of remuneration for each member of the management board. It shall ensure that the total amount of each remuneration is determined taking into account the duties of each member of the management board and the economic and financial situation of the company.

Article 229.- The management board shall be vested with the broadest powers to act on behalf of the company in all circumstances. It shall deliberate and take decisions in accordance with the conditions laid down in the articles of association.

The management board exercises its powers within the limits of the corporate purpose and subject to those expressly assigned by law to the supervisory board or the general meetings.

In its dealings with third parties, the company is bound even by acts of the management board that do not fall within the scope of the corporate purpose.

Provisions in the articles of association or decisions of the supervisory board that limit the powers of the management board are not enforceable against third parties unless it has been proven that the third party knew or could not have been unaware that the act exceeded the corporate purpose.

Statutory provisions limiting the powers of the management board are unenforceable against third parties.

Article 230.- The relocation of the registered office may only be decided by the supervisory board, subject to ratification of this decision by the next ordinary general meeting.

Article 231.- The members of the management board shall perform their duties with all the diligence of a prudent entrepreneur and a loyal agent. They shall be bound to maintain the confidentiality of any operations of which they may have become aware in the course of their duties within the management board.

A member of the management board who breaches his or her obligations shall be liable to the company. He or she shall be liable for damages even if the supervisory board approves the harmful acts.

A member of the management board who, in the performance of his duties, has acted in accordance with a decision duly taken by the general meeting shall be exempt from the obligation to pay compensation.

Article 232.- The Chairman of the Management Board or the sole Chief Executive Officer represents the company in its dealings with third parties.

The articles of association may empower the supervisory board to grant the same power of representation to one or more members of the management board, who shall then bear the title of chief executive officer.

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(1) Published in the JORT "or".

The provisions of the articles of association limiting the power of representation of the company are not enforceable against third parties.

Article 233 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).- Within one month of taking office, a member of the management board of a public limited company must notify the supervisory board of his or her appointment as manager, director, chief executive officer, managing director, or member of the management board or supervisory board of another company. The management board must inform the ordinary general meeting of shareholders at its next meeting.

The provisions of paragraph 2 of Article 192 of this Code shall apply.

Article 234.- Where the company is subject to the provisions of Articles 225 to 259, the members of the management board shall be subject to the same responsibilities as the members of the board of directors under the conditions provided for in Articles 202, 207, 214, and 220 of this Code.

Article 235.- The supervisory board shall exercise permanent control over the management of the company by the management board.

At any time of the year, the supervisory board shall carry out the controls it deems appropriate and may request any documents it considers useful for the performance of its duties.

At least once a quarter, the management board is required to submit a report to the supervisory board.

After the end of each financial year and within three months, the management board shall submit its report on the management of the accounts for the financial year to the supervisory board for verification and control.

The supervisory board shall present its observations on the management board's report and on the "financial statements"(1) for the financial year to the general meeting.

Article 236.- The supervisory board shall consist of at least three and at most twelve members.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 237.- Each member of the supervisory board must own a specified number of shares in the company, as determined by the articles of association.

If, on the date of their appointment, a member of the supervisory board does not own the required number of shares or if, during their term of office, they cease to be the owner of such shares, they shall be deemed to have resigned automatically if they have not regularized their situation within three months of the date of their appointment.

Article 238.- No member of the company's supervisory board may at the same time be a member of its management board.

Article 239 (First paragraph amended by Article 1 of Law No. 2005-65 of July 27, 2005). Members of the supervisory board shall be appointed by the constituent general meeting or by the ordinary general meeting for a term determined by the articles of association, which may not be less than two years or more than six years.

In the event of a merger or demerger, they may be appointed by the extraordinary general meeting for the above-mentioned term.

Members of the supervisory board are eligible for re-election, unless otherwise stipulated in the articles of association.

They may be dismissed at any time by the ordinary general meeting.

Any appointment made in violation of the foregoing provisions shall be null and void, except for those made under the conditions provided for in Article 243 of this Code.

The deliberations in which the irregularly appointed member took part remain valid.

Article 239 bis (Added by Law No. 2019-47 of May 29, 2019) - The supervisory board of publicly traded companies must include at least two members who are independent of the shareholders, for a term not exceeding three years.

The two independent members may not be shareholders in the company.

The term of office of each of the two independent members may be renewed only once.

Any appointment contrary to the provisions of this article shall be null and void, without prejudice to the nullity of the deliberations in which the independent member participated illegally.

The ordinary general meeting may not dismiss the two independent members except for a valid reason relating to their violation of legal requirements or the articles of association, or for having committed management errors or for the loss of their independence.

An independent member is any member who has no relationship with the companies referred to in the first paragraph, or with their shareholders or directors, which is likely to affect the independence of their decision or place them in a situation of actual or potential conflict of interest.

Article 240.- A legal entity may be appointed to the supervisory board. Upon appointment, it is required to designate a permanent representative who is subject to the same conditions and obligations and incurs the same civil and criminal liability as if he were a member of the board in his own name, without prejudice to the joint and several liability of the legal entity he represents.

When a legal entity dismisses its representative, it is required to appoint a replacement at the same time.

Article 241 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).A member of the supervisory board of a public limited company must, within one month of taking office, notify the legal representative of the company of his appointment as manager, director, chief executive officer, managing director, or member of the executive board or supervisory board of another company. The legal representative of the company must inform the ordinary general meeting of shareholders at its next meeting.

The provisions of paragraph 2 of Article 192 of this Code shall apply.

Article 242 (Repealed by Article 5 of Law No. 2005-65 of July 27, 2005).

Article 243 (Paragraphs 1 and 3 amended by Article 1 of Law No. 2005-65 of July 27, 2005). In the event of one or more vacancies on the supervisory board due to death, resignation, incapacity, or

the occurrence of incapacity, this board may, between two general meetings, make provisional appointments.

When the number of members of the supervisory board falls below the legal minimum, the management board must immediately convene an ordinary general meeting to fill the vacancies on the supervisory board.

The appointment made by the board pursuant to the first paragraph of this article shall be subject to the approval of the next ordinary general meeting. In the absence of approval, the decisions taken and acts performed previously by the board shall remain valid.

Where the board fails to make the required appointments or if the meeting is not convened, any interested party may apply to the court for the appointment of a representative to convene the general meeting for the purpose of making the appointments or ratifying the appointments provided for in the first paragraph of this article.

Article 244.- The supervisory board shall elect from among its members a chairman and a vice-chairman who shall be responsible for convening the board and directing its discussions. It shall determine, if it sees fit, their remuneration.

Under penalty of nullity of their appointment, the chair and vice-chair of the supervisory board shall be natural persons. They shall exercise their functions for the duration of the supervisory board's term of office.

Article 245.- The supervisory board may only validly deliberate if at least half of its members are present. Unless the articles of association provide for a larger majority, decisions shall be taken by a majority of the members present or represented. Unless otherwise provided in the articles of association, the chairman shall have the casting vote in the event of a tie.

Article 246 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005). The general meeting may allocate to the members of the supervisory board attendance fees for the performance of their duties, the amount of which shall be set annually.

The supervisory board may allocate exceptional remuneration for the tasks or mandates entrusted to its members. The allocation of such remuneration is subject to the approval of the general meeting of shareholders in accordance with the provisions of Articles 200 and 202 of this code.

Such remuneration and attendance fees shall be recorded as operating expenses.

Article 247.- Members of the supervisory board may not receive any permanent or non-permanent remuneration from the company other than that provided for in Article 246 of this code.

Article 248 (Repealed by Article 5 of Law No. 2005-65 of July 27, 2005).

Article 249.- The member of the management board or supervisory board concerned shall be required to inform the supervisory board as soon as he or she becomes aware of an agreement to which Article 200 of this Code applies. If he or she is a member of the supervisory board, he or she may not take part in the vote on the authorization sought, nor be taken into account in the quorum for calculating the majority.

Article 250.- Agreements approved or disapproved by the general meeting shall be effective vis-à-vis third parties, unless they are annulled in the event of fraud.

Even in the absence of fraud, the consequences of disapproved agreements that are detrimental to the company may be charged to the member of the supervisory board or the member of the management board concerned and, where applicable, to the other members of the management board.

Article 251.- Without prejudice to the liability of the person concerned, agreements referred to in Article 200 of this Code and entered into without the prior authorization of the supervisory board may be annulled if they have had harmful consequences for the company. (Paragraph 1([1])amended by Article 1 of Law No. 2009-16 of March 16, 2009).

The action for annulment shall be time-barred three years from the date of the agreement. However, if the agreement has been concealed, the starting point of the limitation period shall be postponed to the day on which it was revealed.

Nullity may be covered by a vote of the general meeting on the basis of a special report by the auditor(s)

setting out the circumstances under which the authorization procedure was not followed. In this case, the interested party may not take part in the vote and their shares are not taken into account for the calculation of the quorum and majority.

Article 252 (Amended by Article 1 of Law No. 2009-16 of March 16, 2009) - The provisions of Article 200 of this Code shall apply to transactions entered into by a public limited company with a management board and a supervisory board.

Article 253.- Members of the management board and supervisory board, as well as any person called upon to attend meetings of these bodies, are bound to discretion with regard to information that is confidential and designated as such by the chair.

Article 254 (Amended by Article 1 of Law No. 2009-16 of March 16, 2009) - Where judicial settlement or bankruptcy reveals a shortfall in assets, the court may, at the request of the judicial administrator, the bankruptcy trustee, or one of the creditors, decide that the company's debts shall be borne, in whole or in part, jointly or severally, and up to the limit of the amount designated by the court, by the president or members of the management board, the sole chief executive officer, or any other de facto manager. It may also prohibit the convicted person from managing companies or engaging in commercial activity for a period specified in the judgment.

The persons referred to above shall only be exempt from liability if they can prove that they have managed the company with all the skill and diligence of a prudent entrepreneur and a loyal agent.

The action is time-barred three years after the judgment pronouncing the judicial settlement or bankruptcy.

Article 255.- Members of the supervisory board are liable for their personal misconduct in the performance of their duties. They bear no liability for management acts and the consequences thereof.

They may be held civilly liable for offenses committed by members of the management board if they were aware of them and did not "disclose" them(*) to the general meeting.

The provisions of Article 220 of this Code shall apply.

Article 256.- The following persons may not be members of the management board or supervisory board: bankrupt persons, for a period of five years from the date of the bankruptcy judgment; persons who have been subject to a judgment prohibiting them from managing and administering companies; minors and persons lacking legal capacity; persons sentenced to penalties involving prohibition from exercising public functions; persons convicted of crimes or offenses against public morals, public order, or the rules governing companies, and persons who, due to their positions, are prohibited from engaging in commerce. (Amended by Law No. 2016-36 of April 29, 2016).

Civil servants in the service of the administration may not be members of the management board or supervisory board unless they have special authorization from the relevant ministry.

Article 256 bis (Added by Article 12 of Law No. 2005-96 of October 18, 2005). The creation of a standing audit committee is mandatory for:

- companies that issue securities to the public, with the exception of companies classified as such due to the issuance of bonds,

- the parent company when its total balance sheet under the consolidated financial statements exceeds an amount set by decree,

- companies that meet the limits set by decree relating to their total balance sheet and total commitments to credit institutions and outstanding bond issues.

The standing audit committee ensures that the company complies with the implementation of effective internal control systems designed to promote efficiency, effectiveness, protection of the company's assets, reliability of financial information, and compliance with legal and regulatory provisions. The committee monitors

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(*) Published in the JORT "revealed".

the work of the company's control bodies, proposes the appointment of the auditor(s) and approves the appointment of internal auditors.

The standing audit committee is composed of at least three members, appointed as appropriate by the board of directors or the supervisory board from among their members.

The following individuals may not "be" members of the standing audit committee: the chief executive officer, managing director, or deputy managing director.

Members of the standing audit committee may receive, as remuneration for the performance of their duties, a sum fixed and charged in accordance with the conditions set out in Article 204 of the Commercial Companies Code relating to attendance fees.

Article 257.- The penalties provided for in this code for the chief executive officer, the managing director, and the members of the board of directors, each according to their specific responsibilities, shall apply to the members of the management board and the members of the supervisory board of public limited companies subject to the provisions of Articles 224 to 256 of this code.

Chapter Three
The auditor

Article 258 (Paragraph 2 repealed by Article 2 of Law No. 2005-96 of October 18, 2005).- The auditor shall verify, under his responsibility, the regularity of the "company's financial statements"(1), and their accuracy in accordance with the legal and regulatory provisions in force. He shall ensure compliance with the provisions of Articles 12 to 16 of this Code. He shall report to the annual general meeting on any violation of the above-mentioned articles.

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(1) Published in the JORT "âtre".

(1) The term was amended in accordance with the Arabic text by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 259 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005) - The duties of auditor may be performed by individuals and professional firms that are legally authorized to do so. The auditor must keep a special register in accordance with the legislation in force.

Article 260 (Paragraph 1 amended by Article 4 of Law No. 2005-96 of October 18, 2005) - Subject to the provisions of Article 13 bis of this Code, the general meeting of shareholders shall appoint one or more auditors for a period of three years.

The general meeting may not dismiss the auditor(s) before the expiry of their term of office unless it is established that they have committed serious misconduct in the performance of their duties.

Article 261.- If the general meeting fails to appoint auditors, or if one or more of the appointed auditors are unable or refuse to perform their duties, they shall be appointed or replaced by order of the judge hearing applications for interim relief at the court of the registered office at the request of any interested party, who shall summon the members of the board of directors.

The commissioner appointed by the general assembly or by the judge "ex parte"(1) to replace another shall remain in office only for the remainder of his predecessor's term.

Article 262.- The following persons may not be appointed as auditors:

1) Directors or members of the management board or contributors in kind and all their relatives or relatives by marriage, up to and including the fourth degree.

2) Persons receiving, in any form whatsoever, on account of functions other than those of auditors, a salary or remuneration from directors or members of the management board or from the company or any undertaking owning one-tenth of the capital of the

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(1) Published in the JORT in error as "summary proceedings".

company, or in which the company owns at least one-tenth of the capital.

3) Persons who are prohibited from being members of a board of directors or executive board or who have been deprived of the right to exercise these functions.

4) The spouses of the persons referred to in numbers (1) and (2) of this paragraph. (Amended by Article 1 of Law No. 2005-65 of July 27, 2005)

If any of the above causes of incompatibility arise during the term of office, the person concerned must immediately cease to perform their duties and inform the board of directors or the management board no later than fifteen days after the incompatibility arises.

Article 263.- Auditors may not be appointed as directors or members of the management board of the companies they audit for five years after the termination of their duties.

Any appointment of an auditor made in contravention of the provisions of this article and Articles 258, 259, and 260 of this code shall be considered null and void and shall result in the offending company being liable to pay a fine of at least 2,000 and at most 20,000 dinars. The company shall be liable to the same penalty in the event of failure by its general meeting to appoint an auditor.

Article 264.- The auditor(s) may be relieved of their duties for just cause by the judge hearing the application for interim relief at the request of:

- the public prosecutor.

- the board of directors.

- one or more shareholders holding at least fifteen percent of the company's capital.

- by the Financial Markets Council for companies that issue securities to the public.

The auditor who has been relieved of his duties shall be replaced either by the general meeting or by the judge hearing the application for interim relief.

Article 265 .- Auditors may not receive any remuneration other than that provided for by law, nor may they receive any benefits by agreement.

Any appointment, regardless of the terms, of the auditor(s) must be notified, as applicable, to the Tunisian Institute of Chartered Accountants or the Tunisian Association of Accountants by the chief executive officer or the company's management board and by the appointed auditor(s), by registered letter with acknowledgment of receipt or any other means leaving a written record or having the probative force of a written document within ten days of the general meeting that made the appointment in the case of the chief executive officer or the management board, and within ten days of acceptance of the position in the case of the auditor(s) for the notification incumbent upon them. (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005, and by Law No. 2019-47 of May 29, 2019).

Any appointment or renewal of the mandate of an auditor must be published in the Official Journal of the Republic of Tunisia(*) and in two daily newspapers, one of which must be in Arabic, within one month of the date of appointment or renewal.

Article 266.- The auditor(s) shall be responsible for verifying the books, cash, portfolio, and securities of the company, checking the regularity and accuracy of the inventories, and verifying the accuracy of the information provided on the company's accounts in the report of the board of directors or the management board.

The auditor shall certify the accuracy and regularity of the company's annual accounts in accordance with the law in force relating to the accounting system of companies. He shall periodically verify the effectiveness of the internal control system. (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005).

Without interfering in the management of the company, the auditor(s) shall carry out all verifications and checks they deem appropriate.

They may request any documents they deem useful for the performance of their duties, including contracts, books, accounting documents, minute books, and bank statements.

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(*) In accordance with the Arabic version.

The investigations provided for in this article may be carried out both at the company and at the "parent companies"(1) or subsidiaries within the meaning of the laws in force.

Where appropriate, auditors may also, by order of the competent judge, collect any information useful for the performance of their duties from third parties who have entered into contracts with or on behalf of the company.

Article 266 bis (Added by Article 9 of Law No. 2005-96 of October 18, 2005).- The company's auditor(s) must be invited to attend all meetings of the board of directors or supervisory board and management board that prepare the annual financial statements or review the interim financial statements, as well as all general meetings.

Article 267.- In order to carry out their duties, auditors may, under their own responsibility, be assisted or represented by one or more associates of their choice who hold a master's degree and whose names they disclose to the company. These associates shall have the same investigative rights as the auditors.

Article 268.- Auditors who are unable to perform their duties must notify the company and return the documents in their possession, accompanied by a reasoned report, within one month of the date of the impediment. They must also notify the Tunisian Institute of Chartered Accountants within the same time frame.

Article 269.- Auditors are required to submit their report within one month of receiving the company's financial statements. If the members of the board of directors or the management board have deemed it appropriate to amend the company's annual "financial statements"(1), taking into account the observations of the auditor(s), the latter shall amend their report in accordance with the aforementioned observations. In the event of a plurality of

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

auditors and there is a difference between their opinions, they must draw up a joint report setting out each of their opinions.

The auditors must expressly state in their report that they have conducted an audit in accordance with generally accepted auditing standards and that they expressly approve or disapprove of the accounts, with or without reservations. Any auditor's report that does not contain an explicit opinion or whose reservations are presented in an ambiguous and incomplete manner shall be deemed null and void. (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005).

Article 270.- Subject to the provisions of the preceding article, auditors, their associates, and experts are bound by professional secrecy with regard to facts, acts, and information that come to their knowledge in the course of their duties.

Auditors must also report to the general meeting any irregularities and inaccuracies they have identified in the course of their duties. In addition, they are required to disclose to the public prosecutor any criminal acts of which they have become aware, without being liable for breach of professional secrecy.

Article 271.- Any auditor who knowingly provides or confirms false information about the company's situation or who fails to disclose to the public prosecutor any criminal acts of which they become aware shall be punished by imprisonment for one to five years and a fine of 1,200 to 5,000 dinars, or by one of these two penalties alone.

The provisions of criminal law relating to the disclosure of professional secrecy shall apply to auditors.

Article 272.- Auditors shall be liable both to the company and to third parties for the harmful consequences of any negligence or misconduct on their part in the performance of their duties.

They shall not be civilly liable for offenses committed by members of the board of directors or members of the

management board unless, having been aware of them, they failed to "revealed"[1] in their report to the general meeting.

Article 273.- Actions for liability against auditors shall be time-barred three years after the discovery of the harmful event. However, if the event is classified as a crime, the action shall be time-barred within ten years.

Subtitle four

General Meetings

Article 274.- General meetings are constitutive, ordinary or extraordinary. They are convened to deliberate in accordance with the provisions of this code.

Article 275.- The ordinary general meeting must be held at least once a year and within six months of the end of the financial year, for the purpose of:

- Review the company's management activities.

- Approve, as appropriate, the accounts for the past financial year.

- Take decisions relating to the results after reviewing the report of the board of directors or the management board and that of the auditor.

The decision of the general meeting approving the financial statements shall be null and void if it is not preceded by the presentation of the reports of the auditor(s). (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005)

Article 276 (Amended by Law No. 2019-47 of May 29, 2019) - The general meeting shall be convened by a notice published in the Official Journal of the Republic of Tunisia and the Official Journal of the National Center for Business Registration at least twenty-one (21) days before the date set for the meeting. The notice shall indicate the date and place of the meeting, as well as the agenda.

Article 277.- The general meeting shall be convened by the board of directors or the management board. If necessary, it may be convened by:

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(1) Published in the JORT "revealed".

1) The auditor(s).

2) A representative appointed by the court at the request of any interested party in an emergency or at the request of one or more shareholders holding at least five percent of the capital of the corporation when it does not make a public offering or three percent when it makes a public offering. (No. 2 amended by Article 1 of Law No. 2009-16 of March 16, 2009)

3) The liquidator.

4) Shareholders holding the majority of the share capital or voting rights after a public offering or exchange or after the sale of a controlling interest.

Unless otherwise provided in the articles of association, general meetings of shareholders shall be held at the registered office or at any other location within Tunisian territory.

Any meeting that is not convened in accordance with the above-mentioned procedures may be canceled. However, an action for annulment shall not be admissible if all shareholders were present or represented at the meeting.

Article 278.- The ordinary general meeting shall take all decisions other than those relating to the matters referred to in Articles 291 to 295, Articles "298" [(1)]and 300, and Articles 307 to 310 of this Code.

It may only validly deliberate on first call if the shareholders present or represented hold "at least one-third"[(*)] of the shares conferring voting rights on their holders" [(1)] .

If there is no quorum, a second meeting shall be held without any quorum being required.

A minimum period of fifteen days must elapse between the first and second meetings.

The general meeting shall decide by a majority of the votes of the shareholders present or represented.

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(1) Amended in accordance with the Arabic version; published in JORT "288". (*) Published in JORT "month".

(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

Any shareholder may vote by mail or be represented by any person holding a special proxy.

In the case of postal voting, the company must provide shareholders with a special form for this purpose. Votes cast in this manner are only valid if the signature on the form is certified.

Only votes received by the company before the end of the day preceding the general meeting shall be taken into account.

Votes by mail must be sent to the company by registered letter with acknowledgment of receipt or by any other means that leaves a written record or has the probative force of a written document (Amended by Law No. 2019-47 of May 29, 2019).

Article 279.- The articles of association may require a minimum number of shares, which may not exceed ten, to participate in ordinary general meetings.

Several shareholders may join together to reach the minimum required by the articles of association and be represented by one of them.

Article 280.- The board of directors or the management board must make available to shareholders at the company's registered office, at least fifteen days before the date set for the meeting, the documents necessary to enable them to make an informed decision and give their opinion on the management and operation of the company.

Article 281.- The general meeting shall be chaired by the person designated in the articles of association. Failing this, the chair shall be entrusted to the chairman of the board of directors or the chairman of the management board and, where applicable, to the shareholder chosen by the shareholders present.

The chair of the general meeting shall be assisted by two tellers and a secretary, appointed by the shareholders present. They shall form the meeting's officers.

Article 282.- Before proceeding to the agenda, an attendance sheet shall be drawn up containing the names of the shareholders or their representatives, their addresses, and the number of shares held by them or by the third parties they represent.

The shareholders present or their proxies must sign the attendance sheet, which shall be certified by the officers of the general meeting and filed at the company's head office, where it shall be available to any requester.

On the basis of the list drawn up, the total number of shareholders present or represented shall be determined, as well as the total share capital to which they are entitled, while determining the share of the share capital to which shareholders with voting rights are entitled.

Article 283.- The agenda for meetings shall be set by the person who convenes the meeting.

However, one or more shareholders representing at least five percent of the share capital may request the inclusion of additional draft resolutions on the agenda. These items shall be included in the agenda of the general meeting after the aforementioned shareholder(s) have sent the company a registered letter with acknowledgment of receipt or by any other means leaving a written record or having the probative force of a written document (Amended by Law No. 2019-47 of May 29, 2019).

The request must be sent before the first general meeting is held. The general meeting may not deliberate on matters not included in the agenda.

The general meeting may, in all circumstances, dismiss one or more members of the board of directors, the executive board, or the supervisory board and proceed to replace them.

The agenda of the general meeting may not be amended on second call.

Article 284.- Any shareholder holding at least five percent of the capital of a public limited company when it does not make a public offering, or three percent when it does make a public offering, or holding a stake in the capital of at least one million dinars, has the right to obtain, at any time, copies of the corporate documents referred to in Article 201 of this Code, the auditors' reports for the last three financial years, and copies of the minutes and attendance sheets of the meetings held during the last three financial years. The

shareholders holding this fraction of the capital collectively are entitled to receive the aforementioned documents and to be represented by a proxy to exercise this right on their behalf. (Paragraph 1¹ amended by Article 1 of Law No. 2009-16 of March 16, 2009)

If the company refuses to disclose all or part of the above-mentioned documents, the above-mentioned shareholder may refer the matter to the judge in summary proceedings.

In the event of a dispute on the merits, the plaintiff may request the court hearing the case to hold a hearing for the purpose of hearing both parties. The plaintiff may address questions to the defendant or defendants. (Paragraph 3 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Article 284 bis (Added by Article 2 of Law No. 2009-16 of March 16, 2009). Any shareholder or shareholders holding at least 5% of the capital of a public limited company that does not issue securities to the public, or 3% of the capital of a public limited company that does make a public offering, or holding a stake in the capital worth at least one million dinars, without being a member or members of the board of directors, may submit written questions to the board of directors at least twice a year concerning any act or fact likely to jeopardize the interests of the company.

The board of directors must respond in writing within one month of receiving the question. A copy of the question and the response must be sent to the auditor. These documents shall be made available to shareholders at the next general meeting.

Article 285.- The minutes of the general meeting must contain the following information:

- the date and place of the meeting.
- the method of convening the meeting.
- the agenda.
- the composition of the board.
- the number of shares participating in the vote and the quorum reached.
- The documents and reports submitted to the general meeting.

- a summary of the debates, the text of the resolutions put to the vote, and the results.

These minutes shall be signed by the members of the bureau, and any refusal by one of them must be mentioned.

Article 286.- Before any general meeting, all shareholders have the right to obtain, under the conditions and within the time limits specified in the articles of association, a copy of the list of shareholders.

Article 287 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).- Distributable profits consist of the net accounting result plus or minus the results carried forward from previous financial years, after deduction of the following:

- a fraction equal to 5% of the profit determined as indicated above as legal reserves. This deduction ceases to be mandatory when the legal reserve reaches one-tenth of the share capital,

- the reserve provided for by special legislation within the limits of the rates set therein,

- statutory reserves.

Any resolution passed in violation of the provisions of this article shall be deemed null and void.

Article 288 (First paragraph amended by Article 1 of Law No. 2005-65 of July 27, 2005). Each shareholder's share of the profits shall be determined in proportion to their share in the share capital. Any statutory clause to the contrary shall be deemed null and void.

"All shareholders must receive their share of dividends within a maximum of three months from the date of the general meeting that decided on the distribution. The shareholders may decide otherwise unanimously.

If the three-month period referred to above is exceeded, the undistributed profits shall generate commercial interest within the meaning of the legislation in force." (Added by Law No. 2019-47 of May 29, 2019).

The right to claim payment of dividends expires five years after the date of the general meeting at which the distribution was decided.

No distribution may be made to shareholders when the company's equity capital is, or would become as a result of the

distribution of profits, less than the amount of capital, plus "reserves"[1] that the law or the articles of association prohibit their distribution.

Article 289.- Any distribution of profits made contrary to the above provisions shall be deemed fictitious. It is prohibited to stipulate in the articles of association a fixed or periodic interest for the benefit of shareholders.

The company may not require shareholders to repay dividends except in the following cases:

- If the distribution of dividends has been made contrary to the provisions set out in Articles 288 and 289 of this Code.

- If it is established that the shareholders knew or could not have been unaware of the fictitious nature of the distribution, given the factual circumstances.

The action for recovery of fictitious dividends is time-barred five years from the date of distribution. It is time-barred in all cases ten years from the date of the distribution decision. This period is extended to fifteen years for actions for restitution brought against the managers responsible for the decision to distribute fictitious dividends. (Paragraph 3 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Article 290 (First paragraph amended by Article 14 of Law No. 2007-69 of December 27, 2007).Shareholders holding at least ten percent of the share capital may request the annulment of decisions that are contrary to the articles of association or detrimental to the interests of the company, and taken in the interest of one or more shareholders or for the benefit of a third party.

The action for nullity shall be time-barred within one year from the decision or the disappearance of the cause of nullity before the action is brought or before the judgment on the merits in the first instance.

The court hearing the case may even set a deadline for regularization on its own initiative.

The costs and expenses shall be borne by the defendant if the regularization took place after the action was brought.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

The judge hearing the application for interim relief may order the provision of a bank guarantee to cover any damages "which" [1]could be caused to the company.

Article 290 bis (Added by Article 15 of Law No. 2007-69 of December 27, 2007).- One or more shareholders holding at least ten percent of the share capital may, either individually or jointly, request the judge hearing the application for interim relief to appoint an expert or a panel of experts whose task will be to submit a report on one or more management operations.

The expert report shall be communicated to the applicant or applicants, the public prosecutor, and, as the case may be, the board of directors or the management board and the supervisory board, the statutory auditor, and, where applicable, the standing audit committee, as well as the Financial Markets Council for companies that issue securities to the public. This report must be appended to the auditor's report and made available to shareholders at the registered office for the next ordinary or extraordinary general meeting, under the conditions provided for in Article 274 and "following"[1] of this code.

Article 290b (Added by Article 2 of Law No. 2009-16 of March 16, 2009).- Shareholders holding a fraction not exceeding 5% of the capital of a company that does not make public offerings may propose to withdraw from the company and require the shareholder holding the remainder of the share capital, individually or in concert, to purchase their shares at a price set by an expert appraisal ordered by the president of the court in whose jurisdiction the company's registered office is located. If the shareholder holding the remainder of the share capital, individually or in concert, does not agree to the price proposed within one month of notification of the expert report, the price shall be set by the competent court, which shall determine the value of the shares and order payment.

The above provisions shall not apply to publicly traded companies, which shall remain subject to the legislation in force.

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(1) Published in the JORT: "that".

(1) Published in the JORT: "following".

Article 291.- Only the extraordinary general meeting is authorized to amend any provisions of the articles of association. Any clause to the contrary is null and void.

The deliberations of the general meeting shall only be considered valid if the shareholders present or the representatives with voting rights hold at least half of the capital on first call and one-third of the capital on second call.

If this latter quorum is not met, the date of the general meeting may be postponed to a later date not exceeding two months from the date of the notice of meeting. It shall decide by a two-thirds majority of the votes of the shareholders present or representatives entitled to vote.

The articles of association may be amended by the chief executive officer, the managing director, the chairman of the management board, or the sole managing director, when such amendment is made in accordance with legal or regulatory provisions that require it. The amended articles of association shall be submitted for approval at the next general meeting. (Paragraph 4 added by Article 2 of Law No. 2009-16 of March 16, 2009)

Article 292.- The share capital may be increased by issuing new shares or by increasing the par value of existing shares.

New shares may be paid up in cash, by offsetting certain, due and payable claims whose amount is known to the company, by incorporating "reserves"(1) , profits and issue premiums, by contribution shares or by converting bonds.

An increase in share capital by raising the par value of the shares shall be decided unanimously by the shareholders, unless the increase has been carried out by incorporating "reserves"(1) , profits or issue premiums.

Article 293.- An increase in share capital must be decided by the extraordinary general meeting under the conditions provided for by "the law"(2), unless otherwise stipulated in the articles of association and provided that

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

(2) To be read in accordance with the Arabic version: "this code."

"that it"[3] does not contradict mandatory legal provisions.

This decision shall be published in accordance with the provisions of Article 163 of this code.

Article 294.- The extraordinary general meeting may delegate to the board of directors or the management board the powers necessary to carry out the capital increase in one or more installments, to determine the terms and conditions thereof, to record its completion, and to make the corresponding amendments to the articles of association.

The capital increase must be carried out within a maximum period of five years from the date of the decision taken or authorized by the extraordinary general meeting.

However, one-quarter of the capital increase and, where applicable, the entire issue premium must be paid up
made within a period of "five years"[1] from the date of

subscription opened. Failing this, the decision to increase the share capital shall be deemed null and void. (Paragraph 3 amended by Article 1 of Law No. 2005-65 of July 27, 2005)

Any statutory clause granting the board of directors or the executive board the power to decide on a capital increase shall be deemed null and void.

Article 295.-The share capital must be fully paid up before any new shares are issued, failing which they shall be null and void. This payment must be made in cash.

Article 296.- Shareholders have, in proportion to the amount of their shares, a preferential right to subscribe for cash shares issued to increase the capital. Any clause to the contrary shall be deemed null and void.

During the subscription period, the preferential subscription right is negotiable when it is detached from the shares themselves, which are negotiable.

Otherwise, the preferential right is transferable under the same conditions as those provided for the share itself.

.....

(3) To be corrected as follows: "it."

(1) To be read in accordance with the Arabic version: "six months," unless otherwise specified therein.

Shareholders may individually waive their preferential subscription rights.

Article 297.- If certain shareholders have not subscribed to the shares for which the previous article gave them a preferential right, the unsubscribed shares shall be allocated to shareholders who have subscribed to a number of shares greater than that to which they were entitled on a preferential basis, in proportion to their shares in the capital and within the limits of their requests.

Article 298.- If the subscriptions made do not reach the total amount of the capital increase:

1) the amount of the capital increase may be limited to the amount of the subscriptions, provided that this amount reaches at least three-quarters of the increase decided upon and that this option has been expressly provided for by the extraordinary general meeting that decided on the increase.

2) the unsubscribed shares may be wholly or partially redistributed among the shareholders, unless the extraordinary general meeting has decided otherwise.

3) Unsubscribed shares may be offered to the public in whole or in part, where the extraordinary general meeting has expressly allowed this possibility.

Article 299.- The board of directors or the management board may use the options provided for in Article 298 of this Code, or only some of them, in the order it determines.

The capital increase shall not be carried out if, after exercising these powers, the amount of paid-up subscriptions does not reach the total amount of the capital increase or three-quarters of that increase in the case provided for in the previous article.

However, the board of directors or the management board may, on its own initiative and in all cases, limit the capital increase to the amount of the subscription when the unsubscribed shares represent less than five percent of the capital increase.

Any decision to the contrary by the board of directors or the management board shall be deemed null and void.

Article 300.- The extraordinary general meeting that decides or authorizes a capital increase may cancel the preferential subscription right

preferential subscription right for the entire capital increase or for one or more parts of that increase.

It must approve, on pain of nullity of the increase, the report of the board of directors or the management board and that of the statutory auditors relating to the capital increase and the cancellation of the said preferential right.

Article 301.- The period for exercising the right to subscribe for shares in cash may not under any circumstances be less than fifteen days.

This period shall run from the date on which the shareholders' preferential rights are announced in the Official Journal of the Republic of Tunisia, together with the opening and closing dates of the subscription and the value of the shares at the time of issue.

Article 302.- Before the subscription period opens, the company shall complete the publicity formalities provided for in Article 163 et seq. of this Code.

Article 303.- The subscription contract shall be recorded in a subscription form, drawn up in accordance with the conditions set out in Articles 167, 169, 178 et seq. of this Code.

Article 304.- Subscriptions and payments made for the purpose of participating in the capital increase shall be recorded by a certificate issued by the institution with which the funds are deposited, upon presentation of the subscription forms.

Article 305.- Proof of payment of the amount of the shares in compensation for debts owed by the company shall be established by a certificate issued by the board of directors and approved by the auditor. This certificate shall serve as "the" certificate referred to in Article 304 of this Code.

Article 306.- In the event of a contribution in kind, one or more contribution auditors shall be appointed at the request of the board of directors or the management board in accordance with the provisions of Article 173 of this Code.

The extraordinary meeting shall deliberate on the valuation of contributions in kind. If such approval is given, it shall declare the completion of

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(1) Published in the JORT "of".

the capital increase. If the meeting reduces the valuation of the contribution in kind, the express approval of the contributor is required.

Failing this, the capital increase shall not be carried out. The contributed shares must be fully paid up upon issue.

Article 307.- The extraordinary general meeting shall decide on the capital reduction in accordance with the conditions required for the amendment of the articles of association, following a report prepared by the auditor.

The decision of the said general meeting must mention the amount of the capital reduction, its purpose and the procedures to be followed by the company for its implementation, as well as the deadline for its execution and, where applicable, the amount to be paid to the shareholders.

If the purpose of the reduction is to restore the balance between capital and social assets that have been impaired due to losses, the reduction shall be achieved either by reducing the number of shares or by lowering their par value, while respecting the advantages attached to certain categories of shares under the law or the articles of association.

All this is subject to the provisions of Article 88 of the law on the reorganization of the financial market.

Article 308.- The purpose of a capital reduction may be to return contributions, cancel subscribed and unpaid shares, create a legal reserve(1), or restore the balance between the capital and the assets of the company that have been reduced as a result of losses.

The capital of the company may be reduced when losses have reached half of the equity capital and the company has continued to operate without these assets being replenished.

Article 309.- The decision to reduce the capital must be published in the Official Journal of the Republic of Tunisia and in two daily newspapers, one of which must be in Arabic, within thirty days of the date of the decision.

Article 310.- The decision to reduce the share capital to zero, or below the legal minimum, may only be taken on condition that the company is transformed or its capital is increased simultaneously to a value equal to or greater than the legal minimum.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 311.- Creditors whose claims arose before the date of the last announcement of the decision to reduce the capital have the right to oppose this reduction until their claims, which were not due at the time of publication, are guaranteed.

Creditors whose claims are already sufficiently secured shall not benefit from this right.

The right of opposition must be exercised within one month of the date of the last announcement of the decision.

The reduction in share capital shall not take effect if the company has not provided the creditor with a guarantee or its equivalent, or until it has notified the creditor of the provision of sufficient security in favor of the company by a credit institution duly authorized for this purpose, for the amount of the claim held by the creditor and as long as the action to demand its fulfillment is not time-barred.

Article 312.- Creditors may not oppose the reduction of share capital in the following cases:

1) when the sole purpose of the capital reduction is to restore the balance between the capital and the assets of the company, which have been reduced as a result of losses.

2) when the purpose of the reduction is to constitute the legal "reserve"[(1)].

Any reduction in share capital decided in violation of Articles 307 to 310 of this Code shall be null and void.

Article 313.- The chief executive officer, the managing director, the members of the executive board and the board of directors who contravene the provisions of Articles 291 to 310 of this Code shall be punished by a fine of one hundred and twenty to one thousand two hundred dinars.

The fine referred to in the first paragraph of this article shall apply to the chief executive officer, the managing director, the members of the board of directors, the members of the executive board, and the auditors who knowingly present or approve inaccurate statements in the reports referred to in the articles cited in the first paragraph of this article.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

If false documents are used to commit the offense with a view to depriving shareholders or some of them of part of their rights in the company, the offender shall be punished, in addition to the above, with imprisonment for a term of one to five years.

Subtitle five

Securities

Chapter One

General provisions

Article 314 (Paragraphs 3, 4, 5, 6, 7, 8, and 9 added by Article 2 of Law No. 2005-65 of July 27, 2005, and amended by Law No. 2009-16 of March 16, 2009).- Securities issued by corporations, regardless of category, must be registered. They must be recorded in accounts kept by the issuing legal entities or by an approved intermediary.

The issuance of beneficiary shares or founder shares is prohibited.

Any holder of beneficiary shares or founder shares must, under penalty of foreclosure, bring an action before the court of first instance of the registered office by December 31, 2010, to request the determination of the value of these shares.

The court shall rule by judgment, subject to appeal, on the basis of the opinion of two experts appointed for this purpose. The decision of the appellate court is not subject to appeal to the Supreme Court.

The expert's fees shall be borne by the company.

The auditor shall draw up a special report within one month of receiving a copy of the judgment.

The extraordinary general meeting shall decide, in light of the judgment ruling on the valuation and the auditor's report, on the redemption of beneficiary shares or founder shares. It may also decide, within six months of the date of notification of the judgment to the company, to convert them into shares if the available reserves are at least equal to the value of the shares to be issued. The decision of the general meeting is binding on all holders of founder shares or beneficiary shares.

When the extraordinary general meeting decides to redeem the shares, payment of their value to their beneficiaries must be made within a period not exceeding five years from the date of the decision. If it decides to convert them into shares, the conversion must take place immediately.

If the general meeting fails to take a decision within the above-mentioned period, legal action may be taken to require the company to pay the amount set by the court.

Article 315.- A public limited company must open an account at its registered office or with an approved intermediary in the name of each owner of securities, indicating the name and address and, where applicable, the name and address of the beneficial owner, with an indication of the number of securities held.

The account shall be kept by the issuing company to the exclusion of any other if the company does not make a public offering. The securities are materialized solely by their registration in this account.

The issuing company or the authorized intermediary shall issue a certificate showing the number of securities held by the interested party.

Any owner may consult the above-mentioned accounts.

Securities are traded by transferring them from one account to another.

With regard to the issuing company, securities are deemed to be indivisible.

The provisions governing the financial market shall apply to public limited companies and in particular to those that issue securities and financial products by public offering.

Chapter Two
Shares

Article 316.- The following are deemed to be cash shares:

Those whose amount is released in "cash" [(1)] or by compensation or those issued following the incorporation of reserves, profits, or issue premiums into capital.

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(1) Amended by Article 3 of Law No. 2005-65 of July 27, 2005.

- Those whose amount results in part from the incorporation of reserves, profits, or issue premiums and in part from a cash payment.

With the exception of shares paid up in cash((1)), cash shares must be paid up in full at the time of subscription. All other shares are contribution shares.

Article 317.- Shares may confer different rights on their holders. Shares with identical rights constitute the same class of shares.

Each share confers the right to vote in accordance with the provisions of this code.

These shares may be created either at the time of incorporation, at the time of a capital increase, or through the conversion of ordinary shares or bonds already issued.

The par value of these shares is equal to that of ordinary shares.

Article 318.- (Paragraph 1[1] repealed by Article 3 of Law No. 2009-16 of March 16, 2009)

Holders, transferees, negotiators, and subscribers are jointly and severally liable for the amount of the share.

Any subscriber or shareholder who transfers their shares shall remain liable for two years from the date of transfer for payment of the outstanding balance of the value of the shares.

Contributed shares are only negotiable two years after the company's final incorporation. During this period, the directors must mention their nature on the date of the company's incorporation or capital increase.

Article 319.- In the event of a merger of companies by absorption or the creation of a new company encompassing one or more pre-existing companies, as well as in the event of a partial contribution of assets by one company to another, the prohibition on trading shares shall not apply to contributed shares allocated to a corporation that, at the time of the merger or contribution, has been in existence for more than two years and whose shares were previously negotiable.

The prohibition on trading shares also does not apply to shares of the parent company or holding company to which the shares or

shares were allocated following a corporate restructuring operation aimed at listing it on the Tunis Stock Exchange. (Added by Law No. 2009-1 of January 5, 2009).

Article 320.- Shares are only negotiable after the company has been registered in the commercial register. In the event of a capital increase, shares are negotiable from the date and upon completion of the increase in accordance with the law.

Shares remain negotiable after the dissolution of the company and until the liquidation is completed.

Article 321.- Except in the case of inheritance or transfer to a spouse, ascendant, or descendant, the transfer to a third party of shares issued by a company that does not make public offerings may be subject to the company's approval by means of a clause in the articles of association.

If an approval clause is stipulated, the request for approval, indicating the full name of the transferee, the number of shares to be transferred, and the price offered, shall be "notified"[(1)]to the company.

Approval shall result either from express notification or from the absence of a response within three months of the request.

If the company does not approve the proposed transferee, the board of directors or the management board is required, within three months of notification of the refusal, to have the shares acquired either by a shareholder or by a third party, or, with the consent of the transferor, by the company itself. In the latter case, the share capital must be reduced by the equivalent of the value of these shares. In the absence of agreement between the parties, the price of the shares shall be determined by a certified public accountant registered on the list of judicial experts, appointed by summary judgment by the president of the court of first instance of the place where the registered office is located. (Paragraph 4 amended by Article 1 of Law No. 2005-65 of July 27, 2005).

Upon expiry of the period specified in the preceding paragraph, if the purchase has not been made, approval shall be deemed to have been granted.

However, this period may be extended by a court decision[(2)].

Article 322.- Approval and preemption clauses shall be deemed null and void in the event of execution on the stock exchange due to failure to pay the value of the share.

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(1) Published in the JORT "notified".

(2) Read in accordance with the Arabic version: "by court order in summary proceedings."

Article 323.- In the event of trading of shares by stock exchange intermediaries of a company that does not make a public offering and by way of derogation from the provisions of Article 320 of this code, the company must exercise its right of approval within the period provided for in the articles of association, which may not exceed thirty working days on the stock exchange.

If the company does not approve the purchaser, the board of directors or the management board shall be required, within thirty working days on the stock exchange from the date of notification of the refusal, to have the shares acquired either by a shareholder or by a third party or by the company with a view to reducing the capital.

The price retained shall be that of the initial negotiation.

If, at the end of the period specified in the previous paragraph, the purchase has not yet been completed, approval shall be deemed to have been granted.

Article 324.- If the company has approved the pledging of shares under the conditions set out in Article 321 of this Code, such consent shall be deemed to include the approval of the transferee in the event of forced realization of the pledged shares.

Article 325.- If the shareholder fails to pay the balance of the amount of the shares subscribed by him within the terms set by the board of directors or the management board, the company shall send him a formal notice by registered letter with acknowledgment of receipt or by any other means leaving a written record or having the probative force of a written document. (Amended by Law No. 2019-47 of May 29, 2019).

If the formal notice remains without effect after one month, the company shall proceed with the sale of the said shares on the stock exchange without judicial authorization.

The defaulting shareholder, successive transferees, and subscribers shall be jointly and severally liable for the unpaid amount of the shares.

The company may take action against them either before or after the sale, or simultaneously, to obtain reimbursement of the amount due and any costs incurred.

Anyone who has reimbursed the company for the full amount shall have a right of recourse against the subscribers and successive holders of the shares for all that they have reimbursed.

Two years after the sale of the shares on the stock exchange, any shareholder who has sold their shares shall cease to be liable for any payments not yet called up.

Article 326.- Upon expiry of the period specified in the first paragraph of Article 325 of this Code, shares for which the required payments have not been made shall cease to confer the right to attend and vote at shareholders' meetings and shall be deducted for the purposes of calculating the quorum.

The right to dividends and the preferential right to subscribe to capital increases attached to these shares shall also be suspended.

After payment of the principal and interest due, the shareholder may request payment of dividends that are not time-barred. However, the shareholder may not exercise the preferential subscription right to a capital increase after the expiry of the period set for the exercise of this right provided for in Article 307 of this Code.

Chapter Three

Bonds

Article 327.- Bonds are negotiable securities that represent a claim.

Bonds from the same issue confer the same debt rights for the same nominal value.

The nominal value of a bond may not be less than five dinars. Bonds are issued for a minimum term of five years.

Article 328.- The provisions of this code shall not apply to:

- To securities issued by the State, local public authorities"(1) and public institutions.

- To securities issued by non-resident companies and banks governed by an agreement approved by law when all securities of the same issue are subscribed in foreign currency by non-residents.

Article 329.- Bonds are issued by corporations in the forms to be determined by decree.

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(1) Read: "local authorities."

The Financial Market Council shall ensure compliance with the conditions of issue provided for in Article 164 of this Code and with the terms and conditions specified in the preceding paragraph.

To this end, the Chairman of the Financial Market Council shall have full rights of legal action.

Article 330.- Only the general meeting of shareholders is authorized to decide on or authorize the issuance of bonds.

Article 331 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).The general meeting of shareholders may delegate to the board of directors or the management board the powers necessary to issue bonds on one or more occasions and to determine the terms and conditions thereof. The decision of the general meeting must indicate the total amount of the bond issue and the period within which the bonds must be issued.

Article 332.- In the event of a public offering, subscribers shall be informed of the terms and conditions of the issue by means of a notice containing the information specified in this code and in the law on the reorganization of the financial market.

Article 333.- Bondholders may meet in a special meeting, which may issue a preliminary opinion on the items on the agenda of the ordinary general meeting of shareholders. This opinion shall be recorded in the minutes of the general meeting of shareholders.

The special general meeting of bondholders shall appoint one of its members to represent it and defend the interests of the bondholders. The provisions of Articles 355 to 365 of this Code shall apply to the special general meeting of bondholders and its representative. The representative of the general meeting of bondholders shall have the authority to represent it in court. (Paragraph 2 amended by Article 1 of Law No. 2005-65 of July 27, 2005)

Article 334.- Unless otherwise specified in the issue prospectus, the issuing company may not require bondholders to redeem the bonds early.

Article 335.- Companies issuing bonds must provide the Financial Market Council with all documents made available to shareholders and under the same conditions as those established for the latter.

Article 336.- Companies issuing bonds must submit all proposals dealing with the following matters to the Financial Market Council for approval:

- Change in the form of the issuing company or its purpose, its dissolution, demerger, or "merger with other companies."((1))

- A reduction in capital not motivated by losses.

- The issuance of new bonds with preferential rights over the claims of current bondholders.

- The total or partial waiver of guarantees granted to bondholders.

- And any other change in the terms and conditions of issue set out in the notice referred to in Article 164 of this Code.

Companies issuing bonds may only disregard the Financial Market Council's refusal to approve by redeeming the bonds in full within a fixed period not exceeding one month from the date of notification of the refusal to the company concerned. The above-mentioned refusal decision shall be published in the Official Journal of the Republic of Tunisia.

The full repayment of the bonds concerned shall be without prejudice to any action for compensation brought by any bondholder.

Article 337.- The company issuing bonds may not pledge its own bonds.

Article 338.- Bonds repurchased by the issuing company, as well as those redeemed, shall be canceled and may not be put back into circulation.

Article 339.- Without prejudice to the penalties provided for by the legislation in force, particularly with regard to foreign exchange, the president, the managing directors, and each of the directors or members of the executive board who have issued or allowed bonds to be issued in contravention of this code or who have infringed any of its provisions shall be liable to a fine of three hundred to six thousand dinars.

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(1) The term has been amended in accordance with the Arabic text by Article 3 of Law No. 2005-65 of July 27, 2005.

Article 340.- The extraordinary general meeting, based on the report of the board of directors or the executive board and the special report of the auditors on the proposed conversion terms, shall authorize the issuance of bonds convertible into shares to which the provisions relating to the issuance of bonds shall apply.

Article 341.- The authorization referred to in Article 340 of this Code shall include the express waiver by shareholders of their preferential subscription rights to the shares that will be issued upon conversion of the bonds.

Article 342.- Conversion may only take place at the discretion of the holders and only under the conditions and on the basis of conversions set out in the bond issue agreement. The agreement shall specify that conversion will take place either during one or more specified option periods or at any time.

Article 343.- The issue price of bonds convertible into shares may not be less than the par value of the shares that bondholders will receive if they exercise their conversion option.

Article 344.- From the date of authorization by the extraordinary general meeting, the issuing company is prohibited, until the expiry of the option period or periods for conversion, from issuing new bonds convertible into shares, amortizing its capital or reducing it by way of redemption, distribute reserves in cash or securities, create profit shares, incorporate reserves or profits into its capital, or generally modify the distribution of profits.

If the company has issued shares for subscription against cash before the start of the option period(s), it is required, at the start of these periods, to carry out an additional capital increase reserved for bondholders who have opted for conversion and who have also requested to subscribe for new shares. These shares shall be offered to them in the same proportions and at the same prices and conditions, except with regard to dividend rights, as if they had been shareholders at the time of the said share issues.

Article 345.- All conversion transactions carried out in violation of the provisions of Articles 340 to 344 of this Code shall be null and void.

Chapter Four

Preference shares without voting rights

Article 346.- The articles of association of public limited companies may provide for the creation of priority dividend shares without voting rights.

Article 347.- Preference shares without voting rights are securities.

They are created by decision of the extraordinary general meeting during a capital increase or by conversion of ordinary shares already issued.

No company may issue preferred shares without voting rights unless it has made a profit during the last three financial years or unless it provides the holders of such shares with a bank guarantee ensuring the payment of the minimum dividend provided for in Article 350 of this Code.

Article 348.- Non-voting preferred shares may not represent more than one-third of the company's capital.

All shares comprising the capital of companies issuing non-voting preferred shares are freely negotiable. Any clause to the contrary shall be deemed null and void.

The par value of preferred shares without voting rights must be equal to that of ordinary shares.

Article 349.- Holders of preferred shares without voting rights shall enjoy the same rights as holders of ordinary shares, except for the right to participate and vote at general meetings of the company's shareholders by virtue of their status as holders of preferred shares.

Article 350.- Holders of non-voting preferred shares are entitled to a preferred dividend that may not be less than a percentage of the capital they have paid up, to be determined at the time of issue, nor less than the first dividend if provided for in the company's articles of association.

Preferred shares without voting rights are not entitled to the first dividend.

The preferred dividend is deducted from distributable profits before any other allocation.

In the event of insufficient distributable profits, these must be shared equally among the holders of non-voting priority shares. The remainder is carried forward to the following "financial year" (1) and, if necessary, to subsequent financial years.

This balance shall be paid before the payment of priority dividends for the current year.

Article 351.- Where the distributable profits allow for the distribution to all shareholders of a dividend that exceeds the preferred dividend set by the company's articles of association, the preferred non-voting share entitles its holder to the same share of profits as an ordinary share.

Article 352.- Where the priority dividends "due" ((1) ()) for two consecutive years have not been paid in full, preference shares without voting rights retain their specific characteristics while conferring on their holders the right to attend general meetings and vote, and are not excluded from the total number of shares constituting the capital when determining the quorum at meetings.

These rights shall remain in force until the dividends "due"(1) are paid in full.

Article 353.- In the event that the company benefiting from a bank guarantee is unable to pay the minimum dividend, the guarantor bank shall pay the minimum dividend to the holders of priority shares without voting rights without requiring the company to pay any consideration or, under any circumstances, exercising any recourse against it.

However, the guarantor bank retains its rights of recourse against the managers in the event of serious management misconduct that can be attributed to them. The bank guarantee must cease when the company distributes the dividends "due" (1) for two consecutive financial years and, in all cases, over a period not exceeding ten years.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

(1) Published in the JORT: "dûs".

Article 354.- Holders of priority dividend shares without voting rights shall meet in a special meeting.

Article 355.- The company may convene a special meeting of holders of preferred shares without voting rights. In this case, the company shall set the agenda for "this meeting" (2).

A group of holders possessing one-tenth of the preferred shares without voting rights may request that the company convene the special meeting.

A request indicating the agenda of the special meeting shall be sent to the company for this purpose. If, within one month of the date of this request, the general meeting has not been convened, the group of holders of non-voting preferred shares may itself convene the meeting by obtaining authorization to do so from the President of the Court of the place where the company has its registered office.

Article 356.- The meeting shall be convened by publication in the Official Journal of the Republic of Tunisia and in two daily newspapers, one of which shall be published in Arabic. The notice of meeting shall indicate the agenda and the method adopted for proving ownership of the shares.

The meeting may only be held eight days after this notice has been published.

Article 357.- An attendance sheet shall be drawn up listing the owners of priority dividend shares without voting rights who are present at the meeting and those who are represented by proxy. Proxies must be members of the special meeting in person.

The attendance sheet shall indicate the surnames, first names, and addresses of the owners of priority dividend shares without voting rights who are present or represented and the number of shares held by each of them.

This sheet, certified by the chair of the meeting, shall be made available to the members of the meeting for consultation immediately after it has been drawn up and, at the latest, before the first vote.

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(2) Published in the JORT: "this meeting".

Article 358.- The special general meeting shall be opened under the provisional chairmanship of the owner of the non-voting priority shares representing the largest number of shares, both on his own behalf and as a proxy.

The special general meeting shall then proceed to install its permanent officers, consisting of a chairperson, two scrutineers, and a secretary.

The chairperson shall be elected by the special general meeting.

Holders of preferred shares without voting rights representing, either individually or as proxies, the largest number of shares are appointed as scrutineers. If they refuse, the next in line are appointed until acceptance is obtained. The chair and the scrutineers appoint the secretary, who may be chosen from outside the special general meeting.

Deliberations may only concern items on the published agenda.

The deliberations shall be recorded in minutes signed by the members of the bureau. The attendance sheet and proxies of the shareholders who are represented shall be appended to these minutes.

The meeting shall decide where these documents are to be filed. The company shall bear the costs of convening and holding special general meetings of holders of priority dividend shares without voting rights.

Article 359.- The special general meeting may only deliberate if it is composed of a number of priority dividend shares without voting rights representing at least half of the existing shares in the relevant group.

If a first special meeting does not meet the above conditions, a new special meeting may be convened with the same agenda, in the manner and within the time limits specified in Article 356 of this Code. This second meeting shall be validly constituted if it is composed of a number of shares representing at least one-third of the preferred shares without voting rights.

If this quorum is not reached, this second special general meeting may be postponed to a later date, no more than two months

from the date on which it was convened. The convening and meeting of the postponed special general meeting shall take place in the manner described above, and the special general meeting shall be validly constituted if it is composed of a number of shares representing at least one-third of the existing priority dividend shares in the relevant group.

The deliberations of special general meetings held in accordance with the above conditions shall only be valid if they obtain two-thirds of the votes of the shareholders present or represented, regardless of their number.

Article 360.- The duly constituted special general meeting shall decide on all matters submitted to it. The decisions of the special general meeting shall be binding on all holders of priority dividend shares without voting rights, including those who are absent or incapacitated.

Article 361.- In any company that has issued non-voting preferred shares, amendments affecting the purpose or form of the company shall only be valid if the special general meeting of holders of non-voting preferred shares held for this purpose has approved such amendments.

Article 362.- Holders of preferred shares without voting rights may not contest the early dissolution of the company when this results from loss, merger, or any other cause. However, holders of non-voting preferred shares retain a potential claim for damages against the company, which they may only exercise collectively through their representatives and which must be brought within six months of the date of publication of the dissolution decision taken by the extraordinary general meeting, failing which it shall be time-barred.

Article 363.- The special general meeting of holders of non-voting preferred shares may appoint one or more representatives of the non-voting preferred shares and determine their powers. It shall notify the company of the appointments.

Holders of non-voting preferred shares may not interfere in the management of its affairs. They are entitled to

the same communications as shareholders and at the same times. They may obtain copies of the minutes of all special general meetings.

Article 364.- No legal action concerning the exercise of rights common to all shares of the same class may be brought against the company except in the name of that class, after a decision to that effect by the special general meeting provided for in Article 360 of this Code and by a representative of the class, appointed by the special general meeting and chosen from among the members of that meeting.

Article 365.- The general meeting(1) of holders of preference shares without voting rights may issue a prior opinion on the items on the agenda of the ordinary general meeting of shareholders. This opinion shall be recorded in the minutes of the meeting.

Any decision that has the effect of modifying the rights of holders of preferred shares without voting rights shall only be final after its approval by the special meeting ruling under the conditions set forth in Articles 357 et seq. of this Code.

Article 366.- In the event of a capital increase by cash contribution, holders of preferred shares without voting rights shall enjoy a preferential subscription right under the same conditions as ordinary shareholders.

The free allocation of new shares issued following a capital increase through the incorporation of reserves, profits, or issue premiums shall apply to holders of non-voting preferred shares.

However, the extraordinary general meeting may decide, after consulting the special meeting, that holders of non-voting preferred shares shall have a preferential right to subscribe for or receive non-voting preferred shares that will be issued in the same proportion.

Any increase in the par value of existing shares following a capital increase through the incorporation of reserves or profits shall apply to non-voting preferred shares. The preferred dividend shall then be calculated from the date of

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(1) read: "The special general meeting...".

the completion of the capital increase, based on the nominal amount of the new shares.

Article 367.- The following shall be punished by imprisonment for one to five years and a fine of 500 to 1,500 dinars, or one of these two penalties:

1) Those who present themselves as owners of shares that do not belong to them and who participate in voting at special general meetings.

2) Those who have given shares to others for fraudulent use.

3) Those who have been promised or guaranteed special benefits for voting in a certain way at the special general meeting or for not participating in the vote.

The same penalty shall apply to anyone who guarantees or promises such special benefits.

Chapter Five

Participating securities

Article 368.- The ordinary general meeting of public limited companies may authorize the issue of participating securities. The provisions relating to the issue of bonds shall apply to them when the company makes a public offering.

Article 369.- Participating securities are negotiable securities. Their remuneration must include a fixed portion and a variable portion calculated by reference to factors relating to the company's activity or results and linked to the nominal value of the security.

Remuneration is set by the offering circular.

Article 370.- The company shall only redeem participating securities at the end of a period of not less than seven years or in the event of liquidation.

Participating securities shall only be redeemable in the event of liquidation after all other preferred or unsecured creditors have been paid, excluding the holders of participating securities.

Article 371.- Participating securities shall be recorded on a separate line of the balance sheet of the company issuing them. The same shall apply

for the company or companies that subscribe to them in the case of participating securities that are not offered to the public and are subscribed to by a limited group of subscribers.

Participating securities shall be treated as equity capital when assessing the financial situation of the companies that benefit from them.

Article 372.- For the determination of profits subject to income tax or corporate tax, the deduction of sums paid in remuneration for participating securities is only permitted within the limits set by Article 48 of the Personal Income Tax Code and the Corporate Tax Code.

Article 373.- Holders of participating securities may obtain access to company documents under the same conditions as the company's shareholders.

Holders of participating securities shall meet in a special general meeting.

The special general meeting of holders of participating securities is subject to the provisions of Articles 354 to 363 of this Code.

Article 374.- The special meeting of holders of participating securities may issue its preliminary opinion on matters submitted for consideration by the ordinary general meeting of shareholders. This opinion shall be recorded in the minutes of the general meeting of shareholders.

Any decision that has the effect of modifying the rights of holders of participating securities shall only become final after its approval by the special meeting.

Chapter Six

Investment certificates and voting rights certificates

Article 375.- The extraordinary general meeting of a public limited company may decide, on the basis of the report of the board of directors or the management board and that of the auditor, to split the shares into two separate securities:

- The investment certificate, which represents the financial rights attached to the share. It is said to be privileged when it is granted a priority dividend.

- The voting rights certificate, which represents the other rights attached to the share.

Article 376.- Investment certificates may be created either by splitting existing shares or by increasing the capital in any form.

Investment certificates may not represent more than one-third of the share capital. The creation of investment certificates may be combined with the creation of preferred dividend shares and, in any event, the combined total of the two categories of securities may not exceed forty-nine percent of the company's capital.

Article 377.- In the event of a split of existing shares, the offer to create investment certificates and voting rights certificates shall be made to all shareholders at the same time and in proportion to their share of the capital.

At the end of a period set by the extraordinary general meeting, the balance of unallocated certificate creation options shall be distributed among the shareholders who have requested to benefit from this additional distribution in proportion to their share of the capital and, in any event, within the limits of their requests. After this distribution, any remaining balance shall be distributed by the board of directors or the management board.

Article 378.- In the event of a capital increase, shareholders shall have a preferential right to subscribe for investment certificates in accordance with the procedure followed for capital increases.

Voting rights certificates resulting from the capital increase shall be distributed among shareholders in proportion to their rights, unless they waive their rights or one or more of them benefit.

In the event of a capital increase by contribution in kind, the creation of investment certificates is subject to the rules set out in Articles 172 and 173 of this Code.

Article 379.- Voting rights certificates must be registered. They may only be transferred in the event of inheritance, donation, merger, or demerger, or accompanied by an investment certificate, in which case the share is definitively reconstituted.

Article 380.- Voting rights certificates representing less than one vote may not be "created" [1]. The general meeting shall determine the terms and conditions for the creation of certificates for fractional rights attached to shares.

Article 381.- The investment certificate is a security, its nominal value being equal to that of the share.

Article 382.- Holders of investment certificates have the right to obtain company documents under the same conditions as shareholders.

Article 383.- In the event of a free distribution of shares, new certificates must be created and issued free of charge to the owners of the new shares, allocated to the owners of the old shares, unless they waive their rights in favor of all or some of the holders.

Article 384.- In the event of a cash capital increase, new investment certificates and voting rights certificates shall be issued in such numbers that the ratio between ordinary shares and voting rights certificates that existed prior to the increase is maintained, on the assumption that the increase will be fully realized.

The owners of investment certificates shall have a preferential right to subscribe for the new certificates in proportion to the number of securities they hold. At a special meeting, convened and held in accordance with the rules of the extraordinary general meeting of shareholders, the owners of investment certificates may waive this right. Unsubscribed certificates are distributed by the board of directors or the management board. The completion of the capital increase is assessed in relation to the fraction of shares subscribed.

Voting rights certificates created with the new investment certificates shall be allocated to the holders of old voting rights certificates in proportion to their rights, unless they waive their rights in favor of "all holders of some of them"[(((1)) (1))].

Article 385.- In the event of the issue of bonds convertible into shares , the holders of investment certificates have,

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(1) Published in the JORT "creates".

(1) Read: "all holders or some of them."

in proportion to the number of shares they hold, a preferential right to subscribe on an irreducible basis. They may waive this right at a special meeting, convened and held in accordance with the rules governing extraordinary general meetings of shareholders.

The bonds may only be converted into investment certificates. Voting rights certificates created with the investment certificates issued at the time of conversion shall be allocated to the holders of voting rights certificates in proportion to their rights, unless they waive them in favor of all or some of the holders. This allocation shall take place at the end of each financial year for bonds that are convertible at any time.

Article 386.- In the event of a capital reduction, the rules applicable to shares shall apply to investment certificates.

Subtitle Six

Dissolution of public limited companies

Article 387.- Notwithstanding the cases of dissolution provided for in Articles 21 to 27 of this Code, a public limited company shall be dissolved:

- By decision of the extraordinary general meeting, before the end of the term, ruling in accordance with Article 291 et seq. of this Code.

- By court decision and at the request of any interested party, when one year has elapsed since the number of shareholders fell below seven. However, at the request of any interested party, the company may be granted an additional period of six months to regularize its situation or change its form.

The court hearing the case may not order the dissolution of the company if the regularization or change of form has taken place before the court rules on the merits of the case.

Article 388.- If the accounts reveal that the company's equity has fallen below half of its capital due to losses, the board of directors or the management board must, within four months of the approval of the accounts, convene an extraordinary general meeting to decide whether to dissolve the company.

An extraordinary general meeting that has not decided to dissolve the company within one year of the losses being recorded shall be required to reduce the capital by an amount at least equal to the losses or to increase the capital by an amount at least equal to those losses.

If the extraordinary general meeting has not been held within the aforementioned period, any interested party may request the judicial dissolution of the company.

The provisions of this article shall not apply to public limited companies that are subject to amicable or judicial settlement.

Article 389.- Decisions to dissolve, reduce, or increase the capital, taken by the extraordinary general meeting in accordance with the provisions of Article 16 of this Code, must in all cases be published.

Title Two

Limited Partnerships with Share Capital

Subtitle One

Rules of incorporation

Article 390.- A limited partnership with share capital is a company whose capital is divided into shares. It is formed by contract between "two" (1)or more general partners and limited partners.

The limited partners alone have the status of shareholders and are liable for losses only to the extent of their contributions. There must be at least three limited partners.

The general partners have the status of merchants and are jointly and severally liable for the company's debts.

Article 391.- The provisions governing limited partnerships and corporations that are compatible with the specific provisions of this chapter are applicable to limited partnerships with share capital, with the exception of Articles 176 to 209 of this code.

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(1) According to the Arabic version, it shall read: "one," unless otherwise specified therein.

Article 392 (Amended by Law No. 2005-12 of January 26, 2005). The capital of a limited partnership with share capital may not be less than five thousand dinars. Contributions made by limited partners must be paid up in full upon subscription.

Subtitle Two

Management and control of the company

Article 393.- A limited partnership with share capital shall be managed by one or more managers who must be chosen from among the general partners or chosen by them.

The articles of association designate "the managers"(1) who carry out the formalities of incorporation in the same way as the founders of corporations.

During the company's existence, and unless otherwise provided in the articles of association, the manager(s) shall be appointed by the ordinary general meeting with the agreement of all the general partners.

The manager may be dismissed under the conditions provided for in the articles of association. He or she may also be dismissed for legitimate reasons at the request of any partner by the trial judge in summary proceedings.

Any clause to the contrary shall be null and void.

Article 394.- Limited partners may not interfere in the management of the company, even if they have been granted a mandate. In the event that they do interfere, the provisions of Article 71 of this Code shall apply to them.

Participation in the "supervisory board"(3) provided for in Article 395 of this Code does not constitute interference in the management of the company.

Article 395.- The ordinary general meeting shall appoint, under the conditions set out in the articles of association, a "supervisory board"(3) composed of at least three shareholders.

A general partner may not be a member of the supervisory board. Any appointment of such a person shall be null and void.

Shareholders who are general partners may not participate in the appointment of members of the "supervisory board"(3).

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(1) According to the Arabic version, it shall read: "the manager(s)".

(2) Published in the JORT "or".

(3) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

In the absence of statutory provisions setting out the terms and conditions for the selection of members of the "supervisory board"(3) or the duration of their term of office, the members of the "supervisory board"(3) shall be appointed by decision of the limited partners holding at least fifty percent of the share capital.

The term of office is set at three years.

Article 396.- All decisions of the general meetings, with the exception of those relating to the approval of management and the appointment of members of the "supervisory board"(3), require the personal approval of the general partners in accordance with the rules laid down in the articles of association.

Article 397.- The "supervisory board"(1) shall ensure the ongoing supervision of the management of the company. To this end, it shall have the same powers as the auditors.

The board shall submit a report to the annual "general meeting"(2) in which it shall indicate, in particular, any irregularities and inaccuracies found in the annual accounts.

It may convene the general meeting of shareholders.

Article 398.- The manager is vested with the broadest powers to act on behalf of the company in all circumstances.

In its dealings with third parties, the company is bound even by acts of the manager that do not fall within the scope of the corporate purpose, unless it proves that the third party knew that the act exceeded that purpose or could not have been unaware of it given the circumstances. The mere publication of the articles of association is not sufficient to constitute such proof.

Statutory clauses limiting the powers of the manager resulting from this article are not enforceable against third parties.

Article 399.- Where there are several managers, they shall each hold the powers provided for in Article 398 of this Code separately.

An objection raised by one manager to the acts of another manager shall have no effect on third parties unless it is established that they were aware of it.

Subject to the provisions of Article 391 of this Code, the manager is subject to the same rules of liability and has the same obligations as the directors of a corporation.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

(2) According to the Arabic version, it should read: "ordinary."

Article 400.- Unless otherwise provided, any amendment to the articles of association requires the agreement of all general partners.

Amendments to the articles of association resulting from a capital increase shall be recorded by the manager(s) in minutes duly published in accordance with Article 16 of this Code.

Article 401.- The provisions governing agreements entered into between corporations and their officers shall apply to agreements entered into directly or through an intermediary between a corporation and one of its managers or one of the members of its "supervisory board"(1).

The preceding paragraph also applies to agreements between a company and an enterprise if one of the managers or one of the members of the "supervisory board"((1))(1) () of the company is the owner, partner with unlimited liability, manager, director, member of the executive board, or chief executive officer of that enterprise.

The agreement shall be submitted to the "supervisory board"(1) for approval.

Article 402.- The members of the "supervisory board"(1) shall not be liable for management acts and their results, except in the event of personal interference in management.

They may be held civilly liable for offenses committed by managers if, having been aware of them, they did not disclose them to the general meeting.

They shall be liable for personal misconduct committed in the performance of their duties.

Subtitle Three

Transformation and dissolution of the company

Article 403.- The conversion of a limited partnership with share capital into a corporation or a limited liability company shall be decided by an extraordinary general meeting of shareholders with the agreement of all general partners and a majority of limited partners.

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

"A limited partnership with share capital may only be converted after at least two years from its incorporation, unless otherwise provided for in the articles of association."(2)

The conversion of a limited partnership with share capital must be publicly announced in accordance with the provisions of Article 16 of this "title"(3) .

Article 404.- The legal provisions relating to the dissolution of a corporation shall apply to a limited partnership with share capital, unless otherwise provided in this chapter.

Article 405.- The death of a limited partner shall not result in the dissolution of the limited partnership with share capital.

If it is stipulated that, despite the death of one of the general partners, the company shall continue with his heirs, the latter shall become limited partners even if they are minors who have not been emancipated.

If the deceased partner was the sole general partner and if his heirs are all minors who have not been emancipated, he must be replaced by a new general partner or the partnership must be converted within six months of the death. Failing this, the partnership shall be dissolved by operation of law at the end of this period.

In the event of the death of the sole general partner, as well as in the event of legal incapacity or impediment, and if it has been stipulated that the company will continue, the judge hearing summary proceedings at the court of first instance of the place where the company has its registered office may, at the request of any interested party, appoint a provisional administrator to handle day-to-day business during the period necessary for the company to be converted or a new general partner to be appointed, without this period exceeding three months, renewable once only.

Any interested party may oppose the order. The person appointed and the person who requested the appointment shall be summoned to appear before the court that issued the judgment.

Article 406.- The company shall be dissolved in the event of the bankruptcy of the sole partner commandite, son interdiction d'exercer la profession

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(2) According to the Arabic version, it reads: "A limited partnership with share capital may only be converted within two years of its incorporation in the event of the death of one of the limited partners, unless otherwise provided for in the articles of association."

(3) Read "code" in accordance with the Arabic version.

(1) According to the Arabic version, it reads: "limited partners."

commercial or a judgment of absence or lack of capacity. In the event that [2]the company includes one or more other general partners who are in one of the situations mentioned above, the company shall nevertheless be dissolved unless continuation is provided for in the articles of association or by the other partners acting unanimously.

Title Three

Variable Capital Companies

Article 407.- The articles of association of public limited companies and limited partnerships with share capital may stipulate that the share capital may be increased by successive payments made by the partners or by the admission of new partners, and reduced as a result of the total or partial withdrawal of the partners' contributions.

Companies whose articles of association contain the above stipulation shall be subject to the following provisions, irrespective of the general rules applicable to them according to their specific form. The articles of association shall determine an amount below which the capital may not be reduced by the withdrawal of contributions and the withdrawal of partners.

This amount may not be less than one-twentieth of the share capital.

The company shall only be definitively incorporated after payment of one-tenth.

Each partner may withdraw from the company when he deems it appropriate, unless otherwise agreed and except as provided in paragraph 3 of this article. It may be stipulated that the general meeting shall have the right to decide, by the majority required for amending the articles of association, that one or more of the partners shall cease to be members of the company. A partner who ceases to be a member of the company, either voluntarily or as a result of a decision by the general meeting, shall remain liable to the partners and third parties for five years for all obligations existing at the time of his withdrawal, up to the limit of the sums that have been returned to him prior to his departure.

The initial capital may not exceed 10,000 dinars. It may be increased by resolutions of the general meeting, taken from year to year.

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(2) Published in the Official Journal of the French Republic "or."

in a given year, each increase may not exceed 10,000 dinars.

The shares or share coupons shall be registered, even after they have been fully paid up.

They shall only be negotiable after the company has been definitively incorporated.

Trading may only take place by means of transfer in the company's registers, and the articles of association may give either the board of directors(*) or the general meeting the right to oppose the transfer.

BOOK FIVE

MERGERS, DEMERGERS, TRANSFORMATIONS, AND GROUPINGS OF COMPANIES

Title I

General Provisions

Article 408.- Companies may merge or consolidate. They may transform or become subsidiaries by way of demerger in accordance with the provisions of this code, without prejudice to the legislation in force in this area.

Article 409.- The merger, spin-off, transformation, or grouping of companies must enable the achievement of one of the following objectives:

- Adaptation to internal and international economic changes;

- The creation of capital enabling greater investment, employment, and productivity;

- The development of means of production and distribution;

- The acquisition of new technologies and the improvement of product quality;

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(*) The Arabic version also states: "... or the board of directors...".

- Increasing export capacity and competitiveness;
- Strengthening the company's credibility with its partners;
- The creation and strengthening of employment.

Mergers, demergers, transformations, or regroupings are prohibited when they are intended to commit tax fraud or achieve one of the objectives prohibited by Articles 5, 6, 7, and 8 of the law on competition and prices.

Article 410.- The share capital of any company that merges, transforms, or splits must be fully paid up.

Title Two

On the Merger of Companies

Article 411.- A merger is the combination of two or more companies to form a single company. A merger may result either from the absorption of one or more companies by other companies, or from the creation of a new company from those companies.

A merger results in the dissolution of the merged or absorbed companies and the universal transfer of their assets to the new company or the absorbing company.

The merger takes place without liquidation of the merged or absorbed companies. When it is the result of an absorption, it is carried out by increasing the capital of the absorbed company in accordance with the provisions of this code.

Article 412.- A merger may bring together companies of the same form or companies of different forms.

However, in all cases, it must result in the formation of a public limited company, a limited liability company, or a limited partnership with share capital.

The merger of one or more foreign companies with one or more Tunisian companies must result in the formation of a company in which the majority of the capital must be held by Tunisian natural or legal persons.

Article 413 (Indents 4 and 5 of paragraph 2 were amended by Article 1 of Law No. 2005-65 of July 27, 2005). - The merger

must be preceded by a merger plan that sets out and specifies all the conditions and consequences of the operation.

The merger plan must contain:

- the reasons, purposes, and conditions of the proposed merger;

- the name, form, nationality, activity, and registered office of each company involved in the merger;

- a statement of the assets and liabilities to be transferred;

- the financial valuation of the assets and liabilities according to the financial statements and an economic valuation of the company carried out by a certified public accountant or a specialized expert;

- the financial and economic valuation on the same date for all companies;

- the date of dissolution and merger, as well as the date from which the new shares or stock units will entitle holders to participate in company profits;

- the determination of the exchange ratio for corporate rights, whether shares or partnership interests, the amount of the cash adjustment and, where applicable, the merger premium and the dividend prior to the merger;

- the determination of the rights of partners, employees, and managers;

- determination of the method used for valuation and the reasons for the choice made;

- and in all cases, the merger may only be carried out if the capital of each company concerned is fully paid up.

Article 414.- Mergers between private companies and public companies or companies that issue securities to the public are subject to the provisions in force.

Article 415.- A merger may be carried out between companies that are all or one of which is in liquidation, provided that the distribution of their assets among the shareholders has not yet begun.

A merger may also take place between companies that are all or one of which is in receivership by court order.

In all cases, the companies involved must comply with the formal requirements laid down for the new company resulting from the merger.

Article 416.- If one of the companies involved in the merger[1] is a publicly traded company, authorization from the Financial Market Council is required.

Article 417 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005).- A specialized expert registered on the list of judicial experts appointed by order upon request by the president of the court of first instance in whose jurisdiction the registered office of one of the companies involved in the merger is located shall, under his own responsibility, draw up a written report on the terms of the merger after reviewing all the necessary documents that the company involved in the merger or takeover must provide to him. which must also allow him to carry out all necessary investigations. The expert shall also assess the contributions in kind and any special advantages.

He shall verify that the exchange ratio is fair and that the value attributed to the assets being transferred is realistic. He shall specify the method(s) used to determine the exchange ratios and indicate whether they are appropriate, and shall identify any particular difficulties in the valuation. In this case, the expert shall be considered as the contributions auditor.

Article 418.- Two months before the extraordinary general meeting, the company involved in the merger must make available to its shareholders:

- the merger or takeover plan;
- the report of the contribution auditor;
- the report of the auditor, if the company has one;
- the management report for the three financial years;
- the reports of the boards of directors or shareholders' meetings for companies other than public limited companies and for each of the companies involved in the merger;
- the financial statements necessary to inform the shareholders;
- the draft articles of association of the new company.

In the case of a takeover, the company must provide them with the full text of the amendments to be made to the articles of association of the acquiring company;

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(1) Published in the JORT: "merges."

- the articles of incorporation of the companies participating in the merger;

- the merger or takeover agreement;

- the surname, first name, and nationality of the directors or managers of the companies involved in the merger. The same applies to the new or absorbing company.

The extraordinary general meeting of the acquiring or newly formed company shall decide on the approval of contributions in kind from the acquired companies in accordance with the conditions required by this code and specific to each type of company.

Article 419.- Any creditor of the merging companies may oppose the merger within thirty days of the publication of the merger plan approved in accordance with Article 16 of this Code.

Holders of investment certificates or participating securities, as well as bondholders, shall also have the right to object, provided that the merger is not approved by the special meeting of holders of investment certificates or by that of bondholders or by that of holders of participating securities.

In the event of opposition, the President of the Commercial Chamber or, where applicable, the President of the competent court of first instance shall decide either to pay the creditors immediately, to order the provision of the necessary guarantees, or to reject their opposition if it proves to be legally unfounded.

Article 420.- The creditors of each of the companies participating in the merger shall retain their rights to the assets of their debtor company.

In the absence of repayment of debts or the provision of security ordered by the President of the court of first instance or the President of the commercial division, the merger shall not be enforceable against creditors.

The mere opposition of the creditor to the merger does not prevent the merger from taking place or limit its effects.

The rejection of the objection by the president of the commercial chamber or by the president of the competent court of first instance(*) does not

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(*) According to the Arabic version, "where applicable" shall be added.

shall not prevent the enforcement of agreements allowing the creditor to demand immediate repayment of his claim.

Where the debt is secured by collateral, the collateral shall be transferred with the principal debt if it is not repaid.

In the event of non-payment by creditors, their claims are transferred with the securities to the new or absorbing company. Creditors shall in all cases enjoy preference over creditors whose claims arose after the merger, whether such claims are unsecured or secured.

Article 421.- When creditors accept the securities offered to them by the president of the commercial chamber or the president of the competent court of first instance. The securities shall be published in the official journal of the Republic of Tunisia and in two daily newspapers, one of which shall be in Arabic.

Where a claim is secured by a guarantee, the guarantor must expressly state his intention to transfer or not to transfer his guarantee to the company to be formed as a result of the merger.

The lease agreement shall be transferred directly to the company resulting from the merger. Employment contracts shall continue to have legal effect with regard to the company.

Article 422.- The employment contracts of the employees and executives of each of the companies participating in the merger are automatically transferred to the newly created or absorbing company.

Article 423.- Publicity of the merger "exempts"(1) from the publicity specific to the business. Publicity must be carried out in accordance with Article 16 of this Code.

In the case of a new company resulting from the merger, it must be registered in the commercial register in accordance with the law on the commercial register.

In the case of the creation of a new company, the merger takes effect from the date of registration in the commercial register, and in the case of a takeover, it takes effect from the date of the last

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(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

extraordinary general meeting that decided on the merger, unless the merger agreement specifies another date.

The merger must be advertised in accordance with Article 16 of this Code.

Article 424.- Where the absorbing company holds all the shares or stock of the absorbed company, it is not necessary for the merger plan to include all the statements set out in Article 413 of this Code.

In this case, there is no requirement to prepare management reports, auditor's reports, or contribution auditor's reports.

If the absorbed company holds a stake in the absorbing company, the former shall not be entitled to vote at the extraordinary general meeting called to decide on the merger.

Article 425.- Any interested natural or legal person and any ministers concerned with commercial companies may bring an action to have the merger declared null and void. The action shall be time-barred three years from the date of registration of the newly created company in the commercial register or from the date on which the merger became final and, in all cases, from the publication of the merger in accordance with Article 16 of this Code.

The merger may only be declared null and void on the following grounds:

- nullity of the deliberation of the meeting that decided on the merger;

- failure to publish the merger;

- failure to comply with the provisions of this Code and special legislative or regulatory provisions;

The court hearing the case may order regularization even on its own initiative. To this end, the court may grant a period of two months for regularization if it deems this possible. At the end of this period, if regularization has not taken place, the judge must declare the nullity.

In the latter case, the court's decision, once it has become final, must be published in the Official Journal of the Republic

and in two daily newspapers, one of which must be in Arabic, in accordance with the provisions of Article 16 of this Code.

The decision declaring the merger null and void shall have no effect on the contracts and other obligations created by the newly created company or the absorbed company from the date of its creation until the judgment declaring the nullity. The merged companies and their directors shall remain jointly and severally liable for the debts and commitments arising therefrom.

In the event that the merger is declared null and void, the damages incurred by third parties, partners, or creditors shall be borne jointly and severally by those responsible for the nullity.

Article 426.- Where the merger results in an unlawful agreement or a horizontal or vertical concentration or a dominant position, it may be annulled in accordance with the provisions of the law on competition and prices.

Article 427.- In the event of annulment of the merger, all companies that participated in the transaction shall be jointly and severally liable with their officers for the performance of their obligations and for damages caused to any natural or legal person.

Title Three

Company Splits

Article 428.- The demerger of a company is effected by dividing its assets among several existing companies or by creating new companies. The demerger may be total or partial. If the demerger is total, it shall necessarily result in the dissolution without liquidation of the demerged company. The capital of the demerged company must be fully paid up.

"Only" (1) public limited companies, limited partnerships with share capital, and limited liability companies may be split.

Article 429.- The split may only take place after a merger plan has been drawn up and submitted to a vote at an extraordinary general meeting under the same conditions as for a merger.

.....

(1) The term was amended by Article 3 of Law No. 2005-65 of July 27, 2005.

The demerger plan must contain the following information, failing which it shall be null and void:

- the reasons for the demerger;

- the economic, social, financial, and technical objectives to be achieved;

- the trade name, registered office, legal form, nationality of each company benefiting from the demerger, and the registration number in the commercial register;

- the names of the directors of each company benefiting from the spin-off;

- the value of the assets and liabilities transferred to each beneficiary company, indicating the method used;

- determining the shares or stock allocated to the company in the event of a partial split and those allocated to the partners in the event of a total split;

- setting the exchange ratios;

- determining the method used to set the exchange ratios and the reasons for the choice made;

- the list of the distribution of personnel among the beneficiary companies;

Article 430 (Amended by Article 1 of Law No. 2005-65 of July 27, 2005) - The assets and liabilities contributed by the split company must be valued, using the same method as for mergers, by a specialist expert registered on the list of judicial experts and under his own responsibility.

The extraordinary general meeting of the beneficiary company of the demerger shall decide to approve or disapprove the contributions assessed by the expert.

Article 431.- The beneficiary companies shall be jointly and severally liable to any creditor for the debts of the split company, regardless of their nature, whether they are due or not, and regardless of what is contributed to each company individually. The transfer of debts shall not constitute a novation with respect to the creditors of the said company.

Opposition by creditors, regardless of its nature, shall be carried out under the same conditions as those required for mergers in accordance with the provisions of Articles 419 et seq. of this Code.

Article 432.- "The decision to split taken by the extraordinary general meeting must be published in the Official Journal of the Republic of Tunisia within one month of the date of the

meeting and in two daily newspapers, one of which shall be in Arabic, in accordance with Article 16 of this Code" (1) ().

"Any company subject to a split remains liable to its creditors during the split procedures until the day on which the publicity and registration procedures in the commercial register are completed."

"The provisions of Articles 424 to 426 of this Code shall apply to the split."(2)

Title Four

The Transformation of Companies

Article 433.- All companies, with the exception of joint ventures, may opt for conversion by choosing one of the forms provided for in this code.

A public limited company may only be transformed into a limited partnership with share capital or a limited liability company. However, a public limited company may only be transformed after two years of existence.

The conversion may also apply to any company subject to receivership proceedings.

Article 434.- The decision to transform the company shall be taken by the extraordinary general meeting of shareholders in accordance with the provisions of this code and the specific provisions governing each type of company.

Article 435.- The chairman of the board of directors or the management board or the manager of the company undergoing conversion must draw up a conversion plan setting out the reasons, objectives, and form of the resulting company. A report by the auditor shall be attached to the plan, where applicable.

The proposal is submitted to the extraordinary general meeting for approval. The latter decides in accordance with the provisions of this code and the specific provisions applicable to each type of company.

.....

(1) Reformulated in accordance with the Arabic version.

(2) Translated and added in accordance with the Arabic version.

Article 436.- The transformation of the company does not result in the loss of legal personality, which continues to exist under the new form. However, the new articles of association must be published in accordance with the provisions of Article 16 of this code.

Article 437.- The transformation of the company shall have no effect on the liability of the partners, who shall remain liable for the company's debts under the same conditions and in the same manner as before its transformation, nor on the rights of creditors and contracts and commitments entered into before the transformation.

Contracts entered into with the company to be transformed shall be transferred under the same conditions to the company resulting from the transformation.

Where the transformation gives rise to new guarantees resulting from the new form, the creditors of the transformed company shall benefit from them.

Article 438.- Without prejudice to the provisions in force, the following shall be punishable by imprisonment for one to five years and a fine of one thousand to ten thousand dinars, or by one of the two penalties only:

- Any person who has provided false or fictitious information that has influenced the completion of merger, demerger, or conversion operations;

- Any person who has carried out the merger, division, or conversion with the aim of gaining a dominant position on the domestic market, thereby preventing or restricting the normal operation of the rules of competition;

Title Five

Economic Interest Grouping

Article 439 (First paragraph amended by Article 1 of Law No. 2005-65 of July 27, 2005).- An economic interest group may be formed by two or more persons, whether natural or legal, for a fixed period of time with the aim of facilitating or developing the economic activity of its members and improving or increasing the results of that activity.

The activity of the group must be related to the economic activity of its members and may only be of an auxiliary nature in relation to that activity.

Article 440.- Persons exercising a non-commercial profession subject to a specific legislative or regulatory status may form or join an economic interest group.

Article 441.- An economic interest group may be formed without share capital. The rights of its members may not be represented by negotiable securities. Any clause to the contrary is null and void.

Article 442.- An economic interest group may not have the purpose of making profits for itself. It may only carry out operations directly related to its purpose.

Article 443.- An economic interest group shall have legal personality and full capacity from the date of its registration in the commercial register. It shall be commercial in nature if its purpose is to carry out commercial activities. It shall be civil in nature if it carries out activities of a civil nature.

An economic interest group whose purpose is commercial may acquire commercial property.

Article 444.- Persons who have acted on behalf of the economic interest group in formation and prior to the acquisition of legal personality shall be jointly and severally liable for the acts performed, unless the duly constituted and registered group takes over the commitments entered into.

In this case, these commitments shall be deemed to have been entered into from the outset by the group.

Article 445.- The nullity of the economic interest group "shall be"(1) in the event of a violation of mandatory provisions or for one of the causes of nullity of contracts.

Acts and decisions taken in violation of the above shall also be null and void.

The action for nullity shall be extinguished when the cause of nullity has ceased to exist and before the court of first instance has ruled on the merits, unless such nullity is based on the unlawful nature of the purpose of the grouping.

Article 446.- The members of the economic interest group are jointly and severally liable for the debts of the group on their own assets, unless otherwise agreed with the third-party contractor.

.....

(1) read "will have."

The creditors of the group may only pursue payment of debts against a member after formal notice has been given to the group.

In the event of a member's withdrawal from the group, that member shall remain liable for debts incurred prior to the date of publication of their withdrawal for a period of three years.

Any agreement for total or partial exemption shall only be effective between the members. It shall not be enforceable against third parties.

The new member may be exempted from debts incurred prior to joining the group if the articles of association so provide or if a unanimous decision by the members has approved the exemption.

The exemption decision must be published "in accordance with this code"(2) or it will be unenforceable against third parties.

Article 447.- An economic interest group may only make a public offering or issue bonds in accordance with the general terms and conditions of securities issuance if it is composed exclusively of corporations that meet the conditions set forth in this code for the issuance of bonds.

Article 448.- The economic interest group agreement shall determine the organization of the group, subject to mandatory legal provisions.

The agreement shall be drawn up and published in accordance with Articles 3 and 16 of this Code.

It shall contain the following information: 1/ the name of the group;

2/ the name, business name or corporate name, legal form, domicile or registered office and, where applicable, the commercial register number of each member of the group.

Article 449.- During its existence, the group may accept new members under the conditions set out in the constitutive agreement.

Any member of the group may withdraw under the conditions provided for in the articles of association, provided that they have fulfilled their obligations, failing which they shall be liable for damages.

.....

(2) To be read in accordance with the Arabic version: "in accordance with the provisions of Article 16 of this Code."

Article 450.- The assembly of members of the group is empowered to take any decision, including early dissolution or extension under the conditions determined by the articles of association.

The act may stipulate that all or some of the decisions shall be taken under the quorum and majority conditions it lays down.

In the absence of any provision in the act, decisions shall be taken unanimously.

If the vote directly or indirectly concerns one of the members, their vote shall not be counted for the purposes of calculating the required quorum.

Each member shall have one vote, unless the articles of association stipulate otherwise, assigning each member a number of votes different from that assigned to the others.

Article 451.- The group shall be administered by one or more natural or legal persons.

The legal entity shall appoint a permanent representative who shall incur the same civil and criminal liability as if he or she were an administrator.

Article 452.- The group's articles of association or, failing that, the members' meeting, shall freely organize the administration of the group, appoint the directors, and determine their powers and duties as well as the conditions for their dismissal.

In relations with third parties, each administrator commits the group by any act falling within its purpose. Any limitation of powers is unenforceable against third parties.

The administrator(s) of the group shall be individually or jointly liable, as the case may be, to the group or to third parties for any breach of the group agreement, for any management errors, and for any violations of the provisions or regulations applicable to the group.

In the event of joint liability for the same act, each administrator shall be liable to the extent of their share in the compensation for the damage.

Article 453.- The general meeting of the members of the economic interest group shall appoint at least one management controller.

Management control must be exercised by one or more persons chosen from among the members of the group selected from outside the members of the board of directors.

Their powers and term of office shall be determined in the articles of association or by decision of the assembly that appoints them.

Article 454.- Members of the board of directors of economic interest groups with a commercial purpose must keep accounting records in accordance with the provisions of Article 201 of this code.

The documents referred to in the preceding paragraph must be made available to the members of the group.

Article 455.- Documents and records issued by the group and intended for third parties, in particular letters, invoices, announcements, and various publications, must clearly indicate the name of the group followed by the words "economic interest group" or the abbreviation "EIG." In the event of the group's liquidation, the aforementioned deeds and documents must contain the words "economic interest group in liquidation" after the name.

Article 456.- The distribution of profits among the members of the group shall be carried out in accordance with the "proposals" (1) set out in the and, in the absence of such a stipulation, the distribution shall be made in equal shares.

Article 457.- The economic interest group shall be dissolved by operation of law:

1/ upon expiry of the term;

2/ upon the achievement or extinction of its purpose;

3/ upon the death of a natural person or the dissolution of a legal entity that is a member of the group, unless otherwise stipulated in the contract or unless the members of the group unanimously decide to continue the activity.

.....

(1) Read: "The proportions."

The group is also dissolved:

1/ by unanimous decision of the members; 2/

by court order;

3/ due to the incapacity, declaration of bankruptcy, or judicial prohibition from administering, managing, or controlling a company affecting one of its members, unless otherwise stipulated in the articles of association or by unanimous decision of the other members to continue the group without that member.

Article 458.- The dissolution of the economic interest group shall result in its liquidation.

The legal personality of the group shall continue to exist for the purposes of liquidation.

Liquidation shall be carried out in accordance with the provisions of Articles 28 to 53 of this Code.

However, after payment of the group's debts, the liquidation surplus shall be distributed among its members in accordance with the conditions laid down in the constitutive act.

In the absence of any stipulation in the deed, the liquidation surplus shall be distributed equally among the members of the group.

Article 459.- The opening of any collective procedure "against group"[1] of economic interest having an purpose
Any commercial entity that ceases payments shall automatically trigger the initiation of these same proceedings against the commercial members of the group.

Article 460.- Any violation of Article 455 of this Code shall be punishable by a fine of three hundred to three thousand dinars.

Any illegal use of the name "economic interest group" and the abbreviation "E.I.G." or any expression likely to create confusion with said name or abbreviation shall be punishable by the same penalty as provided for in the first paragraph of this article.

.....

(1) read "against the group..."

Title Six

of the Group of Companies(2)

(Title Six (Articles 461 to 479) was added by Law No. 2001-117 of December 6, 2001).

Article 461.- A group of companies is a group of companies, each with its own legal personality, but linked by common interests, whereby one of them, known as the parent company, holds the others under its legal or de facto power and exercises control over them, thus ensuring unity of decision-making.

Any company is considered to be controlled by another company, within the meaning of this title, if:

- in which another company holds a fraction of the capital giving it a majority of the voting rights,

- or in which another company holds the majority of voting rights, either alone or by virtue of an agreement with other shareholders,

- or where another company effectively determines the decisions taken at general meetings by virtue of the voting rights it actually holds.

Control is presumed when a company directly or indirectly holds at least forty percent of the voting rights in another company and no other shareholder holds a larger share than it does.

The parent company must hold a direct or indirect stake in the capital of each of the companies belonging to the group of companies.

.....

(2) Article 2 of Law No. 2001-117 of December 6, 2001, provides that "groups of companies existing on the date of entry into force of this law and the companies belonging to them must regularize their situations within two years of its implementation."

As amended by Article 41 of L.F. No. 2004-90 of December 31, 2004

"The period provided for in the above paragraph is extended until December 31, 2005.

For the purposes of determining the profit subject to corporate income tax, the capital gain on the sale of shareholdings realized by companies in the course of regularizing their situation in accordance with the provisions of this article is deductible, provided that it is allocated to the liabilities side of the balance sheet in an account entitled "special reserve" and frozen for five years following the year of the sale.

A subsidiary is defined as any company in which more than fifty percent of the capital is held directly or indirectly by the parent company, excluding shares that do not confer voting rights on their holders.

The group of companies does not have legal personality.

Article 462.- The parent company must be a corporation.

Article 463.- The parent company is referred to as a holding company when it does not engage in any industrial or commercial activity and its activity is limited to holding and managing shareholdings in other companies.

The holding company must be a public limited company and mention its status as a holding company in all documents issued by it.

Article 464.- The group of companies may not have any purpose that is contrary to the law, such as tax evasion or violation of competition rules.

Article 465.- Participation is said to be direct when the parent company holds a fraction of the capital of each of the companies belonging to the group of companies.

A shareholding is considered indirect when a company belonging to a group of companies holds a portion of the capital of another company, which in turn holds a portion of the capital of another company, thereby enabling the parent company to exercise control over all of these companies through a chain of ownership.

A shareholding is said to be reciprocal when a company belonging to a group of companies holds a portion of the capital of one or more other companies belonging to the same group, which have a shareholding in its capital.

Article 466.- A corporation may not own shares in another corporation if the latter holds more than ten percent of its capital.

In the event of non-compliance with the provisions of the first paragraph of this article, the acquiring company must notify the other company within a period not exceeding fifteen days from the date of acquisition.

In the absence of an agreement between the companies concerned to regularize the situation, the company holding the smaller share of the other company's capital

shall dispose of the investment it has just acquired within a period not exceeding one year from the date of acquisition.

If the reciprocal investments are of equal value, each company must reduce its investment so that it does not exceed ten percent of the other company's capital.

The company required to dispose of its investment shall be deprived of the voting rights attached to it until the situation is regularized.

Article 467.- A company, other than a joint stock company, may not own shares in a joint stock company if the latter holds more than ten percent of its capital.

In the event of non-compliance with the provisions of the first paragraph of this article, the acquiring company shall be required to notify the other company within a period not exceeding fifteen days from the date of acquisition and to dispose of the said investment within a period not exceeding one year from the date of acquisition. Furthermore, it may not exercise the voting rights attached to said shares until the disposal.

Article 468.- When a company, other than a corporation, holds an interest equal to or less than ten percent of the capital of a company, other than a corporation, the latter may only hold interests in the capital of the other within the limit of the said fraction.

If it comes to hold a larger fraction, it must dispose of the excess within one year of the date of its acquisition.

It may not exercise the voting rights attached to said holdings until the situation has been regularized.

Article 469.- The holdings and voting rights belonging to a subsidiary company, as defined in Article 461 of this Code, shall not be taken into account for the calculation of the quorum and majority at general meetings of the parent company.

Article 470.- The parent company is required to list the companies belonging to the group in the commercial register, and each company must indicate its membership of the group in the same register, as well as the termination of its membership and the parent company to which it belongs.

Where applicable, it must mention its membership of the group of companies in its own management report.

The holding company is required to have its status as a holding company entered in the commercial register and, where applicable, the termination of this status.

The provisions of the first and second paragraphs of this article apply to companies with their registered offices in Tunisia and controlled by a parent company with its registered office outside Tunisia.

Article 471 (Paragraph 2 amended by Article 6 of Law No. 2005-96 of October 18, 2005).- A parent company having legal or de facto control over other companies within the meaning of Article 461 of this Code shall prepare, in addition to its own annual financial statements and management report, consolidated financial statements in accordance with the accounting legislation in force and a management report relating to the group of companies.

The consolidated financial statements are subject to audit by the parent company's auditor(s), who must be registered with the Tunisian Institute of Certified Public Accountants.

Notwithstanding the possibility of carrying out any investigations it deems necessary with all the companies belonging to the group, the auditor shall only certify the consolidated financial statements after consulting the reports of the auditors of the companies belonging to the group where these companies are subject to the obligation to appoint an auditor.

Article 472.- The parent company must make the consolidated financial statements, the group's management report, and the parent company's auditor's report available to all shareholders at its registered office at least one month before the general meeting of its shareholders.

The parent company must publish its consolidated financial statements in a daily newspaper published in Arabic within one month of their approval.

Article 473.- The group's management report must indicate, in particular, the following:

- the situation of all companies involved in the consolidation,

- the foreseeable evolution of the group's situation,

- the various research, development, and investment activities relating to the group of companies,

- significant events that occurred between the closing date of the consolidated financial statements and the date on which they were prepared,

- changes affecting holdings in the companies included in the group.

Article 474.- Notwithstanding any provision to the contrary, financial transactions may be carried out between companies in the group that have direct or indirect capital links, one of which has power over the others due to its holding of more than half of the share capital.

Financial transactions are considered to be any loan within the meaning of the legislation relating to credit institutions, any current account advance or guarantee, regardless of their nature and duration.

These transactions may only be carried out under the following conditions:

1- the financial transaction is normal and does not cause difficulties for the party that carried it out,

2- the transaction is justified by an actual need for the company concerned and does not result from tax considerations,

3- the transaction involves an actual or foreseeable consideration for the company that carried it out,

4- the transaction is not intended to achieve personal objectives for the de jure or de facto managers of the companies concerned.

Article 475.- Where two or more companies belonging to a group of companies have the same managers, agreements entered into between the parent company and one of the subsidiaries or between companies belonging to the group are subject to specific control procedures consisting of their approval by the general meeting of shareholders of each company concerned, on the basis of a special report prepared by the auditor if the company concerned is subject to the obligation to appoint an auditor.

Control is not mandatory if the agreement relates to a routine transaction concluded under normal conditions.

Article 476.- A creditor of a company belonging to a group of companies may only claim payment of its debts from the debtor company. It may claim payment from another company belonging to the same group or from both companies jointly and severally in the following cases:

- if he establishes that one of these companies has acted in such a way as to give the impression that it contributes to the commitments of the debtor company belonging to the group,

- when the parent company or one of the companies belonging to the group has knowingly interfered in the debtor company's business in its dealings with third parties.

Article 477.- The minority of shareholders in a company belonging to a group of companies whose shareholding is not less than ten percent may bring corporate action against the shareholders representing the majority in the parent company, in the event of a decision being taken that is detrimental to the interests of the company and which aims to serve the interests of the majority to the detriment of the legitimate rights of the minority.

Article 478.- Bankruptcy and reorganization proceedings brought against one of the companies belonging to the group of companies may be extended to the other companies belonging to the group in the event of confusion of their assets, fraud, or misuse of the assets of the company subject to bankruptcy or reorganization proceedings, or if it is established that the debtor company was fictitious and that the companies belonging to the group gave the appearance of being associated with it.

Bankruptcy may be extended to the de jure or de facto managers of other companies belonging to the group of companies if it is established that the bankruptcy is due to their actions.

Article 479.- Managers, chief executive officers, managing directors, and members of the executive boards of the companies concerned who have not notified the other company of shareholdings exceeding the fractions referred to in Articles 466, 467, and 468 of this code or who fail to carry out the procedures set forth in Article 472 above.

The same fine shall also be imposed on chief executive officers, managing directors, and members of the boards of directors of holding companies who fail to publicize the loss of that status by the company due to the latter's engagement in activities other than those referred to in Article 463 of this Code.

Implementing provisions and annex

Decree No. 2005-3018 of November 21, 2005, implementing the provisions of Article 329 of the Commercial Companies Code.

The President of the Republic,

On the recommendation of the Minister of Finance,

Having regard to Law No. 94-117 of November 14, 1994, on the reorganization of the financial market, as amended by Law No. 99-92 of August 17, 1999, on the revival of the financial market,

Having regard to Law No. 2000-35 of March 21, 2000, on the dematerialization of securities,

Having regard to the Commercial Companies Code promulgated by Law No. 2000-93 of November 3, 2000, as amended and supplemented by subsequent texts, in particular Law No. 2005-65 of July 27, 2005, and in particular Article 329 thereof,

Having regard to Decree No. 75-316 of May 30, 1975, establishing the powers of the Ministry of Finance,

Having regard to the opinion of the Minister of Justice and Human

Rights, Having regard to the opinion of the Administrative Court.

Decrees:

Article 1.- Bonds are issued by public limited companies with a minimum paid-up capital of one million dinars, two years of existence, and certified financial statements for the last two financial years.

When issuing bonds through a public offering, these companies must comply with the provisions of Chapter II of Title I of the aforementioned Law No. 94-117 of November 14, 1994, and the Financial Market Council's regulations on public offerings.

If they do not issue bonds through a public offering, the managers of the issuing companies must inform

the Financial Market Council of the amount of the issue and the number of subscribers within seven days of the closing date for subscriptions to the bonds.

The conditions set out in the first paragraph of this article shall not apply if the companies issuing bonds convertible into shares fall within the category of small and medium-sized enterprises and the subscribers to the bonds are venture capital investment companies or seed funds or mutual funds operating in the field of venture capital.

Article 2.- Subject to the conditions required by applicable laws and regulations, the certificates issued to bond subscribers shall include at least the following information:

- the name and legal form of the issuing company,
- the amount of its capital,
- its registered office,
- the date of expiry of the company,
- the amount of the issue,
- the nominal value of the bond,
- the terms of remuneration and payment deadlines,
- the repayment terms and conditions for the redemption of the bonds by the issuing company,
- where applicable, the guarantees linked to the bonds and the deadline(s) for exercising the option granted to bondholders to convert the bonds into shares and the basis for such conversion.

Article 3.- The provisions of Decree No. 89-530 of May 22, 1989, implementing Law No. 88-111 of August 18, 1988, regulating bond issues, are hereby repealed.

Article 4.- The Ministers of Justice and Human Rights and Finance shall be responsible, each in their respective areas of competence, for the implementation of this decree, which shall be published in the Official Journal of the Republic of Tunisia.

Tunis, November 21, 2005.

Zine El Abidine Ben Ali

Decree No. 2006-1546 of June 6, 2006, implementing the provisions of Articles 13, 13 bis, 13 ter, 13 quater, and 256 bis of the Commercial Companies Code.

The President of the Republic,

On the recommendation of the Minister of Finance,

Having regard to Law No. 88-108 of August 18, 1988, revising the legislation relating to the profession of certified public accountant,

Having regard to the Commercial Companies Code promulgated by Law No. 2000-93 of November 3, 2000, as amended and supplemented by subsequent texts, in particular Law No. 2005-96 of October 18, 2005, on strengthening the security of financial relations, and in particular Articles 13, 13 bis, 13 ter, 13 quater, and 256 bis,

Having regard to Law No. 2002-16 of February 4, 2002, on the organization of the accounting profession, as amended by Law No. 2004-88 of December 31, 2004,

Having regard to Decree No. 75-316 of May 30, 1975, establishing the powers of the Ministry of Finance,

Having regard to the opinion of the Minister of Justice and Human

Rights, Having regard to the opinion of the Administrative Court.

Decrees:

Article 1.- The numerical limits referred to in the second paragraph of Article 13 of the Commercial Companies Code are set as follows:

- total balance sheet: one hundred thousand dinars,

- total revenue excluding taxes: three hundred thousand dinars,

- average number of employees: ten employees.

Article 2.- The numerical limits referred to in the third paragraph of Article 13 of the Commercial Companies Code are set as follows:

- total balance sheet: one million five hundred thousand dinars,

- total revenue excluding taxes: two million dinars,

- average number of employees: thirty employees.

Article 3.- Any practice that may directly or indirectly result in exceeding the maximum number of successive terms of office provided for in Article 13 bis of the Commercial Companies Code constitutes a breach of the principle of rotation.

The following shall be considered a breach of this principle: the exercise of auditing functions by, in particular:

- an accounting firm in which the auditor who has reached the maximum number of successive terms of office holds a stake in its capital,

- an auditor who holds or has held a stake in the capital of an accounting firm that has reached the maximum number of successive terms of office,

- an accounting firm resulting from a merger when one of the merged companies has reached the maximum number of successive terms of office,

- one of the accounting firms created by the spin-off of an accounting firm that has reached the maximum number of successive terms of office.

However, when the maximum number of successive terms of office provided for in Article 13 bis of the Commercial Companies Code has not been reached, the auditors referred to in the above cases may continue to audit the accounts of a company within the limit of the number of terms remaining, provided that they change the professional who assumes personal responsibility for the content of the audit report and change the team involved in the audit operation in accordance with the conditions set out in the aforementioned Article 13 bis.

Article 4.- The amounts referred to in the second and third indents of the first paragraph of Article 13 ter of the Commercial Companies Code are set at one hundred million dinars for the balance sheet total in the consolidated financial statements and at twenty-five million dinars for the total commitments to credit institutions and outstanding bond issues.

Article 5.- The amounts referred to in the second and third indents of Article 13 quater of the Commercial Companies Code are set at ten million dinars for the balance sheet total in the consolidated financial statements and at five million dinars for total commitments to credit institutions and outstanding bond issues.

Article 6.- The total balance sheet amount, as provided for in the second indent of the first paragraph of Article 256 bis of the Commercial Companies Code, is set at fifty million dinars for the consolidated financial statements.

The numerical limits provided for in the third indent of the first paragraph of Article 256 bis of the Commercial Companies Code are set at fifty million dinars for the balance sheet total and twenty-five million dinars for total commitments to credit institutions and outstanding bond issues.

Article 7.- The criteria used to calculate the limits provided for in Articles 1, 2, 4, 5, and 6 of this decree are:

- total balance sheet: the gross total of the balance sheet without deduction of depreciation and provisions and increased by the value of equipment, materials, and real estate subject to leasing operations according to the value recorded in the contract, excluding financial interest and commercial margin,

- total pre-tax income: total pre-tax income, less changes in inventories,

- average number of employees: the average between the number of employees at the beginning and end of the financial year, including temporary staff in "man-years."

Article 8.- The Minister of Justice and Human Rights and the Minister of Finance shall be responsible, each in their respective areas of competence, for the implementation of the provisions of this decree, which shall be published in the Official Journal of the Republic of Tunisia.

Tunis, June 6, 2006.

Zine El Abidine Ben Ali

Decree No. 2013-4953 of December 5, 2013, implementing the provisions of Article 22 ter of Law No. 89-9 of February 1, 1989, relating to shareholdings, companies and public public in banks public.

(JORT No. 98 of December 10, 2013, page 3406) The head of government,

On the recommendation of the Minister of Finance,

Having regard to Constitutional Law No. 2011-6 of December 16, 2011, on the provisional organization of public authorities,

Having regard to Law No. 85-78 of August 5, 1985, on the general status of employees of public agencies, industrial and commercial public institutions, and companies whose capital is directly and entirely owned by the State or local public authorities, as amended and supplemented by subsequent texts,

Having regard to Law No. 89-9 of February 1, 1989, on shareholdings, public enterprises, and public institutions, as amended and supplemented by subsequent texts, and in particular Article 22 ter thereof,

Having regard to Law No. 2000-93 of November 3, 2000, promulgating the Commercial Companies Code, as amended and supplemented by subsequent texts,

Having regard to Law No. 2001-65 of July 10, 2001, on credit institutions, as amended and supplemented by subsequent texts,

Having regard to Decree No. 91-556 of April 23, 1991, on the organization of the Ministry of Finance, as amended and supplemented by subsequent texts,

Having regard to Decree No. 2001-982 of May 2, 2001, establishing the organizational chart of the National Agricultural Bank,

Having regard to Decree No. 2001-1251 of May 28, 2001, establishing the conditions for the allocation and withdrawal of functional positions at the Tunisian Banking Corporation,

Having regard to Decree No. 2002-2131 of September 30, 2002, establishing structures within the Prime Minister's Office,

Having regard to Decree No. 2002-2197 of October 7, 2002, relating to the procedures for exercising supervision over public enterprises, approving their management actions, representing public participants in their management and decision-making bodies, and establishing their obligations,

Having regard to Decree No. 2002-3158 of December 17, 2002, regulating public procurement, as amended and supplemented by subsequent texts,

Having regard to Decree No. 2003-1541 of July 2, 2003, setting the conditions for the allocation and withdrawal of functional positions at the National Agricultural Bank,

Having regard to Decree No. 2005-910 of March 24, 2005, designating the supervisory authority for non-administrative public enterprises and institutions, as supplemented and amended by Decree No. 2007-2123 of August 21, 2007, Decree No. 2007-2561 of October 23,
2007, Decree No. 2008-3737 of December 11, 2008, Decree No. 2010-
90 of January 20, 2010, and Decree No. 2010-3170 of December 13, 2010,

Having regard to Decree No. 2005-965 of March 24, 2005, establishing the organizational chart of the housing bank,

Having regard to Decree No. 2006-1806 of June 26, 2006, establishing the conditions for the allocation and withdrawal of functional positions at the Housing Bank,

Having regard to Decree No. 2007-894 of April 10, 2007, establishing the organizational chart of the Tunisian Banking Corporation,

Having regard to Decree No. 2008-3923 of December 22, 2008, establishing the organizational chart of the Tunisian Solidarity Bank,

Having regard to Decree No. 2009-40 of January 5, 2009, establishing the organizational chart of the Small and Medium Enterprise Financing Bank,

Having regard to Decree No. 2009-1740 of June 3, 2009, establishing the conditions for the allocation and withdrawal of functional positions at the small and medium-sized enterprise financing bank,

Having regard to Decree No. 2009-1741 of June 3, 2009, establishing the conditions for the allocation and withdrawal of functional jobs at the Tunisian solidarity bank,

Having regard to Republican Order No. 2013-43 of March 14, 2013, appointing Mr. Ali Larayedh as head of government,

Having regard to Decree No. 2013-1372 of March 15, 2013, appointing the members of the government,

Having regard to the opinion of the Minister of Development and International Cooperation,

Having regard to the opinion of the Administrative Court,

Having regard to the deliberations of the Council of Ministers and after informing the President of the Republic.

Decrees:

Article 1.- The exclusion provided for in Article 22b of Law No. 89-9 of February 1, 1989 referred to above, applies to public banks.

This exclusion does not apply to the provisions of the first paragraph of Article 15 of Law No. 89-9 of February 1, 1989, referred to above.

Article 2.- The provisions of Decree No. 2002-2197 of October 7, 2002, referred to above, shall not apply to public banks, with the exception of Articles 7, 10, 13, 18, and 20.

Article 3.- The Ministry of Finance shall approve the strategic guidelines adopted by the boards of directors or supervisory boards of public banks within a maximum period of two months from the date of their submission. These guidelines shall be recorded in program contracts.

The aforementioned banks are required to submit the program contracts to the Ministry of Finance within a maximum of ten days of their establishment by the boards of directors or supervisory boards.

The content and procedures for monitoring and updating program contracts shall be determined by order of the Minister of Finance.

Article 4.- The State Controller is responsible for verifying that the bank concerned complies with the procedures governing procurement and recruitment.

The State Controller must attend meetings of the committees responsible for contracts and recruitment. He is responsible for

for preparing reports on these meetings, the follow-up of which is included in the agendas of the boards of directors or supervisory boards.

The boards of directors or supervisory boards of the banks concerned may invite the State Controller to attend their meetings as an observer.

Article 5.- Directors representing public participants on the boards of directors or supervisory boards of public banks are appointed for a period of three years, renewable once, and may not be appointed as members of the board of directors, supervisory board, or management board of another publicly owned entity.

The directors referred to in the previous paragraph and the special representatives of the banks concerned by this decree shall be selected on the basis of combined criteria taking into account both their academic and professional qualifications and their successful experience in relation to the skills and complementarity required.

A joint commission between the public and private sectors shall be created by order of the Minister of Finance and shall be responsible for establishing the criteria for selecting and evaluating the performance of directors representing public participants on the boards of directors or supervisory boards of the banks concerned by this decree.

The commission shall also be responsible for establishing procedures to ensure that the selection of directors representing the State complies with the principles of transparency, efficiency, and competition.

Article 6.- The boards of directors or supervisory boards of public banks shall meet at least six times a year and whenever necessary to examine the items on the agenda submitted at least ten days before the meetings to all members of the board of directors or supervisory board and to the Ministry of Finance.

Article 7.- In addition to the powers provided for in the Commercial Companies Code, the boards of directors or supervisory boards

of public banks shall be responsible, each in its respective capacity, for the following:

- drawing up program contracts and monitoring them periodically,

- Approval of provisional operating and investment budgets and their financing methods before the end of the year preceding their execution

- Approval of good governance charters,

- Approval of the remuneration policy and its adaptation to the bank's program contract,

- Approval of framework laws, organizational charts, recruitment conditions and procedures, and conditions for appointment and removal from functional positions

- approval of the appointment of executives to the positions of central director and secretary general or equivalent positions on the basis of a report prepared by a committee appointed by the board of directors or supervisory board,

- approving employee performance evaluation standards and promotion procedures,

- approving procedure manuals, particularly those relating to human resources and market management,

- approval of arbitration policies, arbitration clauses, and settlement agreements whose amounts are set by the boards of directors or supervisory boards for the settlement of disputes in accordance with applicable laws and regulations.

Article 8.- The following must be included as permanent items on the agenda of the board of directors or supervisory board of banks covered by this decree:

- reports issued by committees of the board of directors or supervisory board, in particular those issued by compliance control bodies and audit and risk committees,

- resolutions adopted to remedy the shortcomings cited in the reports of the statutory auditors and external control structures,

- the reports of the State Comptroller relating to the bank's compliance with the procedures governing procurement and recruitment.

Article 9.- The chairman of the board of directors or supervisory board shall appoint a bank executive to act as secretary to the board and to draft the minutes of its meetings within seven days of the date of the board meeting.

The minutes signed by the chair of the board of directors or supervisory board and another member of the board shall be recorded in a special register kept at the bank's registered office.

Article 10.- The provisions of Decree No. 2002-3158 of December 17, 2002, regulating public procurement, and those of the texts that have amended or supplemented it, shall not apply to public banks.

Each of these banks is responsible for establishing procedure manuals setting out the conditions for the preparation, conclusion, execution, payment, and closure of its contracts and purchases in accordance with the principles of equality, competition, and transparency and the rules ensuring their effectiveness and good governance. These manuals are subject to the prior approval of the bank's board of directors or supervisory board.

Article 11.- The banks concerned by this decree shall each submit the following documents and data to the Ministry of Finance for monitoring purposes:

- the minutes of management and deliberative bodies,

- reports and minutes of meetings of internal audit and risk committees and compliance control bodies emanating from boards of directors or supervisory boards,

- the progress report on the execution of program contracts,

- provisional operating and investment budgets and their financing methods, as well as reports monitoring their execution,

- financial statements, auditors' reports, and reports from the various control structures,

- reports from the Central Bank of Tunisia and its recommendations,

- annual activity reports,

- the indicators provided for by prudential standards established in accordance with the regulations in force,

- annual statements relating to the number of employees and the total payroll.

The above-mentioned documents and data shall be sent to the Ministry of Finance within ten days of their preparation or approval by the board of directors or supervisory board, or their receipt, as applicable.

Article 12.- Banks concerned by this decree shall submit the following related documents to the Office of the Prime Minister:

- program contracts within ten days of their approval by the Ministry of Finance,

- provisional operating and investment budgets and their financing methods, annual activity reports, financial statements, and auditors' reports within ten days of their establishment or approval by the board of directors or supervisory board, or their receipt, as applicable.

Article 13.- Banks concerned by this decree shall send the Ministry of Development and International Cooperation the following related documents:

- program contracts within ten days of their approval by the Ministry of Finance,

- provisional operating and investment budgets within ten days of their approval by the board of directors or supervisory board.

Article 14.- The provisions mentioned below shall remain applicable until the boards of directors or supervisory boards of the banks concerned have approved the procedure manuals provided for in Articles 7 and 10 of this decree:

- Article 11 bis of Law No. 89-9 of February 1, 1989, referred to above,

- Decree No. 2002-3158 of December 17, 2002, regulating public procurement, together with the texts that have amended or supplemented it,

- Decree No. 2001-1251 of May 28, 2001, establishing the conditions for the allocation and withdrawal of functional positions at the Tunisian Banking Corporation,

- Decree No. 2001-982 of May 2, 2001, establishing the organizational chart of the National Agricultural Bank,

- Decree No. 2003-1541 of July 2, 2003, establishing the conditions for the allocation and withdrawal of functional positions at the National Agricultural Bank,

- Decree No. 2005-965 of March 24, 2005, establishing the organizational chart of the Housing Bank,

- Decree No. 2006-1806 of June 26, 2006, establishing the conditions for the allocation and withdrawal of functional positions at the Housing Bank,

- Decree No. 2007-894 of April 10, 2007, establishing the organizational chart of the Tunisian Banking Company,

- Decree No. 2008-3923 of December 22, 2008, establishing the organizational chart of the Tunisian Solidarity Bank,

- Decree No. 2009-40 of January 5, 2009, establishing the organizational chart of the Small and Medium Enterprise Financing Bank,

- Decree No. 2009-1740 of June 3, 2009, establishing the conditions for the allocation and withdrawal of functional positions at the Small and Medium Enterprise Financing Bank,

- Decree No. 2009-1741 of June 3, 2009, establishing the conditions for the allocation and withdrawal of functional jobs at the Tunisian Solidarity Bank.

Article 15.- The Minister of Finance is responsible for the implementation of this decree, which will be published in the Official Journal of the Republic of Tunisia.

Tunis, December 5, 2013.

The Head of Government

Ali Larayedh

Appendices

Law No. 2018-20 of April 17, 2018, relating to Startups [1].

In the name of the people,

The Assembly of People's Representatives having adopted,

The President of the Republic promulgates the following law:

Chapter I

General provisions

Article 1.- The purpose of this law is to establish an incentive framework for the creation and development of startups based in particular on creativity, innovation, and the adoption of new technologies, and which generate high added value and competitiveness at the national and international levels.

Chapter II

Definition and creation of startups

Article 2.- For the purposes of this law, a startup is defined as any commercial company incorporated in accordance with the legislation in force that has obtained the startup label in accordance with the conditions set out in this law.

Article 3.- The Startup label is granted to companies that meet the following conditions:

1. It has been in existence for no more than eight (8) years from the date of its incorporation,

2. Its human resources, total assets, and annual turnover do not exceed the limits set by government decree.

.....

(1) Preparatory work:

Discussion and adoption by the Assembly of People's Representatives at its meeting on April 2, 2018.

3. More than two-thirds (2/3) of its capital is held by individuals, venture capital investment companies, collective venture capital funds, seed funds, and any other investment body in accordance with the legislation in force, or by foreign startups.

4. Its business model is highly innovative, particularly in terms of technology.

5. Its activity has strong economic growth potential.

The Startup label entitles the holder, during its period of validity, to the incentives and benefits provided for in this law. The Startup label is valid for a maximum of eight (8) years from the date of incorporation of the company.

Article 4.- Any natural person wishing to create a Startup may apply for the Startup label if they meet the conditions set out in points 4 and 5 of Article 3 of this law. In this case, they will be granted a Pre-label for a period of six (6) months.

The Startup label is subject to the incorporation of the company and the fulfillment of the other conditions set out in Article 3 of this law before the expiry of the Pre-label period.

In the event that the individual wishing to create a startup is an employee, their employer, whether public or private, does not have the right to oppose the formation of the company.

Article 5.- The relevant departments of the ministry responsible for the digital economy shall perform the following tasks:

1. Receiving and sorting applications for the startup label while verifying that applications from companies meet the conditions set out in paragraphs 1, 2, and 3 of Article 3 above.

2. Managing the Startup Portal as the sole point of contact for Startups for their specific administrative procedures.

3. Supporting Startups and monitoring the benefits of incentives and advantages granted under this law.

The Minister responsible for the digital economy may assign all of the above tasks to an entity with the necessary technical expertise

necessary technical expertise, pursuant to an agreement concluded for this purpose.

Article 6.- A technical committee called the "Labeling Committee" is hereby established within the Ministry responsible for the digital economy, which shall rule on applications for the Startup label, under the conditions set out in points 4 and 5 of Article 3 above.

The Pre-label and Startup label shall be granted by decision of the Minister responsible for the digital economy, with the approval of the Technical Committee.

The powers, organization, and functioning of the Committee shall be determined by government decree.

Companies that have submitted an application for the Startup label and have met the conditions set out in points 1, 2, and 3 of Article 3 above, having obtained financing from venture capital investment companies, collective venture capital investment funds, seed funds, or any other source, are deemed to have met the conditions set out in points 4 and 5 of Article 3 above, without having to refer to the Committee. 2, and 3 of Article 3 above, have obtained financing from venture capital investment companies, collective venture capital funds, seed funds, or any other investment body in accordance with the legislation in force, and have entered into agreements to this effect with the Ministry responsible for the digital economy.

The conditions, procedures, and deadlines for granting the Startup label are set by government decree.

Article 7.- During the period of validity of the label, the Startup is required to comply with the following:

1. Achieving growth targets relating to the number of human resources, total assets, and annual turnover, as set by government decree.

2. Keeping accounts in accordance with the legislation and regulations in force, and making its financial statements available to the ministry responsible for the digital economy by March 31 of the year following the financial year concerned.

3. Notifying the Ministry responsible for the digital economy of any changes to the items listed in Article 3 of this law within one month of the date of said change.

The Startup label shall be withdrawn in the event of a breach of the provisions of the first paragraph above, on the basis of a report to that effect, and after hearing the legal representative of the Startup or, where applicable, its agent, as recorded in a report drawn up for that purpose. The absence of the Startup's legal representative or its agent shall not prevent the withdrawal procedure from continuing.

The label shall also be withdrawn from any company that ceases to meet the conditions set out in Article 3 of this law.

4. The Startup label shall be withdrawn by decision of the Minister responsible for the digital economy, with the approval of the Technical Committee.

The procedure for withdrawing the Startup label shall be laid down by government decree.

Chapter III

Incentives for the creation of Startups

Article 8.- Any promoter of a Startup, public official, or employee of a private company may be granted leave to create a Startup for a period of one year, renewable once.

Up to three (3) founder-shareholders working full-time in the Startup concerned may benefit from this right.

The employer, whether public or private, is not entitled to oppose the departure of an employee benefiting from leave for the creation of a startup. However, the employee must obtain prior written authorization from a private employer with fewer than one hundred (100) employees.

The conditions and procedures for obtaining leave to create a startup are set by government decree.

Article 9.- Public employees or employees of private companies who are granted leave to create a startup retain their contractual and regulatory relationship with their employer, but do not receive any remuneration or benefits in respect of their original employment. They are also not entitled to paid leave during the period of leave to create a startup.

At the end of the leave for the creation of a startup, the public servant or employee of a private company has the right to return to their job or

their original position, even if they are surplus to requirements. This surplus is absorbed when the first vacancy arises in the position or job in question.

The promoter has the right to request termination of the leave for the creation of a startup, on his own initiative, during the period of said leave.

The procedures for terminating the leave for the creation of a startup are set by government decree.

Article 10.- Any promoter of a Startup may receive a Startup grant for a period of one year only. A maximum of three founder-shareholders working full-time in the Startup concerned may receive the aforementioned grant.

A founder-shareholder of several Startups may not receive more than one Startup grant during the same period.

The amounts allocated as startup grants come from the National Employment Fund, donations, and any other resources provided for by the legislation and regulations in force.

The value of the grant, as well as the terms and conditions for its award and management, are set by government decree.

Article 11.- Any recent graduate who is legally eligible to benefit from the employment programs provided for by the regulations in force and who creates a startup retains the right to benefit from these programs for a maximum period of three
(3) years from the date of granting of the Startup label.

Any recent graduate who is legally eligible for the employment programs mentioned in the above paragraph and who enters into an employment contract with a startup has the right to choose between immediate participation in these programs or deferral. In the event of deferral, they may avail themselves of these programs after the term of the employment contract concluded with the startup, within a maximum period of three (3) years from the start date of the employment contract.

Article 12.- The ministry responsible for the digital economy shall be responsible for the filing formalities and shall bear the costs of registering patents for Startups at the national level. It shall also be responsible for the filing formalities and shall bear the costs

international registration within the limits of available resources and in accordance with the rules of justice and fairness.

This shall take place after a preliminary assessment and after consultation with the body responsible for industrial property. The Ministry may seek the assistance of scientific research experts to help with the assessment process.

The resources referred to come from contributions from the communications and information and communication technologies development fund, donations, and any other resources provided for by the legislation and regulations in force.

Chapter IV

Financing and incentives for startups

Article 13.- Notwithstanding the provisions of Articles 12 and 12 bis of Law No. 89-114 of December 30, 1989, relating to the promulgation of the code governing personal income tax and corporate income tax, the following are fully deductible, within the limits of taxable income or profits:

- income or profits reinvested in the initial capital or capital increase of startups,

- income or profits reinvested in the capital of venture capital investment companies, or placed with them in the form of venture capital funds, collective venture capital investment funds, seed funds, or any other investment companies in accordance with the legislation in force, which undertake to use at least 65% of the paid-up capital or any amount made available to them or the paid-up shares to participate in the capital of Startups or to subscribe to convertible bonds without interest or any other similar categories of equity without interest issued by Startups.

The conditions for benefiting from the advantages mentioned in this article are set by government decree, after consultation with the Minister of Finance.

Article 14.- Profits from the sale of securities relating to holdings in Startups are exempt from capital gains tax.

Article 15.- Notwithstanding the provisions of Articles 100 and 173 of the Commercial Companies Code, and in the case of a contribution in kind, the shareholders of a startup are entitled to choose the contribution auditor to evaluate the said contribution.

Article 16.- Notwithstanding the provisions of Article 344 of the Commercial Companies Code, Startups that are legally authorized to issue bonds convertible into shares are authorized to issue several series of bonds convertible into shares, regardless of the option periods for conversion.

Article 17.- Subject to the provisions of the Foreign Exchange and Foreign Trade Code, any Startup has the right to open a special foreign currency account with approved intermediaries, which it may freely fund with foreign currency from participation in its capital, the issuance of bonds convertible into shares, or advances in associated current accounts and, in general, from all other categories treated as equity in accordance with the regulations in force, as well as from its operating income.

The Startup may freely manage the assets in this account without authorization, within the framework of current operations or investment operations with a view to developing its activities, in particular with regard to the acquisition of tangible and intangible assets, the creation of subsidiaries abroad, and the acquisition of shares in foreign companies.

The rules and procedures for the operation of the said account shall be laid down by circular of the Central Bank of Tunisia.

Article 18.- A guarantee mechanism called the "Startup Guarantee Fund" is hereby created, the purpose of which is to guarantee the investments of venture capital investment companies, collective venture capital funds, seed funds, and any other investment body in accordance with the legislation in force, in the capital of Startups within the limit of a rate set by an agreement concluded for this purpose between the Minister responsible for the digital economy and the Minister responsible for finance. This mechanism shall only intervene in the event of the amicable liquidation of Startups.

The benefit of this guarantee cannot be combined with that of the national guarantee fund.

The guarantee mechanism referred to in the first paragraph of this article is financed by a financial endowment drawn from the resources of the Communications and Information and Communication Technologies Development Fund, by donations, and by any other resources provided for by the legislation and regulations in force.

The management of the guarantee mechanism is entrusted to the Tunisian Guarantee Company under an agreement between the Ministry of Digital Economy, the Ministry of Finance, and the Tunisian Guarantee Company.

Article 19.- During the period of validity of the Startup label, the Startup shall be exempt from corporate income tax, and the State shall cover the employer and employee contributions to the statutory social security system, which shall be charged to the resources of the National Employment Fund.

Article 20.- All Startups are considered authorized economic operators within the meaning of the provisions of the Customs Code.

This law shall be published in the Official Journal of the Republic of Tunisia and enforced as a law of the State.

Tunis, April 17, 2018.

The President of the Republic

Mohamed Béji Caïd Essebsi

Government Decree No. 2018-840 of October 11, 2018, establishing the conditions, procedures, and deadlines for granting and withdrawing the startup label and the benefits and advantages granted to startups, as well as the organization, prerogatives, and operating procedures of the labeling committee.

The Head of Government,

On the recommendation of the Minister of Communication Technologies and the Digital Economy,

Having regard to the Constitution,

Having regard to Law No. 1960-30 of December 14, 1960, on the organization of social security systems and all texts that have amended or supplemented it, in particular Law No. 2007-51 of July 23, 2007,

Having regard to the Labor Code promulgated by Law No. 1966-27 of April 30, 1966, and all texts that have amended or supplemented it, in particular Law No. 2016-36 of April 29, 2016, relating to collective proceedings,

Having regard to Law No. 67-53 of December 8, 1967, relating to the Organic Budget Law and all texts that have amended or supplemented it, in particular Organic Law No. 2004-42 of May 13, 2004,

Having regard to Law No. 83-112 of December 12, 1983, on the general status of civil servants, local government employees, and employees of public administrative institutions, together with the texts that have amended or supplemented it,

Having regard to Law No. 85-78 of August 5, 1985, on the general status of employees of public offices, institutions, and enterprises, and all texts that have amended or supplemented it,

Having regard to the Personal Income Tax and Corporate Tax Code, as promulgated by Law No. 89-114 of December 30, 1989, and amended and supplemented by subsequent texts

in particular Law No. 2017-66 of December 18, 2017, relating to the Finance Law for the year 2018,

Having regard to Law No. 99-11 of December 31, 1999, relating to the Finance Act for the year 2000, and in particular Article 13 thereof relating to the creation of the National Employment Fund, as amended by Decree-Law No. 2011-16 of March 26, 2011,

Having regard to the Commercial Companies Code, as promulgated by Law No. 2000-93 of November 3, 2000,

Having regard to Law No. 2018-20 of April 17, 2018, on startups, and in particular Articles 3, 6, 7, 8, 9, 10, and 13 thereof,

Having regard to Decree No. 2012-890 of July 24, 2012, implementing Article 22 of Law No. 88-92 of August 2, 1988, on investment companies, as amended and supplemented by subsequent texts,

Having regard to Decree No. 2012-1997 of September 11, 2012, establishing the powers of the Ministry of Information and Communication Technologies,

Having regard to Decree No. 2012-1998 of September 11, 2012, on the organization of the Ministry of Information and Communication Technologies,

Having regard to Decree No. 2012-2369 of October 16, 2012, establishing the programs of the National Employment Fund, the conditions and procedures for benefiting from them, together with the texts that have amended or supplemented it, in particular Government Decree No. 2017-358 of March 9, 2017,

Having regard to Decree No. 2013-5199 of December 12, 2013, establishing the interventions and activities covered by the Communications, Information Technology, and Telecommunications Development Fund, as well as the terms and conditions for their financing,

Having regard to Presidential Decree No. 2016-107 of August 27, 2016, appointing the head of government and its members,

Having regard to Presidential Decree No. 2017-124 of September 12, 2017, appointing members of the government,

Having regard to Presidential Decree No. 2017-247 of November 25, 2017, appointing members of the government,

Having regard to the opinion of the Administrative Court,

After deliberation by the Council of Ministers, the following government decree is hereby issued:

Chapter One
General provisions

Article 1.- This government decree sets out the conditions, procedures, and deadlines for granting and withdrawing the startup label and the benefits and incentives available to startups, as well as the organization, prerogatives, and operating procedures of the labeling committee in accordance with the provisions of Law No. 2018-20 of April 17, 2018, relating to startups.

Article 2.- The Digital Economy Directorate at the Ministry of Communication Technologies and the Digital Economy is responsible for the functions referred to in Article 5 of the aforementioned Law No. 2018-20.

In the event of an agreement between the Minister responsible for the digital economy and an entity with the necessary technical expertise, the latter shall be responsible for all the functions assigned to the Digital Economy Directorate within the meaning of this government decree.

Chapter II
Conditions, procedures, and deadlines for granting and withdrawing the startup label

Article 3.- The ceilings relating to the number of employees, total balance sheet, and annual turnover for companies wishing to obtain the startup label are set as follows:

- a workforce not exceeding one hundred (100) employees,
- a balance sheet total not exceeding fifteen (15) million dinars,
- annual turnover not exceeding fifteen (15) million dinars.

Article 4.- Companies wishing to obtain the startup label are required to submit an application via the electronic startup portal, accompanied by the following documents:

- an extract from the commercial register and tax identification card,

- a copy of the company's articles of association and shareholder register,

- a certificate of membership of the National Social Security Fund (CNSS) with a list of employees' names,

- a copy of the financial statements for the year preceding the date of submission of the application.

The application is completed using a form developed by the Digital Economy Directorate, which includes, in particular, information relating to the economic model of the project, including:

- aspects of innovation and differentiating factors,

- factors contributing to the realization of strong economic development potential,

- the scientific and technical qualifications and experience of the team in charge of the project,

- where applicable, any prizes or awards obtained and any patents filed.

Any individual wishing to obtain the startup label must submit an application using the same form mentioned above.

Article 5.- The labeling committee shall examine applications for the startup label from companies that meet conditions 1, 2, and 3 of Article 3 of the aforementioned Law No. 2018-20 and applications for the startup label from individuals. The committee may only issue a favorable opinion after hearing the applicant. In the event of a favorable opinion from the committee, the Minister responsible for the digital economy shall decide to grant the startup label to companies and the pre-label to individuals.

In the event of a refusal of an application, the labeling committee is required to justify the decision to refuse and notify the applicant electronically.

A response shall be given to all applications for the startup label within a maximum of thirty (30) days from the date of submission of the applications. Failure to respond within sixty (60)

days from the date of submission of the application shall be deemed to be a favorable opinion for the granting of the label. In this case, the Minister responsible for the digital economy is required to grant the startup label without having to seek the opinion of the labeling committee.

Decisions to grant the startup label are published on the electronic startup portal.

Article 6.- The pre-label is valid for a period of six (6) months during which the holder shall proceed with the incorporation of the company in accordance with the conditions set out in points 1, 2, and 3 of Article 3 of the aforementioned Law No. 2018-20.

Before the expiry of the aforementioned period, the holder of the pre-label is required to complete their application by submitting the documents mentioned in the first paragraph of Article 4 of this government decree via the electronic startup portal. A response shall be provided electronically within a maximum of three (3) days from the date on which the application is completed. If the deadline mentioned in the first paragraph of this article is exceeded without the file being completed, the pre-label shall become null and void.

Article 7.- Notwithstanding the provisions of Article 5 above, the Minister responsible for the digital economy shall grant the startup label, within three (3) days, to the company that meets the conditions of points 1, 2, and 3 of Article 3 of the aforementioned Law No. 2018-20 and has successfully raised funds from venture capital investment companies, collective venture capital investment funds, seed funds, or any other investment body in accordance with the legislation in force and in accordance with the provisions of Article 6 of the said law.

Article 8.- Any person wishing to obtain the startup label has the right to apply for it once every six months in accordance with the aforementioned conditions and procedures.

Article 9.- During the period of validity of the label, all startups are required to achieve cumulative growth targets in terms of workforce, total balance sheet, and annual turnover as follows:

Duration	Workforce	Turnover or total balance sheet
After three (3) years from the date of award of the label	Greater than or equal to ten (10) employees	Greater than or equal to three hundred (300) thousand dinars
After five (5) years of the date of award of the label	Greater than or equal to thirty (30) employees	Greater than or equal to one (1) million dinars

Annual turnover or total balance sheet are calculated based on the startup's financial statements for the past year and more recent statements, if available.

Article 10.- The digital economy department carries out periodic checks to verify that startups comply with the conditions and legal commitments required by law and, to this end, draws up reports which it submits to the certification committee.

In the event of a breach of any of the commitments referred to in Article 7 of the aforementioned Law No. 2018-20, a warning shall be sent electronically to the startup to comply with the legal conditions within one (1) month from the date of dispatch of the warning. After this period, and in the event of persistent non-compliance, an electronic questionnaire shall be sent to the offender, who shall be given fifteen (15) days to respond. The offender may be summoned to appear before the certification committee and be heard. The electronic questionnaire is considered to be the minutes of the hearing. The Minister responsible for the digital economy may, at the request of the committee, order an investigation to verify the startups' compliance with the legal requirements.

In the event of failure to respond to the questionnaire or absence, or if the labeling committee considers that the reasons given are insufficient or on the basis of the aforementioned report, the committee shall issue a favorable opinion for withdrawal of the label. The Minister responsible for the digital economy shall decide on the withdrawal of the label and the decision shall be notified to the offender electronically.

Chapter III

The organization, prerogatives, and operating procedures of the certification committee

Article 11.- The certification committee is composed of:

- a chairperson with recognized expertise in the fields of investment and innovation and experience in management and leadership,

- two (2) executives representing ministries and public bodies involved in innovation, the digital economy, entrepreneurship, and financing, with expertise and experience in the above-mentioned fields,

- four (4) private sector experts specializing in financing, support, and innovative entrepreneurship,

- two (2) experts chosen from among specialists in the fields of innovation, technology, and entrepreneurship.

The members of the certification committee are appointed by decision of the head of government on the recommendation of the minister responsible for the digital economy for a term of three (3) years, renewable once.

Article 12.- The certification committee deliberates on the applications submitted to it via an electronic platform exclusively dedicated to the chair, members, and permanent secretariat and equipped with an electronic signature mechanism. The granting or withdrawal of the startup label requires the favorable opinion of at least five (5) members of the committee. Voting is conducted electronically.

The committee shall meet, where appropriate, to hear the applicant for the label or the legal representative of the startup in accordance with the provisions of paragraph 2 of Article 7 of the aforementioned Law No. 2018-20. A quorum shall only be reached in the presence of five (5) members of the committee, including the chairperson.

If the chair is unable to attend, they may delegate the chairmanship of the committee to a member of their choice and send an electronic notification, if necessary. Voting rights may not be delegated. If a committee member is absent three times in a row without reason, they shall be considered to have resigned and shall be replaced in accordance with the same composition and procedures mentioned in Article 11 above.

Article 13.- Committee members are bound by the confidentiality of data and deliberations and by the obligation of discretion and professional secrecy in the performance of their duties.

In the event of a conflict of interest in a case under consideration, the member concerned is required to inform the committee chairperson of their own accord

own initiative and without delay, by electronic means. They must refrain from issuing an opinion and voting on the case in question. The chair and any member of the committee, as well as any applicant for the startup label, may raise an objection on the grounds of conflict of interest.

In the event of confirmation of disclosure of data or deliberations by one of the committee members, or in the event of deliberate failure to declare a conflict of interest, the chair shall immediately suspend the member concerned from the electronic platform until they are summoned and heard at the next meeting of the labeling committee. If the facts are confirmed, the member in question shall be considered to have resigned.

Article 14.- The Digital Economy Directorate shall provide the permanent secretariat for the labeling committee and shall be responsible, in particular, for preparing the agenda, sending invitations, drafting the minutes of meetings, preparing responses, and following up on files.

Chapter IV

Conditions and procedures for receiving incentives and benefits for startups

Article 15.- Applicants for leave to create a startup must meet the following conditions:

- obtain startup certification for the company of which they are a founder and shareholder,

- be an employee with three (3) years of seniority in their original job,

- submit prior written authorization in the case of a private employer with fewer than one hundred (100) employees,

- submit an application via the electronic startup portal within a maximum of one (1) month from the date of obtaining the label,

- commit to being employed full-time by the startup.

Article 16.- Applicants for startup creation leave shall submit a unified electronic application for the startup concerned. The application shall be accompanied by the necessary data and supporting documents, including the date

proposed effective date of departure from the original job. This date must be between one and a half months and six (6) months, at most, from the date of submission of the said request.

The Digital Economy Directorate shall verify the eligibility of the applicants and shall issue a decision within fifteen (15) days of the date of receipt of the application. If the application is approved, the original employers shall be notified in writing.

In the case of a public servant on leave to create a startup, their original employer is required, upon notification by the Digital Economy Directorate, to take the necessary measures with regard to the regulatory status of the said employee.

At the end of the leave for the creation of a startup or if it is terminated at the request of the beneficiary, the latter shall express their wish to return to their original position or body via the electronic startup portal. The Digital Economy Directorate shall be responsible for informing the original employer in writing. The original employer is required to notify the employee concerned to return to their original position or department within thirty (30) days of the date of notification, failing which they will be considered to have abandoned their position.

In the event that a startup's label is withdrawn, its promoters shall forfeit their right to leave for the creation of a startup in respect of that startup. The digital economy department shall inform the original employers of the withdrawal decision in writing. The original employers are required to notify the agents or employees concerned to return to their original positions or departments within thirty (30) days of the date of notification, failing which they will be considered to have abandoned their posts.

Article 17.- Applicants for a startup grant must meet the following conditions:

- the company of which they are a founder and shareholder must have obtained startup status,

- not have received a startup grant within the last three (3) years from the date of application,

- submit an application via the electronic startup portal within one (1) month of the date of obtaining the startup label, but no later than one (1) year from the date of incorporation of the company,

- commit to being employed full-time by the startup.

Article 18.- The amount of the startup grant is set for employees on the basis of the average net monthly income for the last twelve (12) months from the date of obtaining the startup label. This amount is between one thousand (1,000) dinars and five thousand (5,000) dinars net per month. For non-employees, the net monthly amount of the grant is set at one thousand (1,000) dinars.

Applicants for the startup grant submit a unified electronic application on behalf of the startup concerned. The application must be accompanied by the necessary data and supporting documents. The startup authority shall verify the eligibility of the application and make a decision within fifteen (15) days of receiving the application. Approved applications shall be sent electronically to the National Agency for Employment and Self-Employment.

The grant is paid from the date on which the startup label is obtained. In the case of employees on leave to set up a startup, the grant is paid from the date on which they actually leave their original job. The National Agency for Employment and Self-Employment pays the grant monthly for a maximum of twelve (12) months.

In the event of withdrawal of the startup label, the National Agency for Employment and Independent Work shall be notified electronically and the necessary measures shall be taken to immediately stop payment of the grant.

Article 19.- Startups wishing to benefit from the national employment fund's coverage of employer and employee contributions to the statutory social security system must submit an application via the electronic startup portal, accompanied by the necessary data and supporting documents. The application is sent electronically to the National Agency for Employment and Self-Employment, which processes it in accordance with the conditions and procedures set out in Decree No. 2012-2369 of October 16, 2012, establishing the programs of the

national employment fund, and the conditions and procedures for benefiting from them.

Article 20.- Startups wishing to benefit from the Ministry of Digital Economy's coverage of the filing procedures and registration fees for invention patents at the national and international levels must submit an application via the electronic startup portal, accompanied by supporting documents for the invention patent and a quote specifying the cost of registering the patent at the national or international level.

Article 21.- The benefit of the privilege stipulated in paragraph 1 of Article 13 of the aforementioned Law No. 2018-20 is subject to compliance with the following conditions:

- The person wishing to benefit from the deduction must be in good standing with the tax authorities and social security funds,

- keep accounts in accordance with the legislation in force for persons engaged in industrial or commercial activities or non-commercial professions as defined in the Personal Income Tax Code and the Corporate Income Tax Code,

- file an investment declaration with the Digital Economy Directorate via the electronic startup portal using the form provided for this purpose,

- issuance of new shares or stock,

- submission, in support of the personal income tax or corporate tax return, of a copy of the label awarded to the startup in which the investment was made and a certificate of payment of the subscribed capital or any other equivalent document,

- no reduction in the subscribed capital for a period of five (5) years from January 1 of the year following that in which the subscribed capital was paid up, except in the event of a reduction to absorb losses,

- no transfer of the shares or equity interests that gave rise to the deduction before the end of the two (2) years following the year in which the subscribed capital was paid up,

- no stipulation in agreements between companies and subscribers of guarantees outside the project or remuneration that is not linked to the results of the project that is the subject of the subscription transaction,

- allocation of profits or income reinvested in a special account on the liabilities side of the balance sheet that cannot be distributed except in the event of the sale of the shares or equity interests that gave rise to the deduction, for companies and individuals engaged in industrial or commercial activities or non-commercial professions as defined in the Personal Income Tax Code and the Corporate Income Tax Code.

Article 22.- The benefit of the privilege stipulated in paragraph 2 of Article 13 of the aforementioned Law No. 2018-20 is subject to compliance with the following conditions:

- the person wishing to benefit from the deduction must be in good standing with the tax authorities and social security funds,

- they must keep accounts in accordance with the legislation in force for persons engaged in industrial or commercial activities or non-commercial professions, as defined in the Personal Income Tax and Corporate Tax Code,

- presentation, in support of the personal income tax return or corporate income tax return, certificate of subscription and payment of capital or amounts deposited in the form of venture capital funds or shares, issued by the venture capital investment company or the manager of a venture capital mutual fund or seed fund or any other investment body in accordance with the legislation in force,

- commitment by venture capital investment companies or managers of venture capital mutual funds or seed funds or any other investment body under the legislation in force to use the paid-up share capital or amounts deposited in the form of venture capital funds or paid-up shares in accordance with the provisions of Article 13 of the aforementioned Law No. 2018-20, through participation in the share capital of startups via the acquisition of new or existing shares or units, or via

intervening on behalf of startups in which they hold at least 5% of the capital, by subscribing to interest-free bonds convertible into shares, the granting of interest-free advances on associated current accounts and, in general, any other form of interest-free quasi-equity, without however being constrained by the ceilings and thresholds stipulated in Decree No. 2012-890 of July 24, 2012, referred to above,

- no reduction in the capital of venture capital investment companies or withdrawal of amounts deposited in the form of venture capital funds or redemption of units subscribed in venture capital mutual funds or seed funds or any other investment organization in accordance with the legislation in force, for a period of five (5) years from January 1January of the year following that in which the subscribed capital or amounts or shares were paid up, except in the event of a reduction to absorb losses.

- issuance of newly issued shares for subscription to the capital of venture capital investment companies and non-transfer of these shares before the end of two (2) years following the year in which the subscribed capital was paid up,

- no stipulation in agreements concluded with promoters of guarantees outside the project or remuneration that is not linked to the results of the project that is the subject of the venture capital investment companies' participation,

- allocation of profits or income reinvested in a special account on the liabilities side of the balance sheet that cannot be distributed except in the event of the sale of shares or partnership interests or the redemption of fund units that gave rise to the deduction, for persons legally required to keep accounts in accordance with the legislation in force.

Chapter V

Miscellaneous and final provisions

Article 23.- The provisions of point 1 of Article 4 and the provisions of Article 6 of Decree No. 2013-5199 of December 12, 2013, establishing the interventions and activities concerned by the participations of the communications development fund, are repealed.

information and telecommunications technologies and the terms of their financing, and replaced by the following:

Article 4, point 1 (new): "startup program."

Article 6 (new): The Fund's interventions under the startup program cover the following two areas:

1. The State shall cover the costs of registering patents for startups at the national and international levels, as provided for in Article 12 of Law No. 2018-20 of April 17, 2018, on startups.

2. The financing of the "Startup Guarantee Fund" guarantee mechanism aimed at guaranteeing the participation of venture capital investment companies, collective venture capital funds, seed funds, and any other investment body in accordance with the legislation in force in startups, as stipulated in Article 18 of Law No. 2018-20 of April 17, 2018, on startups.

Art. 24.- The Minister of Communication Technologies and the Digital Economy, the Minister of Finance, and the Minister of Vocational Training and Employment are responsible, each in their respective areas, for the implementation of this government decree, which will be published in the Official Journal of the Republic of Tunisia.

Tunis, October 11, 2018.

The Head of Government
Youssef Chahed

For countersignature
The Minister of Finance

Mouhamed Ridha Chalghoum *The Minister of Vocational Training and Employment*

Faouzi Ben Abderrahmane *The Minister of Communication Technologies and the Digital Economy*
Digital Economy

Mouhamed Anouar Maarouf

Decree-Law No. 61-14 of August 30, 1961 (19 Rabia I 1381), relating to the conditions for exercising certain commercial activities.

We, Habib Bourguiba, President of the Republic of Tunisia, Having regard to Article 31 of the Constitution;

Having regard to the Commercial Code;

Having regard to the opinions of the Secretaries of State to the Presidency, Foreign Affairs, Justice, the Interior, Planning and Finance, Industry and Transport, Public Works and Housing, and Public Health and Social Affairs;

Have adopted the following decree-law:

Article 1.- The purpose of this decree-law is:

1) To define the conditions under which foreigners may engage in trade;

2) To define the conditions for engaging in certain commercial or similar activities.

TITLE I

Conditions for the exercise of trade by foreigners

Article 2.- Natural and legal persons who do not have Tunisian nationality may only engage in commercial activities, directly or indirectly, under the conditions defined by the texts in force and the provisions of this decree-law.

Article 3.- Legal entities shall be deemed to have Tunisian nationality when they meet all of the following conditions:

1) they are incorporated in accordance with the laws in force and have their registered office in Tunisia;

2) have at least 50% of their capital represented by registered securities held by Tunisian natural or legal persons;

3) have a board of directors, management or supervisory board composed mainly of natural persons of Tunisian nationality;

4) have their chairmanship, general management, or management held by natural persons of Tunisian nationality.

For public limited companies, and in the event of a separation between the functions of chairman of the board of directors and those of chief executive officer, the chief executive officer must have resident status within the meaning of the foreign exchange regulations in force. (Amended by Law No. 85-84 of August 11, 1985).

Article 4.- Natural or legal persons who do not have Tunisian nationality may only engage in commercial activity if they meet at least one of the following conditions:

1) be a national of a State that has concluded a reciprocal investment guarantee agreement with the Tunisian State and under the conditions provided for in that agreement;

2) be a national of a country that has signed an agreement with Tunisia specifically allowing the pursuit of this activity;

3) have entered into an agreement with the Tunisian State, approved by law;

4) have been approved by the Secretary of State for Planning and Finance as a subcontractor of a Tunisian company and only for the duration of the work covered by the application for approval;

5) be engaged in the extraction of raw materials;

6) manufacture or process manufactured products, maintain, repair, or install them;

7) engage in foreign exchange, banking, and stock market transactions in accordance with the legislation regulating the exercise of these activities;

8) engage in the trade and distribution of hydrocarbons;

9) carry out work financed by public or private funds from the country to which they belong, provided that such financing is approved by the Secretary of State for Planning and Finance;

10) have obtained a trader's card from the Secretary of State for Planning and Finance, the conditions for the issue of which shall be defined by order of the Secretary of State for Planning and Finance.

Article 5.- Any natural or legal person who does not have Tunisian nationality and who carries out a commercial activity is required, within one month of the publication of this decree-law, to submit a declaration of activity to the Secretary of State for Planning and Finance by registered letter with acknowledgment of receipt.

The persons referred to in the previous paragraph who express a desire to continue their activity and who meet one of the first nine conditions set out in Article 4 may, at any time, receive notification of a decision by the Secretary of State for Planning and Finance requiring them to cease their activity under the conditions set out in Article 6 below.

Failure to declare within the time limit specified in paragraph 1 of this article shall be punishable by a tax fine of 100 to 1,000 dinars, regardless of the closure of undeclared establishments that may be ordered by the administration.

Violations of the provisions of this article shall be recorded by officials of the Secretary of State for Planning and Finance.

This fine shall be enforced by means of coercion, as in the case of registration fines. However, coercion shall be enforceable by all legal means, provisionally and notwithstanding any opposition by the interested party before the competent courts.

Article 6.- Natural persons or legal entities who are refused permission to carry out their activity by decision of the Secretary of State for Planning and Finance to carry out their activities shall, within one year of notification of this decision, either comply with the conditions listed in Article 3 or find themselves in one of the situations listed in Article 4, or transfer their activities to natural or legal persons of Tunisian nationality approved by the Secretary of State for Planning and Finance.

If, at the end of the aforementioned period, no application has been submitted or approved, the Secretary of State for Planning and Finance shall automatically appoint, after consulting a commission whose composition shall be determined by order of the Secretary of State for Planning and Finance, either the beneficiary of the transfer and under the conditions he determines, or

ex officio, after consulting a commission whose composition shall be determined by order of the Secretary of State for Planning and Finance, either the beneficiary of the transfer and under the conditions he determines, or, where applicable, the person responsible for supervising the liquidation of the company.

Article 7.- On a transitional basis, natural and legal persons who do not have Tunisian nationality and who are holders of works or supply contracts awarded by the State, local public authorities, and public institutions may continue to carry out their activities until the private contracts concluded before the final acceptance of the works or supplies covered by the current public contracts have been fully performed.

TITLE II

Conditions for the exercise of certain commercial or similar activities

Article 8.- The exercise of the following activities, in any form whatsoever and regardless of the method of taxation (business license tax, tax on salaries and wages, tax on profits from non-commercial professions) is, unless an exemption is granted by the Secretary of State for Planning and Finance, prohibited to natural or legal persons who do not have Tunisian nationality:

1) property manager;

2) commission agent, broker, commercial agent;

3) general or special agent of insurance companies;

4) dealer, consignee, general representative, general agent, or sales agent, regardless of the name under which this activity is carried out;

5) travel agent, sales representative, commercial representative.

The exercise of the activities referred to in the previous paragraph by natural or legal persons of Tunisian nationality is subject to the approval of the Secretary of State for Planning and Finance under the conditions set out in Article 10 below.

Article 9.- Natural or legal persons who do not have Tunisian nationality and who carry out the activities referred to in Article 8 shall, within one year of the publication of this decree-law

transfer their activities to natural or legal persons of Tunisian nationality approved by the Secretary of State for Planning and Finance.

If, at the end of the aforementioned period, no application has been submitted or approved, the Secretary of State for Planning and Finance shall automatically designate either the beneficiary of the transfer, under the conditions he determines, or, where applicable, the person responsible for supervising the liquidation of the company.

Article 10.- Natural or legal persons of Tunisian nationality carrying out the activities referred to in Article 8 shall, within three months of the publication of this decree-law, notify the Secretary of State for Planning and Finance, by registered letter with acknowledgment of receipt, whether they wish to continue or cease these activities.

Failure to declare within the period specified in paragraph 1 of this article shall be punishable by a tax fine of 100 to 1,000 dinars, regardless of the closure of undeclared establishments that may be ordered by the administration. Violations of the provisions of this article shall be recorded by officials of the Secretary of State for Planning and Finance. This fine shall be enforced by means of coercion, as in the case of registration fines. However, coercion shall be enforceable by all legal means, provisionally and notwithstanding any opposition by the interested party before the competent courts.

Persons who have expressed a desire to continue their activity shall receive, within three months of receipt of their application, a decision from the Secretary of State for Planning and Finance authorizing or prohibiting the exercise of these activities. In the latter case, the provisions of Article 9 shall apply, with the time limits starting to run from the notification of the decision of refusal.

TITLE III

Miscellaneous provisions

Article 11.- Any issue of bearer securities in Tunisia must be approved by the Secretary of State for Planning and Finance.

Article 12.- Transfers of business assets and their constituent elements, with the exception of goods, belonging to natural or legal persons who do not have Tunisian nationality, must be authorized in advance by the Secretary of State for Planning and Finance.

Any act or declaration confirming the completion of one of the transactions referred to in the preceding paragraph must, on pain of nullity, mention the number and date of the authorization. In the absence of such mention, no registration or entry in the commercial register may be made.

Nullity shall be established at the request of the Public Prosecutor, the parties, or any interested third party.

Any violation of the provisions of this article shall result in the confiscation of the fraudulently negotiated property for the benefit of the State. The perpetrators of the offense shall also be jointly and severally liable to a fine equal to twice the value of the property in dispute and to a term of imprisonment of 16 days to one year. The Public Prosecutor shall be seized of the matter at the request of the Secretary of State for Planning and Finance.

Article 53 of the Penal Code shall not apply to the offenses provided for in this article.

Article 13.- No person may be a member of more than eight boards of directors of public limited companies having their registered office in Tunisia.

The above provisions shall not apply to companies with their registered office in Tunisia in which the State or local authorities hold a direct or indirect equity interest.

Article 14.- No person may hold more than three terms as Chief Executive Officer of a public limited company.

Article 15.- Any person who knowingly contributes to circumventing the provisions of this decree-law by fictitiously engaging in certain transactions shall be sentenced to imprisonment for a term of three months to five years.

In the case of legal entities, this penalty shall be incurred by those within the company who have the status of trader.

Article 53 of the Penal Code shall not apply to the offenses provided for in this article.

Article 16.- The deadlines provided for in this decree-law may be extended by order of the Secretary of State for Planning and Finance.

Article 17.- Any provisions contrary to this decree-law are hereby repealed.

Article 18.- The Secretaries of State for the Presidency, Foreign Affairs, Justice, the Interior and Finance, Industry and Transport, Public Works and Housing, and Public Health and Social Affairs shall be responsible, each in their respective areas, for the implementation of this decree-law, which shall be published in *the Official Journal of the Republic of Tunisia.*

Done at Tunis, August 30, 1961 (19 Rabia I 1381)

The President of the Republic of Tunisia
Habib BOURGUIBA

On behalf of the people;

The House of Representatives having adopted;

The President of the Republic promulgates the following law:

Article 1.- The purpose of this law is to define the foreign trade regime applicable to the import and export of goods hereinafter referred to as "products."

CHAPTER I
THE IMPORT AND EXPORT REGIME FOR PRODUCTS

Article 2.- Imports and exports of products are unrestricted, except for products subject to restrictions provided for by law.

Article 3.- All products relating to security, public order, hygiene, health, morality, the protection of fauna and flora, and cultural heritage are excluded from the free trade regime.

The list of products referred to in this article shall be established by decree.

Article 4.- Except in the case of occasional non-commercial transactions, imports and exports of products shall be carried out by natural or legal persons whose activities involve the use, production, or sale of imported or exported products and who operate in accordance with the regulations governing their activities in Tunisia.

Article 5.- Products excluded from the free trade regime shall be imported or exported under import and export authorizations granted by the Minister of Trade.

Article 6.- The procedures for carrying out import and export operations shall be laid down by decree.

Article 7.- Import and export operations shall be subject to the application of the procedures and payment terms provided for by the foreign exchange legislation in force.

CHAPTER II

TECHNICAL CONTROL OF IMPORTS AND EXPORTS

Article 8.- Imported products may be subject to technical control for compliance with national technical standards or regulations or international standards or, where applicable, specific conditions agreed between the supplier and the importer, provided that these specifications do not conflict with national and international standards and the interests of the consumer.

Article 9.- Exported products may be subject to technical control for compliance with national technical standards or regulations or international standards in force, or with the technical specifications applicable in the importing country, and, where applicable, with the special conditions agreed between the exporter and the customer, provided that these conditions do not conflict with national and international standards and the interests of consumers.

Article 10.- Technical controls on imports and exports as provided for in Articles 8 and 9 shall be carried out without prejudice to the regulations relating to specific controls, in particular veterinary and phytosanitary controls, carried out by the competent administrative departments.

Article 11.- The technical inspection procedures and the bodies authorized to carry them out shall be determined by decree on the proposal of the Minister responsible for trade.

The products subject to technical control shall be determined by order of the Minister of Trade.

CHAPTER III (*)
DEFENSE AGAINST UNFAIR IMPORT PRACTICES

CHAPTER IV
NATIONAL COUNCIL FOR FOREIGN TRADE

Article 34.- A National Foreign Trade Council is hereby established, responsible in particular for:

- giving its opinion on the export promotion strategy and foreign trade policy;

- monitoring measures relating to defense against dumping and subsidization practices;

- monitoring developments in exports and imports and proposing provisions and measures to improve the trade balance

- deciding on the program of national and international trade fairs and events organized in Tunisia and abroad;

- proposing the budget for financing the national program of fairs and exhibitions.

The composition and operating procedures of the National Foreign Trade Council shall be determined by decree on the proposal of the Minister of Trade.

Article 35.- For the purposes of this law, fairs and events are defined as any general or specialized event whose main purpose is to exhibit or present samples and types of products or various materials with a view to promoting or marketing them.

The classification, organization, and operating procedures for fairs and exhibitions shall be determined by decree upon the recommendation of the Minister of Trade.

.....

(*) Repealed by Law No. 99-9 of February 13, 1999.

CHAPTER V
MISCELLANEOUS PROVISIONS

Article 36.- Imports or exports of products that violate the procedures and formalities provided for in Articles 3, 4, 7, 8, 9, 10, and 38 of this law and by the texts adopted for its application shall be punished in accordance with the legislation in force, particularly in the areas of customs, taxation, foreign exchange, economic control, technical control, hygiene, health, and safety.

Article 37.- Any importation of products that do not comply with the provisions of Articles 8 and 10 of this Law shall be liable to be refused entry in accordance with the legislation in force.

Article 38.- Violations of the provisions of this law and the texts adopted for its application shall be recorded in reports drawn up by economic control inspectors and agents duly authorized by the Minister of Trade, the Minister of Finance, or any other department or public body empowered to do so.

Article 39.- Notwithstanding the provisions of Articles 2 and 3 of this Act, certain products, the list of which shall be determined by decree, shall remain subject to import authorization on a transitional basis during the period of implementation of the foreign trade liberalization program.

Article 40.- The provisions of this law shall enter into force on July[1,] 1994, and all previous provisions contrary to this law shall be repealed, in particular:

- the provisions of Article 41 of the Foreign Exchange and Foreign Trade Code annexed to Law 76-18 of January 21, 1976, on the revision and codification of foreign exchange and foreign trade legislation governing relations between Tunisia and foreign countries.

- Law 66-1 of January 28, 1966, establishing a national council for fairs and exhibitions, and Law 88-9 of February 23, 1988, which amended and supplemented it.

- Decree-Law No. 85-11 of September 27, 1985, on the regulation of import trade, ratified by Law No. 85-95 of November 25, 1985.

This law shall be published in the Official Journal of the Republic of Tunisia and enforced as a law of the State.

Tunis, March 7, 1994.

Zine El Abidine Ben Ali

Law No. 94-42 of March 7, 1994, establishing the regime applicable to the activities of international trading companies (Amended and supplemented by Law No. 96-59 of July 6, 1996, and Law No. 98-102 of November 30, 1998)

On behalf of the people

The House of Representatives having adopted,

The President of the Republic promulgates the following law:

Article 1.- This law establishes the provisions relating to the activities of international trading companies.

International trading companies are governed by the provisions of common law insofar as they are not derogated from by this law.

Article 2 (Amended by Law No. 96-59 of July 6, 1996).-The activity of international trading companies consists of the export and import of goods and products, as well as all types of international trading and brokerage operations.

International trading and brokerage operations must be carried out in accordance with the terms and conditions prescribed by the Central Bank of Tunisia.

Under this law, international trading companies are defined as those that:

- generate at least fifty percent of their annual sales from exports of goods and products of Tunisian origin. However, this percentage may be reduced to 30% if the company generates a minimum amount of its annual export sales from goods and products of Tunisian origin,
- exclusively import and export goods and products with companies

that are wholly export-oriented, as defined by the investment incentive code promulgated by Law No. 93-120 of December 27, 1993. In this case, they are not required to meet the minimum percentage of export sales requirement.

The balance of international trading and brokerage operations carried out by resident international trading companies is considered equivalent to an export of goods and products of Tunisian origin.

An order of the Minister of Trade shall determine the minimum amount referred to above, the method of calculating export sales of goods and products of Tunisian origin, and the method of calculating the balance of international trade and brokerage transactions included in the calculation of export sales.

Article 2 bis (Added by Law No. 96-59 of July 6, 1996) - International trading companies may operate as residents or non-residents under foreign exchange regulations.

International trading companies are considered non-resident within the meaning of this law when their share capital, as defined in Article 5 of this law, is held by Tunisian or foreign non-residents through the importation of convertible currency equal to at least 66% of the capital.

Non-resident status must be expressly mentioned in the company's articles of association.

Non-resident international trading companies are not subject to the obligation to repatriate the proceeds of their exports.

Article 3.- In the course of its business, an international trading company is authorized to perform related tasks itself or through subcontractors. To this end, it may own and manage storage areas and warehouses, and carry out packaging and wrapping operations. It may also provide, either by its own means or by leasing, domestic and international transport and carry out all kinds of transit operations in accordance with the legislation in force.

Article 4.- The exercise of the activity of international trading companies is subject to the filing of a declaration with the Ministry of Trade. This declaration must include:

- the company name,

- the location of the company and its address,

- the company's capital structure with specific details on the partners,

-information on investment and financing plans,

-precise details concerning the company's areas of activity.

A copy of the declaration, duly endorsed by the relevant departments of the Ministry of Trade, shall be given to the company concerned.

The above-mentioned declaration shall become null and void if the company has not commenced the effective exercise of its international trade activity within one year of the date of approval of the said declaration.

Any changes to the information contained in the above-mentioned declaration must be communicated to the relevant departments of the Ministry of Trade.

Article 5.- International trading companies as defined in Article 2 of this law shall be established with a minimum capital.

The minimum capital is set by order of the Ministry of Trade(1) ;

The capital of such companies must be paid up in full at the time of their incorporation.

The minimum capital is reduced for young entrepreneurs as defined in Article 5(bis). This benefit is granted only once for each young entrepreneur. *(Added by Art. 1er Law No. 98-102 of November 30, 1998).*

Article 5(bis) (Added by Law No. 98-102 of November 30, 1998). For the purposes of this law, a young entrepreneur is defined as any natural person of Tunisian nationality who meets the following conditions:

- holds a higher education diploma,

- be no more than 40 years of age at the time of filing the declaration of incorporation,

- be personally and fully responsible for the management of the project,

- hold at least 51% of the capital.

Article 6.- All products and goods whose importation is prohibited under the legislation and regulations in force, and in particular those that may undermine the security of the country, hygiene, morals, public order, national heritage, the environment, or the image of Tunisia, are not eligible for admission, even temporarily, to the national territory.

Article 7.- International trading companies may only make direct sales on the local market to foreign trade operators and in accordance with the regulations in force.

Retail sales are prohibited in all cases.

Article 7 (bis) (Added by Law No. 96-59 of July 6, 1996).International trading companies may be established as wholly exporting companies when they undertake to generate at least eighty percent (80%) of their sales from export operations, and as partially exporting companies when they propose to carry out import and export operations.

The benefits provided for in the Investment Incentive Code for wholly exporting companies and partially exporting companies shall apply to them as appropriate.

Article 8.- Companies governed by the provisions of this law may, at any time, be subject to inspection by duly authorized agents of the Ministry of Trade, the Ministry of Finance, the Central Bank of Tunisia, or any other department or public body authorized for this purpose.

This inspection is intended to verify the compliance of these companies' activities with the laws and regulations in force, in particular

in the areas of economics, taxation, customs, foreign exchange, health, the environment, and safety.

Article 9.- Without prejudice to the application of the penalties provided for by the rules of common law in the matters listed in the previous article, companies that contravene the provisions of Articles 4, 6, and 7 of this law are liable to a fine equal to three times the amount of the offense, with a minimum of 1,000 dinars.

The Minister of Trade may terminate the activities of any international trading company that fails to comply with the provisions of this law.

Article 10.- International trading companies established under Law No. 88-110 of August 18, 1988, must comply with the provisions of this law within one year of the date of publication of this law.

Companies that do not comply with the provisions of this law shall be deemed to be dissolved by operation of law.

Article 11.- All provisions contrary to this law are repealed, in particular Law No. 88-110 of August 18, 1988, establishing the regime applicable to international trading companies.

This law shall be published in the Official Journal of the Republic of Tunisia and enforced as a law of the State.

Tunis, March 7, 1994.

Zine El Abidine Ben Ali

Law No. 99-9 of February 13, 1999, on defense against unfair import practices [1].

On behalf of the People,

The Chamber of Deputies having adopted;

The President of the Republic promulgates the following law:

Article 1.- The purpose of this law is to define the rules applicable to unfair import practices and to establish the conditions under which they are neutralized.

CHAPTER I
DEFINITIONS

Article 2.- For the purposes of this law, the following definitions apply:

- Anti-dumping duty: The duty applied to remedy damage caused to a domestic industry by imports of products that have been dumped.

- Countervailing duty: The duty applied to remedy damage caused to a domestic industry by imports of subsidized products.

- Domestic industry: All domestic producers of similar products or those whose combined production constitutes a major proportion of the total domestic production of those products.

- Like product: any product that is identical in all respects to the product being dumped or subsidized or, in the absence of such a product, another product that, although not identical in all respects, has characteristics closely resembling those of the product in question.

.....

(1) Preparatory work:
Discussion and adoption by the Chamber of Deputies at its meeting on January 26, 1999.

- Dumping margin: the difference between the export price and the normal value, as determined by a comparison of these two elements.

- Normal value: the price paid or payable, in the ordinary course of trade, by independent buyers in the exporting country.

- Export price: The price actually paid or payable for the product sold for export to Tunisia.

- Damage: significant harm caused to a branch of production or the threat of significant harm to a branch of production or significant delay in the creation of a domestic branch of production.

- Objective criteria or conditions: Neutral criteria or conditions that do not favor certain companies over others and that are economic in nature and horizontally applicable, such as the number of employees and the size of the company.

CHAPTER II
DEFENSE AGAINST DUMPING AND SUBSIDIES

SECTION I

Determination of the existence of dumping

Article 3.- A product is considered to be dumped, i.e., introduced onto the Tunisian market at a price below its normal value, if the export price of that product is lower than the comparable price charged in the course of normal commercial transactions for a similar product intended for consumption in the exporting country.

SECTION II

Determination of a subsidy

Article 4.- A subsidy shall be deemed to exist:

a) If there is a financial contribution from the public authorities or any public body within the territorial jurisdiction of the country of origin or export, i.e. in cases where:

- A practice of the public authorities involves a direct transfer of funds, potential direct transfers of funds, or commitments.

- Public revenues normally due are waived or not collected.

- The public authorities provide goods or services other than general infrastructure or purchase goods.

- The government makes payments to a financing mechanism or entrusts a private entity with the performance of one or more functions of the types listed in the first three paragraphs of subparagraph (a), which are normally within its remit, or orders it to do so, the practice followed not differing materially from the normal practice of the government;

b) If there is any form of income protection or price support within the meaning of Article XVI of GATT 1994

and

c) If an advantage is thus conferred.

SECTION III

Subsidies subject to countervailing measures

Article 5.- Subsidies as defined in Article 4 shall be countervailable only if they are specific within the meaning of Article 6 below.

Article 6.- In determining whether a subsidy within the meaning of Article 4 is specific, the following principles shall apply:

a) - Where the authority granting the subsidy or the applicable legislation expressly limits the possibility of benefiting from the subsidy to certain production enterprises, there is specificity.

b) In cases where the authority granting the subsidy or the applicable legislation makes entitlement to the subsidy and the amount thereof subject to objective criteria or conditions, there is no specificity, provided that entitlement to the subsidy is automatic and that the criteria are met.

c) If, notwithstanding any appearance of non-specificity resulting from the application of the principles set out in subparagraphs (a) and (b), there are

reasons to believe that the subsidy may in fact be specific, other factors may be taken into consideration. These factors are: use of a subsidy program by a limited number of certain enterprises, predominant use by certain enterprises, granting of disproportionate subsidy amounts to certain enterprises, and the manner in which the authority granting the subsidy exercised discretion in the decision to grant a subsidy.

In this regard, particular consideration is given to information on the frequency with which applications for a subsidy have been refused or approved and the reasons for those decisions.

d) A subsidy is specific if it is limited to certain enterprises located within a specific geographical region of the exporting country granting the subsidy.

e) The following are considered specific:

- Subsidies that are contingent in law or in fact, either exclusively or among other conditions, on export performance.

- Subsidies contingent, either exclusively or among other conditions, on the use of domestic products in preference to imported products.

SECTION IV

Initiation of proceedings and subsequent investigation of dumping and subsidization

Article 7.- An investigation to determine the existence, degree, and effect of any alleged dumping or subsidy shall be initiated by the Minister of Trade only upon a written complaint filed by or on behalf of the domestic industry, except in the circumstances referred to in Article 10.

A complaint within the meaning of the preceding paragraph shall contain evidence of the existence of dumping or subsidization liable to anti-dumping or countervailing duties, of injury, and of a causal link between the imports alleged to be dumped or subsidized and the alleged injury.

Article 8.- An investigation shall be initiated in accordance with Article 7 only if it has been determined, on the basis of an examination of the degree of support or opposition to the request expressed by the domestic producers of the like product, that the complaint has been lodged by or on behalf of the domestic industry.

The complaint shall be deemed to have been lodged by the domestic industry or on its behalf if it is supported by domestic producers whose combined output constitutes more than 50% of the total production of the like product produced by the part of the domestic industry expressing support for or opposition to the complaint.

However, no investigation shall be initiated where the local producers expressly supporting the complaint represent less than 25% of the total production of the like product produced by the domestic industry.

Article 9.- Notwithstanding the provisions of Article 8, the decision to initiate an investigation shall be taken after examining the accuracy of the evidence provided concerning the existence of dumping or subsidization and the alleged injury.

Article 10.- The Minister of Trade may, in exceptional circumstances, decide to initiate an investigation without receiving a written request from or on behalf of the domestic industry concerned, where he has sufficient evidence of the existence of dumping or subsidization, damage, and a causal link as provided for in Article 7 to justify the opening of an investigation.

Article 11.- The Minister responsible for trade may reject any complaint lodged in accordance with Article 7 and close the investigation as soon as possible where the services of the Ministry responsible for trade have found that the evidence relating to either dumping or subsidization or injury is insufficient to justify the continuation of the proceedings.

Article 12.- When the decision to open an investigation has been taken, the Minister responsible for trade shall take the following measures:

- send the request for information necessary for the investigation to the authorities of the countries exporting as well as to the

exporters concerned, who must complete it and send it to the Ministry of Trade.

The response to the request for information must be provided within the time limits and in the form specified in the request.

The request for information shall be deemed to have been received by the exporter within seven days of the date on which it was sent or transmitted to the diplomatic representative of the exporting country.

- Announce in the Official Journal of the Republic of Tunisia the opening of an investigation into the product being dumped or subsidized.

This notice of initiation shall indicate the nature of the product and the country or countries concerned and shall include a summary of the information received.

Article 13.- Evidence submitted by an interested party shall be made available as soon as possible, subject to the obligation to protect confidential information, to the other interested parties participating in the investigation.

Article 14.- All information of a confidential nature, or which is provided on a confidential basis by the parties to an investigation, shall, on the basis of a statement of valid reasons, be treated as such by the administration. Such information shall not be disclosed without the express authorization of the party providing it.

Article 15.- Interested parties providing confidential information shall be required to provide non-confidential summaries thereof.

In exceptional circumstances, such parties may indicate that the information is not suitable for summary and shall give reasons for this.

Article 16.- If a request for confidential treatment is considered unjustified and the party that provided the information does not wish to make it public or authorize its disclosure in summary form, the information may be disregarded unless it can be convincingly demonstrated from appropriate sources that the information is correct.

Article 17.- Where an interested party refuses access to the necessary information or does not provide it within the time limits laid down in this Act, or significantly impedes the investigation, preliminary or final findings, affirmative or negative, may be made on the basis of the facts available.

Article 18.- Exporters and importers of the product under investigation, as well as the applicants, may be informed of the progress and results of the investigation.

However, such information, which may be provided in writing, shall not prejudge the decisions to be taken.

Article 19.- As soon as a complaint lodged in accordance with Article 7 has been upheld and before the investigation is opened, the Ministry responsible for trade shall notify the public authorities of the exporting country concerned.

Notwithstanding the preceding paragraph, where the complaint concerns imports subject to countervailing duties, the Ministry of Trade shall invite the public authorities of the country concerned to hold consultations with a view to clarifying the facts and reaching a mutually agreed solution.

Article 20.- The investigating authorities may hear the parties concerned at their request, or for the purposes of the investigation, either together or separately, in order to allow opposing arguments to be heard.

No interested party shall be required to attend a hearing, and absence from a hearing shall not prejudice the case of any party.

During these hearings, the need to safeguard the confidentiality of information must be taken into account.

Information provided orally may only be taken into consideration if it is subsequently reproduced in writing and made available to the other interested parties.

Interested parties who intend to participate in the hearing must provide the Ministry of Trade with the identity of their representatives at least seven days before the date of the hearing.

Article 21.- The investigation shall be closed immediately in cases where it has been determined that the margin of dumping or the amount of the subsidy is de minimis or that the volume of actual or potential imports subject to dumping or subsidization is within the threshold provided for in the decree establishing the conditions and procedures for determining unfair practices.

Article 22.- Except in exceptional circumstances, investigations shall be closed within one year of their initiation by the Minister of Trade and, in any event, within a period not exceeding eighteen months.

Any preliminary or final determination, whether positive or negative, any acceptance of an undertaking or expiry of that undertaking in accordance with this law, as well as any decision to close an investigation, shall be published in the Official Journal of the Republic of Tunisia.

Article 23.- Anti-dumping or anti-subsidy proceedings shall not prevent customs clearance.

SECTION V

Imposition of anti-dumping and countervailing duties

Article 24.- Provisional anti-dumping duties or provisional countervailing duties may be imposed by decree on the proposal of the Minister responsible for trade in the event that:

- An investigation has been initiated in accordance with Articles 7 and 10 of this Law.

- A notice to that effect has been published in the Official Journal of the Republic of Tunisia.

- Adequate opportunities have been given to interested parties to provide information and make comments.

- A preliminary examination has established the existence of dumping or subsidization and damage to a domestic product and a causal link between the dumping or subsidization and the damage.

- Such measures are deemed necessary by the Minister of Trade to prevent damage from occurring during the investigation period.

Article 25.- Provisional anti-dumping duties or provisional countervailing duties shall be imposed no earlier than 60 days from the date of initiation of the investigation procedure.

Article 26.- The amount of the provisional anti-dumping duty shall not exceed the margin of dumping provisionally established and may be less than that margin if a lower anti-dumping duty is sufficient to eliminate the injury suffered by the domestic industry.

Article 27.- The amount of the countervailing duty provisionally established shall not exceed the total amount of the subsidy that led to its imposition.

Article 28.- Provisional anti-dumping duties may be imposed for a period of four months. However, they must be extended to six months at the request of exporters representing a significant percentage of the trade in question.

Where a duty lower than the margin of dumping would be sufficient to remove the injury, these periods may be six and nine months respectively.

- Provisional countervailing duties may be imposed for a period of four months.

Article 29.- Provisional countervailing duties and provisional anti-dumping duties may be represented by cash deposits or bonds.

Article 30.- A definitive anti-dumping or countervailing duty shall be imposed by decree when the definitive findings show that dumping or subsidization has occurred and that injury has resulted.

- The amount of the definitive anti-dumping duty or definitive countervailing duty shall not exceed the margin of dumping assessed or the amount of the subsidy. However, the amount of such duties may be less than the margin of dumping or the amount

subsidy, if such duties are sufficient to eliminate the injury caused to the domestic industry.

Article 31.- Anti-dumping or countervailing duties shall be collected in the same manner as customs duties.

SECTION VI

Price undertakings

Article 32.- An investigation into dumping may be terminated without the imposition of provisional or definitive anti-dumping duties when the exporter has voluntarily and satisfactorily undertaken to revise its dumping prices and the Ministry of Trade finds that the injurious effect of dumping has been eliminated.

Article 33.- An investigation into subsidies may be terminated without the imposition of provisional or definitive countervailing duties upon acceptance of a voluntary and satisfactory undertaking whereby:

1/ The public authorities of the country of origin and/or export agree to eliminate the subsidy, limit it, or take other measures relating to its effects.

2/ The exporter undertakes to revise its prices or to cease exporting to Tunisia products benefiting from subsidies subject to countervailing duties.

Article 34.- Price undertakings may only be requested from exporters or accepted if the Ministry of Trade has made a preliminary positive determination of the existence of dumping or subsidization and of the damage caused.

With regard to subsidies, commitments made by exporters shall only be accepted after consent has been obtained from the authorities of their countries.

Article 35.- Parties offering an undertaking shall be required to provide a non-confidential version of the undertaking so that it can be communicated to the parties concerned by the investigation.

Article 36.- In the event of acceptance of an undertaking, the investigation into dumping or subsidization and injury shall normally be terminated if the exporter so desires or if the Minister of Trade so decides.

In this case, if the examination of the existence of dumping or subsidization and injury is negative, the undertaking shall become null and void.

If the conclusion is positive regarding the existence of dumping or subsidization and injury, the undertaking shall be maintained in accordance with its terms and the provisions of this law.

Article 37.- The Minister of Trade may require any country of origin or export or any exporter whose undertaking has been accepted to provide periodic information on the implementation of the undertaking.

Article 38.- In the event of a breach or withdrawal of the undertaking, provisional anti-dumping duties or provisional countervailing duties may be imposed immediately, and in such cases, definitive anti-dumping duties or definitive countervailing duties may be applied to products declared for release for consumption no more than ninety days prior to the date of imposition of the provisional anti-dumping duties or provisional countervailing duties.

However, no definitive anti-dumping or countervailing duties shall be applied retroactively to imports prior to the breach or withdrawal of the undertaking.

CHAPTER III
DUMPING
AND SUBSIDIES PRIOR TO THE IMPOSITION OF DUTIES

Article 39.- Provisional measures and definitive anti-dumping or countervailing duties may only be applied to products declared for release for consumption after the date on which the decision to apply such measures entered into force, subject to the exceptions set out below:

a/ A definitive anti-dumping or countervailing duty may be levied on products declared for release for consumption no more than ninety days prior to the date of application of the provisional anti-dumping or countervailing duty, but not prior to the investigation, where it has been determined that:

Either:

That injurious dumping has been found in the past or that the importer knew or should have known that the exporter was dumping and that such dumping would cause injury, and:

The damage is caused by massive imports of a dumped product made within a relatively short period of time and which, given the timing of the dumped imports, their volume, and other circumstances, is likely to seriously undermine the remedial effect of the definitive anti-dumping duty to be applied.

Or:

That there are critical circumstances in which, for the products concerned that are subject to subsidies paid or granted in a manner inconsistent with the provisions of GATT 1994 and the Agreement on Subsidies and Countervailing Measures, irreparable damage is caused by massive imports over a relatively short period of time of a product benefiting from subsidies subject to countervailing duties, and that, in order to prevent such damage from recurring, it appears necessary to impose countervailing duties on those imports retroactively.

b/ Where a determination is made that there is a threat of injury or significant delay, a definitive anti-dumping or countervailing duty may only be imposed from the date of the determination of the threat of injury or significant delay, and any cash deposits made during the period of application of the provisional measures shall be refunded and any bonds released.

c/ If the amount of the definitive anti-dumping duty or countervailing duty is higher than the amount of the provisional duty, the difference shall not be collected.

If the amount of the definitive anti-dumping duty or definitive countervailing duty is less than the amount of the provisional duty, the difference shall be refunded.

CHAPTER IV
DURATION, REVIEW AND THE REFUND OF DUTIES

SECTION I
Duration of Rights and Review

Article 40.- The duration of definitive anti-dumping and countervailing duties shall expire five years after the date of their imposition or five years after the date of the last review of dumping or subsidization and injury, unless the review has shown that the removal of such duties would be likely to lead to a continuation or recurrence of dumping or subsidization.

Article 41.- Upon expiry of the period of application of definitive anti-dumping duties or definitive countervailing duties, a review of the appropriateness of maintaining such duties may be undertaken at the initiative of the Minister responsible for trade or at the request of any interested party presenting data that would justify the need for such a review.

The definitive anti-dumping or countervailing duties shall remain in force pending the outcome of the review.

These provisions shall also apply to price undertakings provided for in Chapter II, Section VI of this Act.

Article 42.- Definitive anti-dumping and countervailing duties may be reviewed at the initiative of the Minister of Trade or at the request of one of the exporters, importers, or representatives of the domestic industry

, if such request contains sufficient evidence demonstrating the need for an interim review, provided that a period of at least one year has elapsed since the imposition of definitive anti-dumping and countervailing duties.

Article 43.- If, pursuant to this law, a product has been subject to an anti-dumping duty, the Minister of Trade shall initiate an accelerated review procedure as soon as possible in order to determine the individual dumping margin for exporters or producers in the exporting country concerned who did not export that product to Tunisia during the period covered by the investigation.

No review shall be initiated in accordance with the preceding paragraph unless the exporters or producers concerned demonstrate that they are not related to any of the exporters or producers in the exporting country to which anti-dumping duties are imposed for the product concerned.

No anti-dumping duty shall be levied on imports from such exporters or producers during the review procedure initiated in accordance with the first paragraph of this article.

However, the Minister responsible for trade may require the exporters or producers concerned to deposit guarantees ensuring that anti-dumping duties may be applied to them retroactively from the date of initiation of the review procedure if this would lead to a determination of dumping for those exporters or producers.

The provisions of Articles 11 to 20 concerning evidence and procedure shall apply to any review carried out under this Article.

SECTION II

Refund of anti-dumping and countervailing duties

Article 44.- To obtain a refund of duties collected in excess of the dumping margin or the actual amount of

subsidy, the importer shall submit a request supported by evidence to the Ministry of Trade within six months of the date on which the amount of the definitive duties imposed is determined.

Article 45.- No request for reimbursement of definitive anti-dumping or countervailing duties shall be considered duly substantiated by evidence unless it contains precise information on the amount claimed for reimbursement and is accompanied by all customs documents relating to the calculation and payment of that amount.

Article 46.- The request for reimbursement must contain a statement by the exporter or producer establishing that the margin of dumping or the amount of the subsidy that gave rise to countervailing duties has been reduced or eliminated.

Any application that does not contain this statement shall be rejected.

Article 47.- The refund of definitive anti-dumping duties or definitive countervailing duties shall be decided by order of the Minister of Finance on the proposal of the Minister responsible for trade, within 12 months and in any case within 18 months from the date of submission of the request, duly supported by evidence.

Article 48.- The Ministry of Finance shall reimburse the authorized amount within ninety days of the date of the reimbursement order.

CHAPTER V

AUTHORIZED AGENTS AND INVESTIGATIVE POWERS IN THE FIGHT AGAINST DUMPING AND SUBSIDIZING PRACTICES

Article 49.- The information provided during the investigation shall be verified, and complaints lodged by the domestic industry in relation to anti-dumping or anti-subsid

against dumping or subsidization practices shall be carried out by agents duly authorized by the Minister of Trade.

To this end, they may conduct visits and carry out inspections at the workplaces and production sites of the natural or legal persons concerned by the investigation.

They may also conduct investigations outside Tunisian territory, in agreement with exporters and the competent authorities of the countries concerned.

If necessary, and taking into account the specific characteristics of the case in question, information may be gathered from Tunisian or foreign institutions and public bodies, both within and outside the country.

CHAPTER VI
JUDICIAL REVIEW

Article 50.- The parties concerned may refer the matter to the competent court of first instance for review of decisions taken in relation to final determinations for reconsideration, as well as determinations concerning the reimbursement of duties.

Recourse to this judicial review must take place within a maximum period of 20 days from the date of publication of the notice provided for in Article 22 of this law.

CHAPTER VII
MISCELLANEOUS PROVISIONS

Article 51.- Officials called upon to examine the investigation file are bound by professional secrecy and are subject to the provisions of Article 254 of the Criminal Code.

Article 52.- The conditions and procedures for determining unfair import practices relating to dumping and subsidies affecting normal value, export price, price comparison, determination of injury and causation, dumping margin, calculation of the amount of subsidy subject to countervailing duties, and the conditions for filing a complaint shall be laid down by decree.

Article 53.- All previous provisions contrary to this law are repealed, in particular Chapter III on defense against unfair import practices of Law No. 94-41 of March 7, 1994, on foreign trade.

This law shall be published in the Official Journal of the Republic of Tunisia and enforced as a law of the State.

Tunis, February 13, 1999.

Zine El Abidine Ben Ali

Law No. 2004-89 of December December 2004, relating to procedures for the online formation of companies. (1)

In the name of the people,

The Chamber of Deputies having adopted,

The President of the Republic promulgates the following law:

Article 1.- The incorporation of public limited companies, limited liability companies, and single-member limited liability companies, whose activities are governed by the provisions of the Investment Incentive Code, as well as the exchange of necessary documents and the payment of fees required for their incorporation, may take place by reliable electronic means in accordance with the legislation relating to electronic exchanges.

The capital of such companies formed in accordance with paragraph 1 of this article shall not include contributions in kind.

Article 2.- The incorporation of companies by electronic means as provided for in Article 1 of this Law exempts them from the requirement to submit the documents necessary for their incorporation in paper form.

If the documents are not submitted by reliable electronic means, they must be submitted to the relevant body within 30 days of the date of payment of the fees payable for the incorporation of companies.

Failure to submit the necessary documents within the time limit specified in the second paragraph of this article shall result in the cancellation of the incorporation formalities without giving rise to a refund of the fees paid.

.....

(1) Preparatory work:

Discussion and adoption by the Chamber of Deputies at its meeting on December 23, 2004.

Article 3.- The procedures for implementing the provisions of this law and the powers of the body responsible for the incorporation of online companies shall be laid down by decree.

This law shall be published in the Official Journal of the Republic of Tunisia and enforced as a law of the State.

Tunis, December 31, 2004.

Zine El Abidine Ben Ali

Decree-Law No. 2022-2 of January 4, 2022, on the organization of credit reporting activities.

The President of the Republic, Having

regard to the Constitution,

Having regard to Presidential Decree No. 2021-117 of September 22, 2021, on exceptional measures,

After deliberation by the Council of Ministers. Issues

the following decree-law:

Chapter I

General provisions

Article 1.- The purpose of this decree-law is to regulate the creation of credit information companies and the exercise of their activities, and to establish rules for the exchange of credit information in order to improve its quality with a view to contributing to the improvement of financial inclusion.

Article 2.- Credit information companies are governed, with regard to their creation and the exercise of their activities, by the provisions of this decree-law and the legislation relating to the protection of personal data.

Article 3.- For the purposes of this decree-law, the following definitions shall apply:

- Credit information: information relating to the financial commitments of natural and legal persons concerning the amounts of debts, their due dates and any arrears, and all related information.

- Credit information companies: companies whose activity consists of processing credit information on natural and legal persons in order to assess their ability to meet their financial commitments and to offer related services under the conditions laid down in this decree-law.

- Credit report: A report issued by a credit information company in paper or electronic form containing credit information on the person concerned and information on their ability to meet their financial commitments.

- Information providers: The parties and organizations mentioned in Article 12 of this decree-law that have a contractual relationship with the credit information company through a credit information provision agreement.

- Authority: The National Authority for the Protection of Personal Data created pursuant to Organic Law No. 2004-63 of July 27, 2004, on the protection of personal data.

- Data subject: any natural or legal person whose information is communicated to credit information companies in accordance with the provisions of this decree-law.

- Reference shareholder: any shareholder or any shareholders' agreement under an express agreement, which directly or indirectly holds a share of the capital of a credit information company giving it the majority of voting rights or enabling it to control it.

Article 4.- The information relating to credit information referred to in Article 3 of this decree-law shall be determined by a circular from the Central Bank of Tunisia after consultation with the Authority.

Chapter II

Credit reporting agencies

Section 1 - Approval to engage in credit reporting activities

Article 5.- Credit reporting agencies shall be established in accordance with the conditions and procedures set out in this decree-law and shall be governed by the Commercial Companies Code, unless otherwise provided for in this decree-law.

Article 6.- The establishment of credit information companies is subject to approval by the Central Bank of Tunisia, after

the applicant has obtained authorization from the Authority following prior notification of data processing. The Central Bank of Tunisia may not grant approval unless the Authority has accepted the processing of personal data.

Article 7.- Approval shall be granted taking into account:

- the company's business plan,

- the quality of the capital providers, in particular the reference shareholder and shareholders holding at least 10% of the capital,

- the technical resources and information system to be implemented for the collection and storage of credit information,

- the integrity of the managers and the degree to which the conditions relating to academic and professional skills relevant to the tasks assigned to them are satisfied,

- the governance system, internal control, and compliance in line with the activities to be carried out,

- The implementation of written procedures justifying the possibility of obtaining the consent of the individuals concerned for the communication of their personal data to the company in accordance with the provisions of the legislation on the protection of personal data and the agreement of legal entities for the processing of their data,

- taking all necessary steps to protect the integrity of the data and prohibit third parties from modifying, damaging, or consulting it without the prior authorization of its owner, as well as taking the necessary precautions to prevent intrusions and cyberattacks on the information system.

The Central Bank of Tunisia shall issue a circular setting out the procedures for applying for approval and the documents and data to be provided.

Article 8.- The application for approval shall be sent to the Central Bank of Tunisia, which shall examine it. It may ask the applicant for approval within one month of the

submission of the application, any additional information and documents necessary for the examination of the file.

The applicant for approval must attach to their application proof of the Authority's non-objection to the prior declaration for the processing of personal data.

Any application for approval that does not satisfy the information and document requirements within three
(3) months from the date of their request to the Central Bank of Tunisia shall be deemed null and void.

The applicant for approval must make a prior declaration for the processing of personal data to the Authority in accordance with the procedures laid down in the legislation on the protection of personal data. A copy of the receipt for the filing of the declaration shall be included in the file of the application for approval addressed to the Central Bank of Tunisia.

The decision on approval shall be taken within four months of the date on which all the requested information has been provided.

Article 9.- Credit information companies may only carry out their activities after obtaining approval in accordance with the provisions of this decree-law. Their activities must be limited to the operations defined by this decree-law.

Article 10.- Credit information companies shall take the form of a Tunisian public limited company. The minimum capital shall not be less than three (3) million dinars, to be paid up in full upon subscription.

Article 11.- No person may hold the position of chairman or member of the board of directors or chief executive officer or deputy chief executive officer or chairman or member of the executive board or chairman or member of the supervisory board of a credit information company or commit on its behalf:

- If they are subject to a final bankruptcy judgment,
- If they are subject to a final judgment for forgery, theft, breach of trust, fraud,

extortion of funds or securities belonging to others, embezzlement committed by a public depositary, corruption or tax evasion, issuing bad checks, receiving stolen goods obtained through these offenses, or violating foreign exchange regulations or legislation relating to the fight against money laundering and terrorist financing;

If he has been a manager or agent of companies, convicted under the provisions of the Penal Code relating to bankruptcy;

If he or she has been subject to a sanction of removal from the exercise of a professional activity regulated by a legislative or regulatory framework.

Section 2

Exercise of the activity

Article 12.- Credit information companies collect credit information and provide their services within the framework of written agreements established in advance between the information providers mentioned below and the credit information company:

- Banks,
- Financial institutions,
- Debt collection agencies,
- Merchants offering sales with payment facilities,
- Microfinance institutions,
- Insurance companies,
- Companies, institutions, and administrations providing services to the public,
- Any other credit information company approved in accordance with the provisions of this decree-law.

The agreement must comply with the provisions of this decree-law and with competition and pricing legislation, and must clearly set out the billing for services provided by credit information companies.

Article 13.- The information providers referred to in Article 12 are required to inform the person concerned of the purpose of the processing of credit information and to obtain their explicit prior consent, by any means leaving a written record, before communicating their credit information to the credit information company.

Article 14.- Members of the board of directors of credit information companies, their managers, controllers, employees, members of the supervisory board, members of the executive board, or users are prohibited from disclosing secrets that come to their knowledge in the course of their duties, except in cases authorized by law.

The provisions of Article 254 of the Penal Code shall apply to anyone who discloses such secrets.

Article 15.- Credit information companies are prohibited from making recommendations or expressing opinions on the granting or non-granting of financing.

Article 16.- The person concerned has the right to object to the processing of their personal data and credit information concerning them, and also has the right to access, request the updating or deletion of such data in accordance with the legislation on the protection of personal data.

The Authority may, within the scope of its powers under the legislation on the protection of personal data, receive complaints to this effect from persons concerned by the processing. The Authority shall inform the Central Bank of Tunisia of the outcome of the complaint.

Article 17.- Subject to the provisions of Article 23 of this Decree-Law, credit reporting agencies are prohibited from disclosing any credit information or credit reports except to information providers linked to the agency by virtue of an agreement within the meaning of Article 12 of this Decree-Law and in accordance with the purposes defined by this Decree-Law.

Article 18.- Credit reporting agencies may not subcontract any aspect of their business activities.

Section 3

Control

Article 19.- Credit information companies are subject to on-site inspections and document checks carried out by agents of the Central Bank of Tunisia.

They are subject to control of their information systems by the National Agency for Information Security, which is required to inform the Central Bank of Tunisia of any infringement detected by any means leaving a written record.

Credit information companies are subject to supervision by the Authority with regard to the processing of personal data. The Authority may decide to prohibit the processing of data if it is established that the company has failed to comply with its legal obligations regarding the processing of personal data and shall inform the Central Bank of Tunisia of its decision.

Professional secrecy is not enforceable against the Central Bank of Tunisia or its supervisory agents.

Article 20.- Credit reporting agencies must obtain prior authorization from the Central Bank of Tunisia in the following cases:

- Any acquisition, directly or indirectly, of shares in the capital of a credit information company or voting rights, by a person or group of persons linked by an explicit concerted action or belonging to the same group within the meaning of the Commercial Companies Code, which is likely to result in control of the credit information company and, in all cases, any transaction resulting in the acquisition of one-tenth, one-fifth, one-third, one-half, or two-thirds of the voting rights.

The silence of the Central Bank of Tunisia for one month from the date of notification shall be deemed to constitute acceptance. The Central Bank of Tunisia may oppose the said acquisition within one month of the date of notification. In this case, the decision to oppose must be justified.

Voting rights and the right to share in profits linked to holdings acquired without the required authorization shall be automatically suspended.

Any concerted action that has not obtained the said authorization shall be considered null and void.

- all change affecting affecting the information system;

- any merger or acquisition of another company resulting in control of that company;

- the dissolution of the company.

Credit information companies are required to inform the Central Bank of Tunisia of:

- any change in the company's status;

- the opening of agencies or representative offices.

Chapter III

Obligations of credit information companies in the context of credit information exchange

Article 21.- Credit information companies may not transfer databases or set up sites for the protection of data and information made available to them outside Tunisia.

Credit information companies are prohibited from hosting credit information in the cloud.

Article 22.- Credit information companies undertake to set up an information system approved by the National Information Security Agency for the collection and storage of credit information, guaranteeing the confidentiality, security, protection, and reliability of the information at their disposal for the exercise of their activity.

Article 23.- Credit reporting agencies may issue credit reports in the following cases:

- assessing the creditworthiness of the person concerned in connection with the granting of credit or financing, the recovery of debts, the sale on credit, or the granting of payment facilities.

-facilitating the work of banking and financial sector supervisory authorities.

- at the request of the person concerned.

It is prohibited to use credit information or credit reports for purposes other than those mentioned in this article.

Article 24.- Credit information and credit reports may only be communicated by means of electronic devices and telecommunications networks that guarantee confidentiality, integrity, authenticity, and data protection.

Article 25.- Credit information companies are required to conduct a periodic security audit of their information systems at least once a year and to inform the Central Bank of Tunisia, the National Information Security Agency, and the Authority in writing.

Article 26.- Credit information companies undertake to establish and apply procedures guaranteeing the protection and security of their systems and databases from any access to their information systems or modification of this information.

Credit information companies are required to put in place a contingency plan approved by their boards of directors or supervisory boards to deal with any infiltration of their information systems.

They are required to inform the Central Bank of Tunisia and the National IT Security Agency of any intrusions or other disruptions so that the necessary measures can be taken to deal with them. The Authority shall decide whether to inform the persons concerned.

Credit information companies are required to comply with the measures prescribed to put an end to such disruptions.

Article 27.- Credit reporting agencies undertake to establish a manual of procedures and operating rules, approved by their boards of directors or supervisory boards and updated annually.

Article 28.- Credit reporting agencies are required to
to:

- set up an archiving system that guarantees the storage of information for at least five (5) years;

- set up an adequate internal control system adapted to the specific nature of their activities;

- set up an adequate IT security system;

- establish a business continuity and operational risk management plan, updated annually at least once a year;

- establish a risk management plan;

- undergo an annual compliance audit by an independent external firm covering the regulatory, technical, and operational aspects of their activities;

- submit an annual compliance report to the Central Bank of Tunisia, the Ministry of Finance, and the Authority.

Chapter IV

Penalties and withdrawal of authorization

Article 29.- Notwithstanding the sanctions provided for by the laws in force, the Governor of the Central Bank of Tunisia may impose sanctions if any breach of professional obligations and information system security requirements by credit information companies has been established, after giving formal notice to these companies by any means leaving a written record.

After a maximum period of sixty (60) days without regularization, the Governor of the Central Bank of Tunisia may impose one of the following penalties on the basis of a report signed by at least two inspectors and specifying, in particular, the date and reasons for the penalty:

- A fine of between ten thousand (10,000) and fifty thousand (50,000) dinars,

- Suspension of activity for a period of three (3) months,

- Withdrawal of approval.

The offender must be summoned, before the final version of the report is drawn up, by registered letter with acknowledgment of receipt to his original or elected domicile in order to present his statements.

If present, the offender is required to sign the report. If they refuse to sign, this is noted in the report, a copy of which is given to the offender.

If they refuse to attend or sign, a copy of the report shall be sent to them by registered letter with acknowledgment of receipt.

Fines are imposed by the Governor of the Central Bank of Tunisia after summoning the offender for a hearing. The offender may be assisted, in accordance with the law, by a lawyer or any other representative.

Fines are collected for the benefit of the public treasury by means of a liquidation statement issued and made enforceable by the Minister of Finance or his representative, in accordance with the provisions of the Public Accounting Code.

Article 30.- In addition to the cases of withdrawal of approval mentioned in Article 29 of this decree-law, approval shall be withdrawn by decision of the Central Bank of Tunisia after consultation with the Authority in the following cases:

- failure to commence operations within a maximum period of one year from the date of notification of approval.

- cessation of activity for six months.

- at the request of the license holder.

Article 31.- In the event of withdrawal of approval, the data held by credit information companies shall be destroyed in accordance with procedures laid down by the Central Bank of Tunisia and the Authority.

Article 32.- An appeal against the sanction of withdrawal of approval referred to in Article 29 of this Decree-Law shall be brought before the Administrative Court, in accordance with the procedures relating to summary proceedings, within a maximum period of thirty (30) days from the date of notification of the decision.

Chapter V

Transitional provisions

Article 33.- Companies engaged in credit reporting activities on the date of publication of this decree-law in the Official Journal

of the Republic of Tunisia, shall be required to regularize their situation in accordance with the provisions of this decree-law within a maximum period of one year from the date of its publication in the Official Journal of the Republic of Tunisia.

Article 34.- This decree-law shall be published in the Official Journal of the Republic of Tunisia.

Tunis, January 4, 2022.

The President of the Republic
Kaïs Saïed

Article 50.- The provisions governing dissolution and liquidation provided for in the Commercial Companies Code shall apply to crowdfunding service providers of all categories.

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