

**A New law permits establishment of limited company with out a
minimum capital requirement**

The new amendment introduced by law No. 68 of 2009 issued on April 8, 2009 abolished any minimum capital requirement for the incorporation of the limited liability companies.

The new amendment to (Art 116.1) of the Companies Act has aside from facilitating the process of incorporation of small & medium enterprises empowered the limited partners in the limited liability company (Al Sharikat that al masoulia al – mahdoda) to determine its capital. The shares must be equal; this means that the capital of the limited liability company can be any amount.

Prior to the new amendment, the determination of the minimum capital requirement was left to the executive regulation. This new amendment applies only on limited liability companies which will be incorporated after 8th of April 2008.