

Ethiopia Issues New Directive on Investment Commission Services Fees

Description

By DMR Law Firm

The Ethiopian Investment Board has issued **Directive No. 1053/2025 on Fee Rates Payable for Services Provided by the Ethiopian Investment Commission (EIC)**. The Directive introduces a comprehensive and updated schedule of official fees applicable to investors operating in Ethiopia, including those within Special Economic Zones (SEZs) and Free Trade Zones. It is issued pursuant to Article 23 of the Special Economic Zone Proclamation No. 1322/2024 .

Legal Basis and Entry into Force

The Directive comes into force on the date it is published on the websites of the **Ministry of Justice** and the **Ethiopian Investment Commission**. Once effective, the prescribed fees are legally binding and payable for all covered services provided by the EIC .

Scope of the Directive

The Directive standardizes service fees for a wide range of investment-related services delivered by the EIC, primarily through its **One-Stop Shop** framework, as well as within designated Free Trade Zones such as **Dire Dawa Free Trade Zone** and similar zones.

Key Services and Fees (One-Stop Shop)

Under Part I of the Directive, investors are required to pay fixed fees (generally in USD) for core regulatory and administrative services, including:

â€¢ Issuance, renewal, amendment, substitution, and cancellation of **investment permits**;

â€¢ **Business and commercial registration**, amendments, and cancellations;

â€¢ **Work permits** (issuance, renewal, late renewal, substitution, or cancellation);

â€¢ Registration and amendment of **investment capital**, including reinvested profits;

â€¢ **Technology transfer agreement** registration and authentication;

â€¢ Approval of **construction designs**, bills of quantity, and issuance of construction and use permits within SEZs;

â€¢ Issuance of **business licenses**, renewals, and amendments;

â€¢ Various support letters and incentive-related services (customs duty-free permits, tax holiday support, bank guarantee letters, duty drawback, and loss carry-forward support).

Most standard investment and licensing services are priced between **USD 25 and USD 100**, reflecting an effort to maintain predictable and relatively modest regulatory costs for investors .

Free Trade Zone“Specific Regime

Part II of the Directive establishes a **distinct and higher fee structure** for services provided within the Dire Dawa Free Trade Zone and similarly designated zones. Notably:

• Issuance of a **new investment permit** in a Free Trade Zone is subject to a consolidated fee of **USD 1,000**, covering multiple associated registration and notarization services;

• Expansion or upgrading investment permits and renewals are set at **USD 500**;

• Work permits range from **USD 300 to USD 500**, with higher penalties for late renewal;

• Business licenses in Free Trade Zones range from **USD 750 to USD 1,000**, depending on whether they are new, renewed, or upgraded.

Where a service is not expressly listed under Part II, the applicable fee defaults to the One-Stop Shop schedule under Part I .

Practical Implications for Investors

This Directive enhances **transparency and predictability** by consolidating all EIC service fees into a single, publicly accessible schedule. For investors, this allows:

• Better upfront budgeting of regulatory and administrative costs;

• Clear differentiation between costs applicable in standard investment areas versus Free Trade Zones;

• Reduced discretion in fee assessment by authorities, supporting regulatory certainty.

However, investors considering Free Trade Zones should carefully factor in the **significantly higher regulatory fees**, particularly for permits, licenses, and employment of expatriates.

Conclusion

Directive No. 1053/2025 represents an important regulatory development in Ethiopia’s investment framework. While it does not alter substantive investment rights, it materially affects the **cost structure of establishing, operating, and expanding investments** in Ethiopia. Investors are advised to assess the fee implications early in transaction planning and to seek legal guidance to ensure compliance and cost efficiency.

For further information on how this Directive may affect your investment or ongoing operations in Ethiopia, please contact our Investment and Regulatory Advisory team at info@dmethiolawyers.com

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