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Great Socialist People's Libyan Arab Jamahiriya

General People's Congress

Law No. (13) of 1378 D.P. (2010 A.D.)

Regulating the Libyan Investment Authority

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Regulating the Libyan Investment Authority

General People's Congress:-

In implementation of the decisions of the Basic People's Congress in their annual session for 1377 D.P.; and after the review of the Declaration for establishing the People's Authority;

Law No. (1) of 1375 D.P. Regarding the Functioning of the People's Congresses and Committees;

Law of the State's Financial System;

Law No. (110) of 1975 A.D. Prescribing Special Provisions for Authorities, Public Institutions and Public Sector Companies;

Law No. (55) of 1976 A.D. Promulgating the Civil Service Law;

Law No. (18) of 1972 A.D. Authorizing the Establishment of the Libyan Arab Foreign Bank, as amended;

Law No. (6) of 1981 A.D. Establishing the Libyan Foreign Investment Company;

Law No. (21) of 1369 D.P. on Carrying out the Economic Activities, as amended;

Law No. (12) of 1372 D.P. on Stamp Taxes;

Law No. (1) of 1373 D.P. on Banks;

Law No. (3) of 1374 D.P. on Public Sector Companies;

Law No. (2) of 1375 D.P. Regulating People's Inspection and Control;

Law No. (3) of 1375 D.P. Incorporating the Financial Auditing Authority;

Law No. (7) of 1378 D.P. on Income Tax; and

Law No. (9) of 1378 D.P. on Investment Promotion.

Do hereby promulgate the following law:

Chapter One
Definitions
Article (1)

In applying the provisions of this law, the following words and phrases shall have the following meanings:

Authority	:	Libyan Investment Authority existing at the time of issuing this Law, pursuant to which it is regulated.
State	:	the Great Socialist People's Libyan Arab Jamahiriya.
General People's Committee	:	the General People's Committee of the Great Socialist People's Libyan Arab Jamahiriya.
Board of Trustees	:	the Authority's Board of Trustees whose appointment, duties, functions and responsibilities are determined by the provisions hereof.
Board of Directors	:	means the Authority's Board of Directors whose appointment, duties, functions and responsibilities are determined by the provisions hereof.
Chairman of the Board of Directors	:	the Authority's Board Chairman whose appointment, duties, functions and responsibilities are determined by the provisions hereof.
Executive Director	:	means the Authority's Executive Director whose appointment, duties, functions and responsibilities are determined by the provisions hereof.
Funds	:	aggregate funds allocated to the Authority by the State for the purposes of investment and the proceeds resulting from the investment and reinvestment of such funds according to the provisions hereof.

Chapter Two
Organisation of the Authority
Article (2)

The Libyan Investment Authority shall be regulated and organized according to the provisions hereof. *[Please note that the Arabic version uses the full name for LIA despite having a defined term. It would be better if the defined term is used. LIA to advise.]*

Article (3)

The Libyan Investment Authority shall have a corporate personality and an independent financial capacity and shall report to the General People's Committee. The Authority may undertake all actions and dispositions necessary to achieve its objectives and carry out its activities according to the provisions hereof.

Article (4)

The Authority's head office and legal domicile shall be situated in the city of Tripoli. The Board of Directors may establish domestic or international branches or offices as necessary.

Chapter Three
Authority's Objectives
Article (5)

The Authority aims to directly or indirectly invest the Investment Fund abroad on the grounds of economic feasibility in diverse economic areas to contribute to the development and diversity of the resources of the national economy and to achieve the best financial returns to support of the public treasury; to secure the future of the upcoming generations and to mitigate the impact of income and other State revenues fluctuations. Upon the approval of the General People's Committee, the Authority may also invest part of the Investment Fund domestically.

The Authority shall receive the Investment Fund and shall be responsible for its investment and reinvestment in favor of the State in order to secure the financial resources necessary to achieve economic development for the Libyan people and to maintain the Libyan people's economic welfare and prosperity in the future. To that effect, the Authority may:

1. develop and follow up on the investment policy of the Investment Fund;
2. maintain, manage, invest, collect the proceeds of and reinvest in accordance with the provisions hereof;
3. invest and reinvest in any properties, whether immovable or movable, rights or assets, whether tangible, intangible or both including, without limitation, all types of shares, bonds, securities, financial and commercial instruments, foreign currencies, minerals, basic commodities and goods, materials, commodities and documents¹ that are investable.

¹ The term "Documents" does not achieve the same meaning the word in Arabic has despite being the correct translation. Query whether a different word should be used, for example, interests.

4. sell or exchange any properties either in cash or with credit facilities as well to deal in all other financial derivatives;
5. reorganize, merge, consolidate, amalgamate or liquidate any investments, bodies or funds that are [owned] by the Authority or its properties as well as undertake all legal dispositions necessary therefor;
6. transfer or exchange any documents relating to the investment of any part of Investment Fund;
7. take any actions or other functions assigned to the Authority by virtue of a resolution of the General People's Committee and in line with the Authority's objectives stipulated herein;
8. provide any legal guarantees necessary to honor its ensuing contractual or financial obligations under the agreements made with third parties by virtue of the provisions hereof; and
9. all other dispositions necessary to achieve its objectives and to manage its affairs.

Chapter Four
Board of Trustees
Article (6)

The Authority shall have a Board of Trustees which will be formed by a resolution of the General People's Committee. The Board of Trustees shall be composed of the Secretary of the General People's Committee as Chairman and the membership of the General People's Committee Secretaries of the general people's committee for planning, finance, economy and trade, the Governor of the Central Bank of Libya and a number of experts within the Authority's areas of work.

Article (7)

The Board of Trustees is the highest body in the Authority's that is competent to draw the general policy for the Authority, to supervise the implementation of such policy, to ensure the achievement of the goals and the objectives for which the Authority is established. To that end, the Board of Trustees may:

1. approve the criteria and controls to ensure the integrity of the Authority's financial position and the proper performance of its investment programs, which the Board of Directors shall comply with when implementing the policies, strategies, criteria, and controls of investment and reinvestment of the Investment Funds;
2. consider the regular reports prepared by the Board of Directors on investments as well as approve the appropriate measures that would avoid investment risks;
3. approve the system set by the Board of Directors to control the Authority's administrative and financial performance;
4. appoint the Authority's Board of Directors as well as monitor the performance of its functions according to the provisions hereto and the regulations issued thereby;
5. appoint external auditors for the Authority's accounts as well as determine their salaries and remunerations based upon the suggestions made by the Board of Directors;

6. formulate one or more advisory committee of international experts in the field of investment to support [the performance of²] the Board of Directors in its international investment decisions as well as to form the permanent and ad hoc committees from amongst its members or others to study any duties assigned thereto;
7. approve the investment policies and the percentage of asset distribution on diverse investment fields and activities based upon the suggestions of the Board of Directors;
8. approve the Authority's organizational structure based on the suggestions of the Board of Directors;
9. create the Authority's specialized investment funds and portfolios as well as approve the regulations governing its functioning based on the suggestions of the Board of Directors;
10. approve the Authority's estimated budget; and
11. approve the Authority's final accounts and annual budget.

Article (8)

The Board of Trustees shall develop the rules and regulations necessary for the management and organization of its work procedures by virtue of a resolution issued by it with due regard to the following:

1. The Board of Trustees shall convene its meetings at least once in every three months or as and when necessary;
2. Without prejudice to the Chairman's right to invite the Board of Trustees to the meetings as he deems appropriate, the Chairman of the Board of Trustees shall invite the Board of Trustees to the meetings if required by two or more members of the Board of Trustees;
3. The meetings of the Board of Trustees shall be deemed validly held if attended by the majority of the board members, including the Chairman or his deputy in case of absence;
4. The Board of Trustees shall issue its resolutions by [the vote of] the majority of the members present. In case of a tie in the voting, the Chairman of the meeting shall have the casting vote;
5. The Board of Trustees may invite any chairman, board member or executive director of the Board of Directors to attend any of its meetings. The Board may further invite any director of companies, portfolios and investment funds or any other experts to seek their opinion on the issues being considered [but] such persons shall not have the right to vote.

Article (9)

Following the receipt of the annual report from the Board of Directors, the Board of Trustees must prepare a report including:

- (a) The Authority's investment performance and an evaluation of such performance, particularly the ability to achieve investment returns meeting or exceeding the rates prescribed by the Board of Trustees; and
- (b) The Board's compliance with the controls and restrictions provided for herein.

The report provided for herein shall be sent to the General People's Committee for discussion. Such report or a summary thereof may be posted on the Authority's website.

Chapter Five
Board of Directors
Article (10)

The Authority shall have a Board of Directors of seven members, including the Chairman and his deputy, with academic and practical expertise in different fields of management and investment of funds and assets to be appointed by a resolution of the Board of Trustees for a period of three years. Any or all of the members may be reappointed for similar period(s). The remunerations granted to them in their capacity as board members shall be determined by the same resolution.

Article (11)

The Board of Directors is the competent body to oversee the management of the Authority and monitor the implementation of its programs to achieve its objectives. Also, it shall monitor the Authority's affiliated entities to ensure the proper performance of the duties and functions assigned to it. In particular, the Board of Directors shall be responsible for the following:

1. to devise investment and reinvestment policies, strategies, criteria of the Investment Fund as well as to implement the same after the approval of the Board of Trustees;
2. to elect the banks and investment institutions entrusted with the management of the Authority's investments;
3. to take the appropriate decisions on investment offers after examining and analyzing such offers within the limits of the policies and strategies approved by the Board of Trustees.
4. to approve any sale, liquidation or attachment of any right to the portfolios, investments, assets or funds forming part of Investment Funds to achieve the Authority's purposes;
5. to manage the risks of the investment of the Investment Funds as to issue the instructions necessary therefor;
6. to approve the plans and executive programs developed by the Executive Director or the committees formed for the investment and reinvestment of the Investment Funds;
7. to prepare the Authority's final accounts and annual balance sheet and the notes complementary therefor within a period of not more than three months from the expiry of the financial year;
8. to conduct a regular performance evaluation of the Authority's investment portfolios as well as to issue the instructions and guidelines necessary to achieve the policies and objectives provided for herein;
9. to peruse the periodical statements, reports and information set by the Executive Director to [establish/indicate] and evaluate the Authority's activities and financial position;
10. to approve the articles of association of the companies wholly owned by the Authority and the specialized investment funds according to the applicable legislations;
11. to establish the investment companies, funds and portfolios abroad as well as organize and reorganize its boards of directors;
12. to appoint investment trustees and managers as well as to specify their powers having regard to the [fields/industries] in which the Investment Funds are invested;

13. to appoint the Executive Director, designees and assistants in consultation with the Board of Trustees;
14. to appoint the managers, the chairmen and the board members of the investment portfolios and investment companies that are [attached/wholly owned by the Authority];
15. to nominate the chairman and members of the general meetings of the investment companies, portfolios and funds that are partially owned by the Authority;
16. to propose the Authority's organizational structure and refer the same to the Board of Trustees for approval;
17. to approve the Authority's [staff;]
18. to issue the administrative, financial and technical and similar regulations governing the Authority's operations;
19. to approve and implement training programs necessary to provide a sufficient number of qualified national cadres;
20. to establish the Authority's branches and offices as well as to appoint agents or representatives therefor domestic or international; and
21. to issue the annual report on the Authority's business at the end of each financial year.

Article (12)

The Board of Directors is the general assembly of the bodies wholly owned by the Authority.

Chairman of the Board

Article (13)

The Chairman of the Board shall have competence to:

1. invite the Board of Directors for meetings, manage such meetings and nominate the board's secretary;
2. to suggest and provide the meeting agenda to the Board of Directors;
3. to consider any issues referred by the competent bodies in respect of the Authority's activity as well as to coordinate between the Authority and other relevant public and private bodies and departments with regard to the Authority's business and activities;
4. to examine the investment profiles or any other activities assigned to the Chairman by the Board of Directors; and
5. to represent the Authority in its transactions with third parties and before the judiciary.

Chapter Six The Executive Director

Article (14)

The Executive Director shall have competence to:

1. develop such plans and programs as may be necessary to implement the decisions and recommendations of the Board of Directors;

2. propose the formation of the Authority's investment committee and specify its powers; provide the same to the Board of Directors for approval; and implement the committee's recommendations and minutes after having been approved by the Board of Directors;
3. prepare the draft estimated budget and provide the same to the Board of Directors;
4. prepare the draft final accounts and annual budget and provide the same to the Board of Directors;
5. prepare regular reports on the Authority's activities;
6. create performance reports on the Authority's investment portfolios and funds and [its administration and] its realized proceeds; propose the appropriate procedures to enhance its economics; improve its performance level and submit the same to the Board of Directors;
7. oversee the Authority's organizational divisions; conclude, renew and terminate employee contracts; and approve the procedures relating to employee affairs;
8. propose the staffing; salaries and other benefits systems, general contract terms, recruitment, training and secondment for Authority's employees; propose mechanisms to circulate the same on subsidiary bodies and companies; and provide the same to the Board of Directors for issuing the necessary decision therewith.

Chapter Seven
Authority's Financial System
Article (15)

The Authority's financial resources shall consist of the following:

- a. Any cash funds and assets in kind [allocated] to it;
- b. Any general budget surplus that may be allocated yearly as permitted by the budget law;
- c. Proceeds generated from the Authority's activities; and
- d. Any sums allocated by the State.

The Authority may obtain loans domestically and internationally.

Article (16)

The following funds and entities shall be owned by the Authority:-

- 1- Surplus of oil revenues set aside by the General People's Committee;
- 2- The Long-term investment portfolio;
- 3- Libya-Africa investment portfolio;
- 4- The Libyan Foreign Investment Company; and
- 5- The Oil Investment Company.

The net [value] of the assets of the companies and portfolios transferred to the Authority shall be calculated on [the basis of] its book value at the time of establishing the Authority.

Article (17)

The Authority's financial year shall start from the beginning of the State's financial year and shall end therewith.

Article (18)

The Board of Directors shall issue a resolution of the annual accounting regulations and procedures for the Authority according to internationally recognized accounting standards and principles.

Article (19)

The Authority's accounts shall be reviewed and audited by the Financial Auditing Authority. The Board of Trustees shall appoint external auditors from amongst the internationally reputable chartered auditing offices and determine their remunerations [and the appointment shall be] for a period of one year, renewable for no more than three years.

Article (20)

Auditors shall review and audit the Authority's accounts and ascertain the application of provisions hereof and the decisions issued thereby or in implementation thereof and shall submit reports on the performance evaluation and auditing results to the Board of Trustees.

Article (21)

Auditors shall have the right to review the Authority's books and any [related] documents at any time as well as to request any clarification required for the performance of their functions and [to examine the rights and obligations arising from the Authority's activities and achieving its objectives.]

Article (22)

The Authority may publish information on its activities, investments and realized proceeds through various publication means, particularly on its website.

Article (23)

The Authority may open, operate and manage bank accounts in its name, whether domestically or internationally, for the purposes of carrying out its activities and achieving its objectives according to the provisions hereof.

Article (24)

[The Authority shall be excluded from the prior control provisions approved by virtue of the applicable legislations and statutes.]

Article (25)

The Authority shall be excluded from the application of the national legislation provisions governing control on cash or dealing with foreign currencies as may be required to achieve its goals and objectives stipulated herein.

Article (26)

The Authority shall be exempted from all taxes and fees on its activities and dispositions. Such exemption shall include the investment companies, portfolios and funds wholly owned by the Authority. The exemption shall be applicable to all activities and dispositions undertaken by the Authority [and its subsidiary bodies] *[Note: this is a confusing provision. Does the exemption include only wholly owned entities or does it also include attached bodies and what does attached bodies mean? Is it subsidiaries above certain shareholding?]*

Chapter Eight **Authority Employees** **Article (27)**

The Authority's employees shall be treated as civil servants and shall be governed by all provisions relating to the civil service unless a special context is contained in this Law or in the applicable regulations of the Authority.

Article (28)

The Authority may contract with distinguished technical or administrative experts, Libyan or otherwise, by virtue of employment [entered into/made] by the Authority for this purpose. The Authority shall be relieved from the application of the prevailing national legislations of the State regulating the recruitment of foreign labor to the categories referred to in this Article.

Chapter Nine **Authenticity of Documents and Electronic Data of the Authority** **Article (29)**

The Authority's electronic documents and signatures in relation to its transactions and activities shall constitute, pursuant to the provisions hereof, original authentic documents evidencing the details contained therein.

Article (30)

The Authority may keep photocopies of documents in Arabic and English on CDs or other means of electronically archiving documents in addition to the original books, records, statements, documents, correspondences, cables, notices and any of the Authority's original documents concerning its activity. These copies will be considered authentic original documents evidencing [the details contained therein].

Chapter Ten
Final Provisions
Article (31)

No withdrawals may be made from the Authority's Investment Funds except within the limits of the net annual proceeds on its investments without impairing its assets at any time and to such extent as may be approved in the State's general budget each year.

In such case, withdrawal shall be made by resolutions issued by the General People's Committee.

Article (32)

The Authority may be wound up or liquidated only by virtue of a law.

Article (33)

Any provision inconsistent with or contrary to the provisions hereof shall be repealed.

Article (34)

This Law shall be published in the official gazette and shall be effective as from the date of its issue.

General People's Congress

Issued at the City of Sirte

Dated: 13 Safar 1378 D.P.,
Corresponding to: 28 January 2010 A.D.