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ETHIOPIA

Legal Year in Review

2018 E.C.

The federal legal and regulatory developments that will shape doing business in Ethiopia in 2019 E.C.

IN THIS EDITION

Tax & Customs · Banking, Finance & Foreign Exchange · Capital Markets · Digital Economy & Cybersecurity · Trade · Investment & Property · Energy & Carbon · Employment

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Ethiopia's Leading Corporate and Commercial Law Firm
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The year Ethiopia's reform programme became a rulebook

For most of the past decade, Ethiopian financial-sector reform has been discussed in the language of policy intention. In 2018 E.C. it acquired the language of dated compliance obligation. The National Bank of Ethiopia dismantled its administered interest-rate framework in favour of market pricing, moved banks onto a mixed Basel II and III capital regime, rebuilt reserve requirements around averaging and a single settlement account, imposed a Tier 1-linked ceiling on foreign exchange exposure, and released the balance-sheet capacity that mandatory Development Bank of Ethiopia bond holdings had absorbed. These are not adjustments at the margin. They change how an Ethiopian bank prices, funds and capitalises itself, and each carries a deadline against which supervisory action follows.

The capital market crossed a comparable threshold. The Ethiopian Securities Exchange admitted its first equity listings and the Ethiopian Capital Market Authority began registering securities in volume. The governing instruments were already in place; what changed is that they were applied. The positions taken in those first transactions on disclosure scope, legal opinion content and dematerialisation now function as market precedent for every issuer that follows.

Tax reform arrived as a single package rather than as a series of measures. The Income Tax (Amendment) Proclamation carries the substantive charge: consolidated taxpayer categories, a gross-sales regime for smaller taxpayers, taxation of digital services and digital content, a minimum alternative tax, a charge on offshore indirect transfers, and pass-through treatment for limited liability partnerships. The Tax Administration (Amendment) Proclamation carries the assessment, filing, penalty and enforcement machinery. Neither is intelligible without the other, and the directive layer — electronic invoicing, VAT refunds, customs valuation, advance rulings on origin — is where both will be experienced in practice.

Two changes stand out for inbound investors. Regulation No. 586/2018 recast the whole federal tax and customs incentive regime and ties benefits to performance criteria, which means any incentive application structured under the previous regulation needs re-examination rather than renewal. And for the first time in Ethiopian law, Proclamation No.

1388/2025 permits foreign nationals to own residential property, with the implementing directive following in August 2026. No other instrument of the year has generated comparable client enquiry.

Beneath all of this sits a compliance build-out whose weight will be felt in 2019 E.C. rather than in the year just closed: beneficial ownership disclosure, cybersecurity duties for designated critical infrastructure, electronic signature infrastructure and mandatory electronic invoicing. Several carry deferred commencement. The runway is the opportunity, and it is shorter than it appears.

DABLO PERSPECTIVE

Read together, the year's instruments describe a regulator moving from permission to supervision. Approvals that once required a letter from the National Bank now sit with commercial banks subject to reporting; incentives that once attached on qualification now depend on continuing performance; taxation that once turned on periodic declaration now turns on transaction-level visibility. In each case discretion has moved closer to the market and the reporting burden has moved onto the regulated party. Institutions that treat the year's changes as filing exercises will meet the deadlines and miss the shift.

What we would raise first

The table below reduces this review to the steps we would put to an affected client at the start of a meeting. It is a prompt for review rather than advice on any particular position.

WHO	ACTION	INSTRUMENT
Banks	Confirm that the capital management strategy required under Directive No. SBB/95/2025 has been board-adopted and submitted. Full capital adequacy compliance falls due on 31 December 2026.	SBB/95/2025
Banks	Test reserve maintenance against both requirements — the 5 per cent daily floor and the 10 per cent period average. Shortfalls attract a daily penalty at the standing lending facility rate plus three percentage points.	SBB/97/2025
Banks	Check that board-approved single-currency limits sit within the ±18 per cent Tier 1 overall ceiling, and that close-of-business positions reach the National Bank by noon on the following business day.	SBB/96/2025
Banks	Record board-set deposit and lending rates in writing against explicit, non-discriminatory criteria, and file them within five working days of any change.	NBE/INT/13/2026
Exporters and importers	Re-map treasury and trade-finance procedures to the delegated approval regime. Profit and dividend remittance, external loans, letters of credit and cash against documents now sit with banks, subject to reporting.	FXD/04/2026, FXD/05/2026
All taxpayers	Re-run the 2018 E.C. position under the income tax and tax administration amendments read together, and confirm that no receipt exceeds the ETB 50,000 cash bar.	1395/2017, 1434/2018
Professional firms and LLPs	Review entity-level tax treatment. An LLP is no longer taxed at entity level but withholds on distributions at Schedule “C” rates; the detailed mechanics await a Council of Ministers regulation.	1395/2017
Investors	Re-examine any incentive application or investment structure built on Regulation No. 517/2022 against the replacement performance-linked regime.	586/2018
Banks and regulated entities	Extend onboarding and due diligence procedures to capture beneficial ownership information, and maintain it as a live record rather than a one-off collection.	592/2018
Critical infrastructure operators	Determine designation exposure now and build the compliance programme into the current budget cycle. Commencement is 21 July 2027.	1426/2018
Prospective issuers	Test the company against the Main Board criteria — a three-year track record, profit after tax in at least one of the last three financial years, unqualified accounts, ETB 500 million capitalisation or equity, and a 15 per cent float across 300 holders, reduced to 10 per cent where market capitalisation exceeds ETB 2 billion — or against the Growth Board and over-the-counter alternatives.	1030/2024

WHO	ACTION	INSTRUMENT
Foreign nationals and expatriates	Assess eligibility under the residential ownership regime, noting the US$150,000 commitment, the single-house limit subject to additional-house rules for foreign investors and to Ministry variation, the public-bid lease requirement, and the prohibition on domestic financing.	1388/2025, 1147/2018

Fourteen instruments, widest application

Each is treated in full in the sections that follow.

INSTRUMENT	NUMBER	DATE	STATUS
Income Tax (Amendment) Proclamation	1395/2017	1 September 2025	In force
Foreign Nationals' Ownership Right of Residential House Proclamation	1388/2025	2 October 2025	In force
Risk-Based Capital Adequacy Requirements for Banks	SBB/95/2025	10 November 2025	Full compliance 31 Dec 2026
Foreign Exchange Exposure Limits of Banks	SBB/96/2025	10 November 2025	In force
Reserve Requirements (Ninth Replacement)	SBB/97/2025	1 January 2026	In force; phased
Interest Rates Directive (as amended)	NBE/INT/13/2026	9 January 2026	In force
Amendments to the Foreign Exchange Directive	FXD/04/2026, FXD/05/2026	12 Feb / 25 May 2026	In force
Investment Tax and Customs Incentive Regulation	586/2018	23 February 2026	In force
Import on Franco Valuta Basis	FVD/01/2026	29 May 2026	In force
Beneficial Ownership Transparency Regulation	592/2018	10 July 2026	In force
Critical Infrastructure Cybersecurity Proclamation	1426/2018	21 July 2026	Commences 21 July 2027
Customs Proclamation Further Amendment	1425/2018	23 July 2026	In force
Tax Administration Proclamation (Amendment)	1434/2018	30 July 2026	In force
Procedure for Foreign Nationals' Right to Own a Residential House	1147/2018	7 August 2026	In force

An unusually dense year of federal output

As Ethiopia closes 2018 E.C., the volume of federal legislative and regulatory activity is well above the historical norm. Over the course of the year the House of Peoples' Representatives, the Council of Ministers and the federal regulators — the National Bank of Ethiopia, the Ministry of Revenues and the Ministry of Justice among them — issued proclamations, regulations and directives across investment, banking, taxation, trade, cybersecurity and public administration.

DABLO Law Firm LLP has tracked that output through the year as part of our regulatory monitoring practice. This review is deliberately selective. Rather than catalogue every instrument, it sets out the changes we consider most consequential for investors, financial institutions, importers and exporters, and employers operating in Ethiopia, organised by practice area rather than by date.

Each entry identifies the instrument, its issuing authority and its date, states what it does, and — where the commercial consequence is not evident from the text — what it means in operation. Where an instrument is significant but its signed text was not available for verification before our research cut-off, we say so rather than paraphrase secondary reporting.

STATUS OF THIS DOCUMENT

This publication is a research and awareness summary. It is not legal advice, and it does not substitute for the authenticated Federal Negarit Gazeta or the issuing authority's signed text. Clients should consult DABLO before relying on any instrument referenced here in a transaction, a filing or a dispute.

SECTION 01

Tax & Customs

Read the year's tax changes as one package in three layers: the substantive charge, the administrative machinery, and the directive-level detail through which both will be experienced.

Income Tax (Amendment) Proclamation

Proclamation No. 1395/2017

1 September 2025 · House of Peoples' Representatives · Applicable to income derived from 8 July 2025; first full year of application falls in 2018 E.C.

Enacted at the close of 2017 E.C. but applicable to income derived from 8 July 2025, this amendment to Proclamation No. 979/2016 was first assessed, declared and paid during 2018 E.C. It consolidates taxpayer classification into two categories — Category “A”, comprising all bodies and any person with turnover of ETB 2 million or more, and Category “B” below that threshold — taxes Category “B” on gross sales at between 2 and 9 per cent, and repeals the Turnover Tax Proclamation. Professional services (legal, accounting, audit, engineering, consulting, financial and health care), VAT-registered businesses and those electing net-income treatment fall outside the gross-sales regime.

The amendment also introduces tax on income from digital content creation, a digital service tax of up to 5 per cent, a 2.5 per cent minimum alternative tax, taxation of offshore indirect transfers, a 15 per cent charge on undistributed profit, and a bar on cash receipts above ETB 50,000. For professional firms the most significant change is structural: a limited liability partnership is no longer subject to corporate income tax at entity level, and instead withholds tax on distributions to members at Schedule “C” rates. The detailed mechanics are left to a Council of Ministers regulation.

DABLO INSIGHT

The minimum alternative tax and the charge on undistributed profit pull in opposite directions and between them change the calculus for loss-making and profit-retaining companies alike. The offshore indirect transfer rule is the more far-reaching of the two: it reaches share transfers executed wholly outside Ethiopia where the underlying value is Ethiopian. Groups holding Ethiopian subsidiaries through offshore structures should assume that a disposal higher up the chain now falls within the Ethiopian charge, and price transactions on that basis.

Tax Administration Proclamation (Amendment)

Proclamation No. 1434/2018

30 July 2026 · House of Peoples' Representatives

Amends the procedural rules governing tax assessment, collection, compliance and enforcement at federal level. It is the administrative counterpart to Proclamation No. 1395/2017, and the two are best read as a single reform: the substantive charge in the income tax amendment, the assessment, filing, penalty and enforcement mechanics here.

Ethiopian Customs Valuation Directive (Amendment)

Directive No. 1123/2018

26 January 2026 · Ethiopian Customs Commission

Amends the administrative rules used to determine the customs value of imported goods. Read alongside the Customs Proclamation Further Amendment No. 1425/2018 below, this is the layer at which most import valuation disputes are in fact decided.

DABLO INSIGHT

Valuation, not tariff classification, is where the largest share of import disputes begins, because the duty and VAT base is set here rather than in the tariff schedule. A directive-level change to the evidence accepted for transaction value, or to the order in which alternative valuation methods apply, moves outcomes across an importer's entire book without any change in rate. Importers with recurring shipments should have the amended directive read against their standing declaration methodology before the next assessment cycle.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Value Added Tax Refund Determination Directive

Directive No. 1132/2018

18 April 2026 · Ministry of Finance / Ministry of Revenues

Specifies the conditions, evidence and procedures for determining and processing VAT refunds.

DABLO INSIGHT

Refund delay has been a persistent working-capital problem for exporters and zero-rated suppliers, and the constraint has been evidentiary and procedural rather than substantive — entitlement is rarely in dispute, documentation and verification sequencing usually are. A determination directive is therefore consequential in proportion to how precisely it fixes what evidence discharges a claim and at what point the refund obligation crystallises. Exporters carrying material refund receivables should map existing claim files against the directive's evidence requirements now, rather than let a rejection reveal the gap.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Advance Ruling on Origin Directive

Directive No. 1131/2018

11 May 2026 · Ministry of Revenues

Creates a procedure by which importers and exporters may request and obtain binding advance rulings on the origin of goods. For traders operating under preferential arrangements it offers certainty on classification and origin before goods move rather than after assessment.

DABLO INSIGHT

Origin determines whether a preferential tariff applies, and under COMESA and AfCFTA arrangements the gap between preferential and most-favoured-nation treatment can exceed the margin on the trade itself. Until now that determination was made after arrival, which meant the decision to source from a particular supplier was taken without knowing its duty consequence. A binding pre-shipment ruling moves the certainty to the point where it is commercially useful. The mechanism rewards traders who use it in supply-chain design rather than in dispute: a ruling obtained before contracting is worth considerably more than one obtained after assessment.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Electronic Invoicing System Administration Directive

Directive No. 1142/2018

9 June 2026 · Ministry of Revenues

Sets the administrative and technical rules for enrolment, issuance and reporting under the electronic-invoicing system.

DABLO INSIGHT

This belongs with the ETB 50,000 cash receipt bar and the minimum alternative tax. Read together the three describe one direction of travel: transaction-level visibility for the revenue administration. The compliance burden is not the invoicing but the integration — ERP and point-of-sale systems must issue in the prescribed format and report on the prescribed cycle — so businesses running legacy or offline systems should treat enrolment as a systems project with lead time rather than an administrative registration. The second-order consequence matters more. Once invoicing is electronic the audit trail is continuous, and reconciliation practices that relied on period-end adjustment become visible.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Transparency of Legal Persons' Beneficial Ownership Information Regulation

Regulation No. 592/2018

10 July 2026 · Council of Ministers

Introduces mandatory collection, maintenance and disclosure obligations for the beneficial ownership information of legal persons — a compliance point that reaches corporate onboarding and due diligence for banks and other regulated entities alike.

DABLO INSIGHT

Beneficial ownership transparency is the standard against which Ethiopia's anti-money-laundering framework is assessed internationally, and its practical weight falls on the entities required to collect and verify rather than on the regulator. For banks, insurers and capital market service providers this is a file-remediation obligation reaching backwards across the existing customer book, not only forwards to new relationships. For corporate groups with layered or nominee-held structures, disclosure may surface ownership arrangements previously visible only in shareholder agreements.

Customs Proclamation Further Amendment

Proclamation No. 1425/2018

23 July 2026 · House of Peoples' Representatives

Further amends the federal customs regime. It must be read together with the principal Customs Proclamation and its earlier amendments, and with the Customs Valuation Directive (Amendment) No. 1123/2018 above. The proclamation-level and directive-level changes form one package; neither is complete without the other.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

SECTION 02

Banking, Finance & Foreign Exchange

The densest section of the year and, for regulated institutions, the most demanding. The National Bank replaced or repealed its interest rate, capital adequacy, reserve and foreign exchange exposure frameworks inside a nine-month window. Each carries dated compliance obligations.

Risk-Based Capital Adequacy Requirements for Banks

Directive No. SBB/95/2025

10 November 2025 · National Bank of Ethiopia

Issued under Articles 21, 32(1)(e), 85 and 91(2) of the Banking Business Proclamation No. 1360/2025, this directive moves Ethiopian banks onto a mixed Basel II and III capital framework and is the most technically demanding prudential change of the year. Banks must maintain, at all times and on both a standalone and a consolidated basis, a Common Equity Tier 1 ratio of 7 per cent, a Tier 1 ratio of 9 per cent and a total capital ratio of 11 per cent of risk-weighted assets, after the prescribed regulatory adjustments to each tier.

Credit risk is measured under the Basel standardised approach, using external rating grades, defined asset classes and credit risk mitigation rules. Market risk follows the simplified standardised approach across interest rate, equity, foreign exchange and commodity risk. Operational risk uses the Business Indicator methodology, with the internal loss multiplier applying only to banks whose Business Indicator exceeds Birr 3.5 billion. The board of directors carries primary responsibility for compliance and must adopt a capital management strategy for submission to the National Bank.

Quarterly capital adequacy reporting began with the quarter ended 31 March 2026. Full compliance is required from 31 December 2026, at which point Directive No. SBB/9/95 and Article 5.5 of Directive No. SBB/78/2021 are repealed. Failure to meet the minimum ratios thereafter attracts a fine of Birr 450,000 alongside other supervisory measures.

Foreign Exchange Exposure Limits of Banks

Directive No. SBB/96/2025

10 November 2025 · National Bank of Ethiopia

Repeals the long-standing Limitation on Open Foreign Currency Position of Banks Directive No. SBB/27/2001. A bank's overall foreign exchange risk exposure is capped at ±18 per cent of Tier 1 (going-concern) capital at the close of each business day, measured on a consolidated basis using the shorthand method and including forex bureaus and subsidiaries. The single-currency limit is left to each bank's own board-approved policy framework within that overall ceiling.

Intra-day exposures must be monitored continuously, any excess position squared without delay on the following business day, and close-of-business positions reported to the National Bank by 12 noon the next business day in the prescribed template. Breaches attract a fine calculated at an annual rate of 10 per cent on the un-rectified excess, Birr 10,000 for each day of reporting delay, and Birr 50,000 for each identified instance of incorrect computation, misreporting or manipulation — debited automatically from the bank's account with the National Bank.

Repeal of the Development Bank of Ethiopia bond requirements

Directives Nos. SBB/98/2025 and SIB/61/2025

31 December 2025 · National Bank of Ethiopia

Two repealing directives issued on the same day. SBB/98/2025 repeals Directive No. SBB/81/2021, which required banks to invest in Development Bank of Ethiopia bonds; SIB/61/2025 repeals the equivalent insurance-sector obligation under Directive No. SIB/54/2021. The signed text of the banking repeal records effect from 31 December 2025.

By way of transition, a commercial bank that had not invested one per cent of its audited outstanding loans and advances in DBE bonds by reference to its 30 June 2025 position, or that had failed to invest in prior years, was required to settle that outstanding requirement no later than 31 January 2026. Bonds already held continue to be governed by the repealed directive for governance and administration purposes. Both repeals release balance-sheet capacity previously locked into mandatory holdings, and affected institutions should revisit investment and liquidity planning accordingly.

Reserve Requirements (Ninth Replacement)

Directive No. SBB/97/2025

1 January 2026 · National Bank of Ethiopia

Repeals and replaces the Reserve Requirement (Eighth Replacement) Directive No. SBB/84/2022 and introduces partial reserve averaging with a lagged maintenance period. Each bank's separate reserve account is merged into a single Payment and Settlement Account held in Birr with the National Bank. Against that account the bank must maintain a blocked minimum daily balance of 5 per cent of the previous calendar month's average reserve base, and an average of 10 per cent across the maintenance period — which runs from the first Thursday of the month following the month of computation to the first Wednesday of the subsequent month. Banks were assigned by circular to one of two transition categories, stepping up to the full 10 per cent monthly average by March 2026 and June 2026 respectively.

A shortfall against either the daily or the average requirement attracts a fine at the National Bank's standing lending facility rate plus three percentage points, applied to the deficit for each day it persists. Late or omitted reporting attracts Birr 20,000 per day, and continued non-compliance can trigger suspension of lending, a bar on dividends, and restrictions on branch expansion and new deposit taking.

Interest Rates Directive (as amended)

Directive No. NBE/INT/13/2026

9 January 2026 · National Bank of Ethiopia

Issued under Articles 6(5) and 54(5) of the National Bank of Ethiopia Proclamation No. 1359/2025, this directive completes the move to market-determined pricing. Demand, savings and time deposit rates, and lending rates on loans and advances, are now freely determined by each bank rather than by a regulatory floor or ceiling. The board of directors of each bank must set those rates in writing on explicit and non-discriminatory criteria, submit them and any subsequent change to the National Bank within five working days, and report monthly weighted average deposit and lending rates within seven working days of month end using the prescribed annexes.

Rates on time deposits held and loans granted before the effective date are unaffected unless the loan contract provides otherwise. Rates on National Bank lending and standing facilities continue to be set by the National Bank, and interbank rates are negotiated between the trading banks subject to the interbank money market code of conduct. The directive repeals and replaces all previous National Bank interest rate directives.

Requirements for licensing a bank branch in a special economic zone

Directive No. SBB/99/2026

6 January 2026 · National Bank of Ethiopia

Issued under Article 34(2) of the Special Economic Zone Proclamation No. 1322/2024 and Article 91(2) of the Banking Business Proclamation No. 1360/2025. Any bank branch operating in a special economic zone requires a separate National Bank licence and must provide foreign exchange services. Applicants must present a signed provisional lease from the authorised body, comply with Branch Opening Directive No. SBB/66/2018, and meet on an ongoing basis a market share of at least one per cent of banking-sector total assets, a capital adequacy ratio two percentage points above the regulatory minimum for four consecutive quarters, the applicable liquidity and non-performing loan requirements, and a sound record of settling foreign exchange obligations.

Newly licensed foreign bank subsidiaries and foreign bank branches are exempt from the market-share test for their first two years. Zone branches may serve only residents of the zone, and banks already operating in areas since designated as special economic zones have two years from the effective date to comply or face relocation or closure of the branch.

Amendments to the Foreign Exchange Directive No. FXD/01/2024

Directives Nos. FXD/04/2026 and FXD/05/2026

12 February 2026 and 25 May 2026 · National Bank of Ethiopia

FXD/04/2026 is the more substantial of the two. It permits banks to quote forward as well as spot exchange rates, entitles service exporters to retain 100 per cent of their export proceeds indefinitely, removes both the minimum balance for opening a foreign currency account and the customs declaration requirement for amounts exceeding USD 10,000, and allows foreign companies to open foreign currency accounts on presentation of an application letter, foreign investment licence and TIN certificate without a National Bank approval letter.

It also delegates to banks the approval of profit and dividend remittances, external loans and suppliers' credit, subject to monthly reporting to the National Bank; caps private foreign exchange loan guarantees at 10 per cent of a bank's total capital; permits advance payments of up to USD 20,000 per case for medical and educational services without visa or ticket requirements; fixes import application validity at 120 days; allows outward investment by Ethiopian entities on a case-by-case basis with National Bank approval; and entitles resident Ethiopians to transfer up to USD 3,000 abroad for family support.

FXD/05/2026 decentralises trade finance further, authorising banks to approve letters of credit and cash against documents on an acceptance basis without prior National Bank approval, and allowing foreign currency and retention account holders to initiate shipment before bank approval, with payment processing subject to subsequent document verification.

DABLO INSIGHT

The through-line in both amendments is delegation. Decisions that previously required a National Bank approval letter now sit with the commercial bank, subject to reporting. For corporate treasurers this shortens timelines materially, but it also relocates the point of failure: the counterparty for a remittance or external loan approval is now the relationship bank, and the quality of that bank's internal process determines the outcome. Groups that structured around National Bank approval lead times should revisit those assumptions — and, where a transaction is time-critical, should test the bank's process before committing to it.

Import on Franco Valuta Basis

Directive No. FVD/01/2026

29 May 2026 · National Bank of Ethiopia

Issued under Articles 39(5), 39(6) and 53(2) of the National Bank of Ethiopia Proclamation No. 1359/2025, this is the first consolidated framework governing franco valuta imports — imports for which no foreign exchange is payable from the domestic banking system. It identifies who may use the facility: licensed domestic, diaspora and foreign investors, manufacturing enterprises owned by foreign investors, FDI and diaspora traders, strategic development projects, diplomatic and consular missions, international organisations and NGOs, and importers of personal effects. It then sets out the permitted investment, manufacturing and trading uses and the mandatory documentation — proforma or commercial invoice, shipping documents, and the relevant investment or trade licence.

All transactions must be digitally recorded and traceable through the Foreign Exchange Monitoring and Orchestration Unified System (FEMoUS) used or integrated by the Customs Commission. Misuse, false declaration or circumvention of controls attracts monetary penalties, confiscation of goods and criminal liability under Proclamation No. 1359/2025. The directive repeals Article 8(8.1.3) of Foreign Exchange Directive No. FXD/01/2024, and its annex fixes permitted quantities, FOB value ceilings and supporting documents for twenty-four categories of goods.

Insurance-sector directives: brokers, auditors, significant influence, microinsurance

Directives Nos. SIB/62–64/2026 and SMIB/4/2026

March–April 2026 · National Bank of Ethiopia

A cluster of directives tightening licensing and fitness requirements for insurance brokers, external auditors, persons with significant influence, and microinsurance agents. Directive No. SIB/62/2026, effective 26 March 2026, recasts broker licensing: a broker must be established as a sole proprietorship or a limited liability partnership wholly constituted by Ethiopian nationals, with prescribed qualification and experience thresholds for the chief executive officer and partners, professional indemnity cover of at least three times the annual commission earned in the last accounting period or Birr 1 million, whichever is higher, and a duty to offer each risk to at least three insurance companies unless the client has already selected an insurer in writing. It repeals Directives Nos. SIB/31/2010 and SIB/009/1995, and brokers licensed as business organisations before the effective date have five years to reorganise as limited liability partnerships.

Directive No. SMIB/4/2026, effective the same day, introduces a licensing and supervision regime for individual and corporate microinsurance agents, covering eligibility and Ethiopian-ownership conditions, mandatory training hours, written agency agreements, segregated premium accounts with remittance to the provider within thirty days, and minimum professional indemnity cover of Birr 40,000 for corporate and Birr 10,000 for individual agents.

SECTION 03

Capital Markets & Financial Sector Reform

Ethiopia's capital market moved from framework to practice. The governing instruments predate the year; what changed is that they were applied for the first time.

The Ethiopian Securities Exchange, inaugurated in January 2025 after an interruption of nearly five decades, saw its first listings on the main board of the equity market segment, including five banks and Ethio Telecom Share Company. The Ethiopian Capital Market Authority has begun registering securities in accordance with the Public Offering and Trading of Securities Directive No. 1030/2024, resulting in the registration of banks, insurance companies, microfinance institutions, the convention centre and Ethio Telecom S.C. For issuers, intermediaries and investors this was the most consequential structural development of the year.

The governing framework

Ethiopian Capital Market Authority · Capital Market Proclamation No. 1248/2021

The operative rules sit in the Capital Market Proclamation No. 1248/2021 and a set of ECMA directives: Public Offering and Trading of Securities (No. 1030/2024), Capital Market Service Providers Licensing and Supervision (No. 980/2024), Exchanges and Over-the-Counter Markets (No. 1009/2024), Recognition and Supervision of Self-Regulatory Organizations (No. 1031/2024) and Dematerialization of Securities (No. 1047/2025). These are read together with the Commercial Code Proclamation No. 1243/2021 and the ESX Rulebook. ECMA instruments are published by the Authority rather than through the Ministry of Justice central directive register, and therefore sit outside the register underlying this review.

The Authority has approved a guideline providing a comprehensive anti-money-laundering and counter-terrorist-financing framework for market intermediaries and capital market service providers, together with Guidance for ECMA Licensees on Customer Due Diligence and Reporting under AML/CFT. The Exchange has separately approved an amendment to the Rules and Procedures of its over-the-counter market.

First-wave registrations and listings

Ethiopian Capital Market Authority / Ethiopian Securities Exchange

The Ethiopian Capital Market Authority has received, approved and is currently reviewing several prospectuses prepared by licensed Transaction Advisors. Among the companies whose prospectuses have been approved and registered are two Ethiopian banks whose registration completed in April 2026. Awash Bank S.C. registered 54,066,089 existing ordinary shares of ETB 1,000 par value with the Authority and listed by introduction on the Ethiopian Securities Exchange on 23 April 2026. Zemen Bank S.C. registered 15,000,000 existing ordinary shares of ETB 1,000 par value, moving mid-process from an intended exchange listing to the over-the-counter market.

Neither exercise had an Ethiopian precedent to follow. The positions taken on disclosure scope, legal opinion content, dematerialisation and the onboarding of investors by securities brokers are now the practical reference points for the issuers that follow.

What this means for issuers

Any Ethiopian share company contemplating registration should be testing itself now against the Main Board criteria: a three-year operating track record, declared profit after tax in at least one of the last three financial years, three years of financial statements that are not materially qualified, minimum market capitalisation or shareholders' equity of ETB 500 million on listing, and a public float of at least 15 per cent held by no fewer than 300 holders, reduced to 10 per cent where market capitalisation exceeds ETB 2 billion. The Growth Board applies materially relaxed thresholds, including an ETB 100 million floor, for smaller high-growth companies. Companies registered with the ECMA that choose not to list on the main or growth board must comply with the applicable requirements in the Exchange's Rules and Procedures governing the over-the-counter market.

DABLO INSIGHT

For most candidates the binding constraint will not be capitalisation but the accounts. Three years of financial statements without material qualification is a standard many otherwise eligible Ethiopian companies do not currently meet, and remediation takes financial years rather than months. A company that intends to register in 2020 or 2021 E.C. needs to be fixing its audit position now.

SECTION 04

Digital Economy, Cybersecurity & Data

Three of the four instruments in this section carry deferred or forward-looking obligations. The compliance runway is the point.

Critical Infrastructure Cybersecurity Proclamation

Proclamation No. 1426/2018

21 July 2026 · House of Peoples' Representatives · Commencement deferred to 21 July 2027

Establishes cybersecurity duties, oversight and protective measures for designated critical infrastructure. Commencement is delayed by one year from publication, giving affected operators a compliance runway.

DABLO INSIGHT

The first question for any operator in banking, telecommunications, energy, transport, health or large-scale data processing is not what the duties are but whether the operator falls within designation — and designation regimes of this kind typically capture more entities than those entities expect. An operator that waits for designation before starting work will have the balance of the runway rather than the whole of it. The practical sequence is to assess likely designation exposure, benchmark existing controls against the proclamation's requirements, and put the remediation into the current budget cycle. A cybersecurity programme procured under deadline pressure costs materially more than one procured on schedule.

Electronic Signature Regulation

Regulation No. 582/2018

24 December 2025 · Council of Ministers

Provides implementing rules for electronic signatures, including trust services, certification and validation — directly relevant to digital contracting practice.

DABLO INSIGHT

The commercial value of an electronic signature regime lies in the evidential presumption it creates: a signature meeting the prescribed standard is treated as attributable and unaltered without the party relying on it having to prove either. That converts electronic execution from a convenience into a defensible position in dispute.

Two cautions apply. The presumption attaches only to signatures produced through accredited certification and trust services, so a scanned image or a generic third-party e-signature platform may not qualify. And instruments requiring registration, notarisation or authentication — land transactions, certain corporate filings, powers of attorney — remain governed by their own formality rules, which the regulation does not displace. Businesses moving contracting online should segregate the documents that can go electronic from those that cannot.

Information Technology Products Security Clearance and Control Implementation Directive

Directive No. 1135/2018

11 May 2026 · Information Network Security Administration

Sets security-clearance and control requirements for IT products subject to INSA oversight.

DABLO INSIGHT

The practical consequence is procurement lead time. Where a clearance requirement attaches to imported hardware, software or network equipment, the clearance sits on the critical path between order and deployment, and a technology roll-out planned on vendor delivery dates alone will slip. Banks, telecommunications operators and any business importing network or security equipment should build the clearance step into procurement schedules and into contract terms — particularly delivery and acceptance milestones and the allocation of delay risk between buyer and supplier.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Universal Access Fund Regulation

Regulation No. 585/2018

11 February 2026 · Council of Ministers

Establishes the amount, sources and administration of Ethiopia's Universal Access Fund under the Communications Service Proclamation No. 1148/2019. The Fund is financed principally through a 1.5 per cent annual levy on gross communications-service revenue, with possible exemptions or relief for specified licensees, and is intended to support rural, remote, unserved and underserved communications infrastructure and services through subsidies, grants and smart-subsidy projects. Communications service providers receiving Fund support must make subsidised infrastructure available on open-access terms for infrastructure sharing, collocation or national roaming, and the Authority must maintain separate accounts, annual reporting and audit arrangements for the Fund.

DABLO INSIGHT

The open-access condition is the term that matters commercially. A licensee accepting Fund support accepts an obligation to share the resulting infrastructure, which changes the competitive value of the investment and needs to be priced into any decision to bid for subsidy. The levy itself is a charge on gross revenue rather than profit, so its incidence falls hardest on lower-margin service lines.

SECTION 05

Trade & Cross-Border Relations

Plant Protection and Quarantine Proclamation

Proclamation No. 1400/2018

7 May 2026 · House of Peoples' Representatives

Modernises controls for plant health, quarantine, pests and import and export phytosanitary inspection.

DABLO INSIGHT

Phytosanitary compliance is market access. Ethiopia's horticulture, coffee, oilseed and pulse exporters sell into destinations — the European Union in particular — whose import controls turn on the credibility of the exporting state's plant health system, and interceptions at destination are attributed to the origin regime rather than to the individual consignor. A modernised domestic framework is therefore of direct commercial interest to exporters even where it imposes new inspection obligations on them. Agribusinesses should expect changes to consignment inspection, certification and pest-listing procedures, and should confirm that their certification workflow matches the new proclamation before the next export season.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Ethiopia–Kenya Border Trade Directive

Directive No. 1144/2018

26 June 2026 · Ministry of Trade and Regional Integration

Implements simplified cross-border trade arrangements between Ethiopia and Kenya, including eligible traders and goods.

DABLO INSIGHT

Simplified trade regimes of this kind work by exempting small consignments of listed goods from the full customs declaration, valuation and documentation cycle, generally subject to a value ceiling and a defined border zone. The commercial significance sits with the Moyale corridor and the wider Ethiopia–Kenya trade relationship, where a large share of activity has historically been informal. For formal traders the directive matters in two ways: it may bring existing cross-border activity within a lighter compliance track, and it changes the competitive position against informal operators on listed goods.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Bilateral treaties ratified during 2018 E.C.

House of Peoples' Representatives

Air services agreements with Sierra Leone, Angola, Bangladesh and Eswatini; extradition and sentenced-persons transfer treaties with China, Brazil and South Africa; and a mutual legal assistance treaty with China.

DABLO INSIGHT

The air services agreements support Ethiopian Airlines' route and traffic-rights expansion and are commercially significant in proportion to the destinations they open. The criminal cooperation instruments matter to a different constituency: a mutual legal assistance treaty with China creates a formal channel for evidence gathering and asset tracing in a jurisdiction that is now a principal source of investment and trade counterparties in Ethiopia. For clients in contentious matters with a Chinese element, the practical route to evidence held abroad has changed.

SECTION 06

Investment, Property & Infrastructure

Two instruments here — the recast incentive regime and the opening of residential property ownership to foreign nationals — are among the most consequential of the year for inbound investors.

Investment Tax and Customs Incentive Regulation

Regulation No. 586/2018

23 February 2026 · Council of Ministers · Replaces Regulation No. 517/2022

Recasts the federal investment incentive regime, linking tax and customs incentives to performance criteria and revising eligibility and administration rules. This is the single most significant change for investors this year and should be reviewed before any new investment structuring or incentive application.

DABLO INSIGHT

The shift from status-based to performance-linked incentives changes what an investor is buying. Under a status regime the benefit attaches on qualification and is durable. Under a performance regime it is contingent on continuing to meet criteria, which introduces both a monitoring obligation and a clawback risk that has to be modelled into project returns and, in a joint venture or acquisition, allocated between the parties. Investors holding incentives granted under Regulation No. 517/2022 should establish how the transition treats existing entitlements before assuming they survive unchanged.

Verification note. Transitional treatment of existing incentives to be confirmed against the signed text.

Foreign Nationals' Ownership Right of Residential House Proclamation

Proclamation No. 1388/2025

Federal Negarit Gazette, 31st Year No. 67, 2 October 2025 · House of Peoples' Representatives · In force on publication

For the first time, Ethiopian law permits foreign nationals to own residential housing. A foreign national may acquire ownership only on land provided through a lease allocated by public bidding, and must commit not less than US$150,000 per house, inclusive of the full lease price, with the entire lease price payable in a single instalment and lease, purchase, construction permit and first-year service fees payable in acceptable foreign currency. Ownership is limited to one residential house at a time, although the Ministry of Urban and Infrastructure Development may vary the threshold, the size of each house or leasehold, and the permitted number by directive. A foreign investor holding an investment licence may own one residential house without meeting the US$150,000 threshold but must satisfy it for any additional house, and must produce written confirmation of shareholding from the authority that issued the investment permit.

Applicants must submit valid identity documentation, prove sufficient financial capacity, have no criminal record, be free of national peace, security or public order restrictions, and obtain prior Ministry authorisation. The Ministry decides within 30 working days of submission, or 15 working days for an application completed after a request for further material.

Owners take the property rights of an Ethiopian owner, together with a residence permit for the owner and family or a five-year multiple-entry visa, and the right to transfer rental or sale proceeds abroad in foreign currency at the prevailing rate under National Bank of Ethiopia directives. Commercial use of the house is prohibited, as is financing the acquisition through domestic financial institutions or capital mobilised within Ethiopia. Foreign nationals may not own condominium units built for citizens with direct government subsidy, save for units delivered through public-private partnership or for-profit market projects, and the Council of Ministers is to designate restricted border and other areas by regulation. The proclamation disapplies Articles 390–393 of the 1960 Civil Code for matters it covers, and displaces Article 18(2) of Investment Proclamation No. 1180/2020 and Article 17 of Investment Regulation No. 474/2020. Reciprocal rights may be extended to nationals of states that grant equivalent treatment to Ethiopians abroad.

Procedure for Foreign Nationals' Right to Own a Residential House

Directive No. 1147/2018

7 August 2026 · Ministry of Urban and Infrastructure

The implementing directive under Proclamation No. 1388/2025, and the instrument through which the Ministry exercises its power to set and vary the operative conditions of the regime. It specifies eligibility, documentation, registration and procedural requirements for foreign nationals acquiring residential housing. This has been the most frequently raised question from our foreign investor and expatriate clients since the proclamation came into force.

DABLO INSIGHT

Because the proclamation delegates the threshold amount, house size and permitted number to ministerial directive, it is this instrument rather than the proclamation that governs what a prospective purchaser can actually do — and it can be varied without further legislation. Anyone advising on or contemplating an acquisition should work from the current directive text and should expect the operative conditions to move.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Removal of foreign-ownership limits on freight forwarding

Ethiopian Investment Board decision

Removes the prior 49 per cent foreign-ownership cap and the joint-venture requirement for freight forwarding. Foreign investors may now enter and operate independently in the sector.

DABLO INSIGHT

Freight forwarding sits where Ethiopia's logistics constraints are most acute, and the joint-venture requirement tied international operators to local partners whether or not the commercial logic supported it. Full ownership changes the entry calculus for global forwarders. For existing joint ventures it raises a more immediate question — whether the local partner's stake is still wanted — which in turn makes exit, drag and pre-emption provisions in existing shareholder agreements suddenly live. Parties to such arrangements should read them now rather than when a buy-out is proposed.

Conditions for Compensation Commitment to Investors

Regulation No. 590/2018

18 May 2026 · Council of Ministers

Sets the conditions under which government compensation commitments may be given to investors, and the process for administering them.

DABLO INSIGHT

A framework governing when the state may give a compensation undertaking is directly relevant to project and concession finance, where lenders price the availability and enforceability of government support. Two questions determine its practical value: whether a commitment given under the regulation binds the state as a contractual obligation or only as an administrative undertaking, and which organ has authority to grant it — because a commitment given without authority is the very risk it was intended to remove. Sponsors negotiating a project agreement should establish both before relying on it in a financial model.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Warehouse Receipt System Regulation

Regulation No. 589/2018

28 April 2026 · Council of Ministers

Provides rules for licensing, operating and supervising a warehouse-receipt system, and for the rights attached to warehouse receipts.

DABLO INSIGHT

A warehouse receipt system exists to make stored commodities financeable. Its usefulness turns on whether the receipt is a document of title capable of being pledged and transferred, whether the licensed operator's obligations and insurance are robust enough for a lender to take the paper as security, and how a lender enforces against the underlying goods on default. Where those elements hold, the regime opens collateralised lending to agricultural producers and traders who have stock but no acceptable fixed security — a persistent gap in Ethiopian agricultural finance. Banks should assess the receipt's enforceability before extending credit against it; producers and traders should treat licensed storage as a financing decision, not only a logistics one.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Fees for Services Provided by the Immigration and Nationality Service

Regulation No. 587/2018

24 February 2026 · Council of Ministers

Revises the fee schedule for immigration and nationality services, including service categories for long-term residence and investment-related processing.

DABLO INSIGHT

Relevant to any investor structuring residence arrangements for foreign personnel or principals, and best read alongside Proclamation No. 1388/2025, under which a qualifying residential property owner obtains a residence permit or five-year multiple-entry visa. For businesses with expatriate staff the revised schedule is a budget line that should be updated for the coming year and reflected in secondment and assignment cost models.

SECTION 07

Energy, Environment & Carbon

Read together, these instruments describe a deliberate build-out of Ethiopia's environmental markets architecture, with the reported Carbon Market Proclamation in Section 09 as its intended capstone.

Payment for Ecosystem Services Proclamation

Proclamation No. 1401/2018

21 April 2026 · House of Peoples' Representatives

Creates a legal framework for payments that reward the protection, restoration or sustainable management of ecosystem services.

DABLO INSIGHT

Ecosystem services payments and carbon credits raise the same threshold question: who owns the environmental benefit generated on a given piece of land. In Ethiopia, where land is state-owned and held by users under statutory and customary use rights, that question has no obvious answer, and it is the principal legal risk in structuring any project of this type. A framework proclamation is valuable to the extent it resolves entitlement, benefit-sharing with communities, and the durability of the arrangement across the life of a project. Developers should treat the entitlement chain — from land use right to project developer to buyer — as the first item of diligence, not the last.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Forest Carbon Trading Directive, as amended

Directive No. 1122/2018, amended by Directive No. 1141/2018

6 February 2026, amended 29 May 2026 · Ministry of Agriculture

Establishes rules for the approval, accounting and trading of forest-carbon projects and credits, amended within four months of issue by Directive No. 1141/2018. Anyone structuring a carbon project in Ethiopia should read both together, and alongside the reported Carbon Market Proclamation noted in Section 09.

DABLO INSIGHT

An amendment arriving four months after issue is itself information. It suggests the original text met practical difficulty in application, and it means any project structured against the original directive should be re-tested against the amended position. Developers and offtake purchasers should also anticipate a third layer: a national carbon market proclamation would sit above both directives and may require projects approved under them to be re-authorised or re-registered.

Verification note. Both directives to be checked against the firm's register before client-specific advice.

Energy Efficiency and Conservation Fund Management Directive

Directive No. 1129/2018

8 April 2026 · Petroleum and Energy Authority

Establishes governance and administrative rules for the energy-efficiency and conservation fund.

DABLO INSIGHT

For energy-intensive industrial users and developers of efficiency projects, the operative questions are what the Fund may finance, who may apply, and on what terms support is given — grant, concessional loan or subsidy. Where the Fund is capitalised from levies or tariff components, industrial users may find they are contributing to it whether or not they draw on it, which is reason enough to establish eligibility.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

SECTION 08

Employment & Public Administration

Immigration Regulation (Amendment)

Regulation No. 581/2018

15 December 2025 · Council of Ministers

Amends the principal immigration regulation and must be read together with it.

DABLO INSIGHT

Employers feel immigration amendments through work and residence permit conditions — categories, durations, renewal cycles, and the documentary basis on which a permit is granted. Any change here interacts with two other developments of the year: the revised immigration fee schedule under Regulation No. 587/2018, and the residence entitlement created for qualifying foreign property owners under Proclamation No. 1388/2025. Employers with expatriate staff should re-verify permit categories and renewal timelines against the amended regulation rather than against established practice.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

Ethiopia's Overseas Employment Implementation Directive

Directive No. 1126/2018

30 March 2026 · Ministry of Labor and Skills

Implements the overseas-employment framework, including recruitment licensing, contracts and worker protection.

DABLO INSIGHT

Labour migration is among Ethiopia's largest sources of foreign exchange and among its most persistent protection problems, and the regulatory response has historically alternated between suspension and licensing. An implementation directive matters to licensed private employment agencies as a condition of operation — licensing standards, bond or guarantee requirements, contract attestation, and the sanctions for placing workers outside the framework. It also matters to employers and recruiters in destination states dealing with Ethiopian agencies, whose own compliance position depends on the Ethiopian agency being properly licensed.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

MESOB One-Stop Service Establishment Regulation

Regulation No. 583/2018

28 January 2026 · Council of Ministers

Establishes and organises the MESOB one-stop public-service arrangement.

DABLO INSIGHT

One-stop service arrangements consolidate approvals that previously required separate applications to separate agencies. Their practical value depends on whether the consolidation is procedural — a single intake point that still routes to the original decision-makers — or substantive, with delegated authority to decide. Businesses should establish which services are actually within the arrangement and whether the constituent agencies retain a residual approval, because that difference determines whether timelines genuinely shorten.

Verification note. Signed text to be checked against the firm's register before client-specific advice.

SECTION 09

Awaiting Gazette Confirmation

The measures below were approved or reported by an official source before our research cut-off of 5 September 2026, but the signed Gazette text, final instrument number or operative date had not been independently verified at the time of writing. They are included for their significance, not their certainty. Treat as directional only until confirmed.

Federal Criminal Procedure and Evidence Code

Proclamation No. 1410/2018

House of Peoples' Representatives · Gazette record not yet verified

A comprehensive new federal code governing criminal investigation, charging, trial, evidence and related procedural safeguards — likely the single most consequential item on this list once confirmed. It would replace a procedural framework substantially unchanged since 1961, with consequences reaching well beyond criminal practice into corporate investigations, regulatory enforcement, and the evidential standards applied to documentary and electronic material.

Freedom of Information Proclamation

Reported Proclamation No. 1427/2018

House of Peoples' Representatives · Approved; Gazette copy not verified

Creates or updates rights and procedures for public access to information held by government bodies.

Federal Government Budget Proclamation for 2019 E.C.

Reported Proclamation No. 1435/2018

House of Peoples' Representatives · Approved; proclamation number not verified

Appropriates the federal budget for 2019 E.C. Official Ministry of Finance materials report a total of approximately ETB 2.339 trillion.

Carbon Market Proclamation

Reported Proclamation No. 1436/2018

House of Peoples' Representatives · Approved; Gazette number not verified

Creates a national legal framework for carbon-market activities, project authorisation, credits and benefit sharing. If confirmed it would sit above the Forest Carbon Trading Directive and the Payment for Ecosystem Services Proclamation discussed in Section 07.

Ethiopian Statistical Service Proclamation

Reported Proclamation No. 1433/2018

House of Peoples' Representatives · Approved; number not verified

Revises the legal framework and institutional arrangements for the Ethiopian Statistical Service.

SECTION 10

Implementation Watch for 2019 E.C.

Not everything that will shape the coming year is a 2018 E.C. instrument. Two implementation processes carry over into the new year and warrant monitoring.

Startup Proclamation No. 1396/2024 — awaiting implementing regulations

Ministry of Innovation and Technology

The Startup Proclamation created a distinct legal category for innovation-driven, scalable early-stage businesses, displacing the previous position under which startups were treated as ordinary micro, small and medium enterprises. Startup status is not automatic: a venture must apply and be formally designated before it can access the regime. Qualifying businesses must be early-stage, innovation-driven, scalable and registered in Ethiopia; founders must collectively retain at least 25 per cent of capital; and publicly listed companies are excluded.

Designation sits with the Ministry of Innovation and Technology, supported by a National Startup Designation Committee, and is to be administered through a Digital Startup Portal that will also carry periodic reporting obligations and applications to regulatory sandboxes. The substantive incentives — expected to include duty-free import of capital goods, tax relief and loss carry-forward — await implementing regulations. In the interim MInT has opened a voluntary registration that confers no legal status but places a business on the regulator's map. Founders who expect to qualify should register now and begin assembling designation documentation. Foreign founders and investors may participate in designated startups, but sectoral restrictions, capital requirements and permit obligations under the general foreign investment regime continue to apply unchanged.

Draft Income Tax Regulation amendment — awaiting Council of Ministers regulation

Council of Ministers · Draft amendment to Council of Ministers Income Tax Regulation No. 410/2009

The Ministry of Finance has circulated a draft amendment providing detailed implementation rules across the revised income-tax framework, covering business-income computation, deductions, withholding, the minimum alternative tax, undistributed profits, partnerships and

LLPs, digital and cross-border income, and transitional matters.

DABLO INSIGHT

The draft may materially affect companies, partnerships, professional firms, investors, employers and withholding agents. Taxpayers should assess its implications for tax calculations, distributions, contracts, accounting systems and documentation now, while monitoring the final approved and gazetted text — the interval between circulation and gazettal is the only period in which a position can be adjusted cheaply.

How this review was compiled

This review draws on DABLO's internal 2018 E.C. federal legal instruments register: proclamations, Council of Ministers regulations and federal directives published or officially registered between 11 September 2025 and 5 September 2026, cross-checked against the Ministry of Justice federal law repository and the National Bank of Ethiopia's directives register. Research cut-off was 5 September 2026. Five calendar days of 2018 E.C. remained at that point, and instruments finalised in that window will follow in a supplementary update.

The review covers federal instruments only. Regional legislation, and instruments published by authorities that maintain their own registers outside the Ministry of Justice repository — the Ethiopian Capital Market Authority among them — are addressed narratively where relevant but are not comprehensively surveyed.

Ethiopian enactment dates follow official Ministry of Justice metadata; Gregorian dates are the calendar conversion. Under the Federal Negarit Gazeta framework, the authenticated Amharic text prevails where an English rendering diverges from it.

Where an entry carries a verification note, the instrument is recorded in the register and its existence, number and date are established, but the signed text was not available for review before the cut-off. Commentary on those entries is confined to the framework in which the instrument sits and its likely operational consequence. We do not assert provisions we have not read.

Ethiopia's Leading Corporate and Commercial Law Firm

DABLO Law Firm LLP is a full-service corporate law firm based in Addis Ababa, advising international and domestic clients on investment, banking and finance, capital markets, tax, employment, regulatory compliance and dispute resolution in Ethiopia. The firm is the LEX Africa member firm for Ethiopia. It maintains a continuous federal regulatory monitoring practice, of which this review forms part.

Our role in the market

DABLO Law Firm LLP acted as Independent Legal Adviser on both first-wave bank registrations described in Section 03, covering legal due diligence, prospectus verification and the Independent Legal Opinion required under the Capital Market Proclamation No. 1248/2021 and ECMA Directive No. 1030/2024 — a combined registered par value exceeding ETB 69 billion.

PRACTICE AREAS

Investment and market entry
Banking and finance
Capital markets
Tax and customs
Corporate and commercial
Employment and immigration
Regulatory compliance
Dispute resolution

INTERNATIONAL REACH

LEX Africa member firm for Ethiopia, giving clients coordinated access to member firms across the continent, and a single point of instruction for cross-border mandates involving Ethiopia.

ABOUT THIS PUBLICATION

The 2018 E.C. Legal Year in Review is prepared annually by DABLO Law Firm LLP, a full-service corporate law firm in Addis Ababa and the LEX Africa member firm for Ethiopia. It covers federal legislative and regulatory instruments published in the Federal Negarit Gazeta and in the directive registers of the National Bank of Ethiopia, the Ethiopian Capital Market Authority, the Ministry of Revenues and the Ethiopian Investment Board during 2018 E.C., to a cut-off of 30 Nehase 2018 E.C. Regional instruments are outside its scope.

Where an English rendering diverges from the authenticated Amharic text, the Amharic text prevails. The commentary states the position as at the cut-off date and is not updated for subsequent amendment. It is provided for general information, does not constitute legal advice, and no client relationship arises from reading it. Readers should take advice on their own circumstances before acting.

To discuss how any of these developments affect your operations in Ethiopia, please contact us.

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