MONTHLY LEGAL UPDATE

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IN THIS EDITION

Customs · Foreign Homeownership · Beneficial Ownership · Critical Infrastructure Cybersecurity

Ethiopian Legal Intelligence

Keeping you informed. Keeping you ahead.

WHAT'S COVERED THIS MONTH

1	**Customs Proclamation No. 1425/2026** Further amendment of Customs Proclamation No. 859/2014: examination, storage, partial release, valuation, contraband and appeals
2	**Foreign Nationals' Residential Property Directive No. 1147/2026** Permit procedure and regional investment thresholds for foreign ownership of a residential house under Proclamation No. 1388/2025
3	**Beneficial Ownership Regulation No. 592/2026** Council of Ministers Regulation requiring legal persons to identify, record and file information on their beneficial owners
4	**Critical Infrastructure Cybersecurity Proclamation No. 1426/2026** Obligations for owners of designated critical infrastructure, licensing of service providers and penalties; applies from 21 July 2027

EXECUTIVE SUMMARY: IF YOU READ NOTHING ELSE, READ THIS

ACTION NOW	Importers, exporters and clearing agents should align declaration, valuation, storage and appeal practice with Customs Proclamation No. 1425/2026, in force since its publication on 23 July 2026. Legal persons should identify their beneficial owners, appoint an information officer and record the required information under Regulation No. 592/2026. Existing legal persons must hold the information by the second week of October 2026 and file it with the Ministry of Trade and Regional Integration by the second week of January 2027.
MONITOR	INSA's technical frameworks and licensing criteria ahead of 21 July 2027; implementing directives under the customs amendment, including on country-of-origin marking; and the Ministry of Trade and Regional Integration's forms and registry arrangements under Regulation No. 592/2026.
OPPORTUNITY	Partial release and the reduced appeal deposit under the customs amendment improve importers' cash position. Directive No. 1147/2026 defines the process for foreign buyers of residential property, which is relevant to developers and sellers. The cybersecurity licensing regime creates a regulated market for licensed service providers.
NOTE	The four instruments move in two directions: market access widens in trade and property, while oversight tightens around beneficial ownership and critical infrastructure. None is self-executing: each depends on an institution (the Customs Commission, the Ministry of Urban and Infrastructure Development, the Ministry of Trade and Regional Integration or INSA) to issue the forms, registries and criteria that put it into practice. The cybersecurity proclamation has been published, but its obligations apply from 21 July 2027.

COMPLIANCE DEADLINE CALENDAR

10 July 2026	Beneficial Ownership Regulation No. 592/2026 published.
21 July 2026	Critical Infrastructure Cybersecurity Proclamation No. 1426/2026 published; its obligations apply from 21 July 2027.
23 July 2026	Customs Proclamation No. 1425/2026 published in the Federal Negarit Gazette.
Early August 2026	Foreign Nationals' Residential Property Directive No. 1147/2026 registered and published; it applies from registration and publication.
Second week of October 2026	End of the three-month period for existing legal persons to obtain and hold beneficial ownership information (Regulation No. 592/2026).
Second week of January 2027	End of the six-month period for existing legal persons to file with the Ministry of Trade and Regional Integration. The Ministry may extend the period by up to two months.
Within 14 days of a change	Legal persons must update beneficial ownership information after any change.
Within 30 working days of acquisition	A foreign national must notify the Ministry of Urban and Infrastructure Development after acquiring a house and submit the title documents (Directive No. 1147/2026). The permit is valid for one year.
21 July 2027	Obligations under Proclamation No. 1426/2026 apply, including notification of the National CERT within 48 hours of an incident.

1

Customs Proclamation No. 1425/2026

Further amendment of Customs Proclamation No. 859/2014 (as amended by Proclamation No. 1160/2019) | Approved 9 June 2026; published 23 July 2026

The House of Peoples' Representatives approved Proclamation No. 1425/2026 on 9 June 2026, and it was published in the Federal Negarit Gazette on 23 July 2026. It amends the examination, storage, release, valuation and appeal provisions of the Customs Proclamation and revises the rules on contraband.

Examination

The Customs Commission may examine declared goods by scanner, laboratory analysis or physical inspection, and may examine documents, including by re-examining goods that have already been cleared.

Storage

The period before goods are transferred to a government warehouse is extended from 15 to 45 days for sea and land consignments, and from 10 to 30 days for air consignments. The period is suspended where the delay is attributable to customs controls, administrative action or force majeure.

Partial Release

Where a declarant states in writing that it cannot pay the full duties and taxes at once, the Commission may release a proportionate part of the consignment against payment of the duties due on that part. The release is discretionary, so a request should be supported by evidence.

Valuation and Exchange Rate

Valuation databases may be used for risk management but not as fixed or minimum values. Where the Commission rejects a declared value, it must give written reasons and allow the declarant to respond before making a final determination. Where software on a physical carrier is separately identified in the documentation, the customs value is that of the carrier medium only. Duties are computed at the National Bank of Ethiopia's indicative rate on the date the declaration is submitted and accepted.

Country of Origin

Goods must carry durable country-of-origin markings in English. The detailed requirements are expected to follow in implementing directives.

Contraband and Carriers

A vehicle used to conceal contraband, including one with concealed compartments, may be confiscated, but only after the owner has been notified and given the opportunity to present evidence. An owner who failed to take reasonable precautions may be fined up to the value of the contraband or ETB 200,000, whichever is lower. Transporters face fines of ETB 4,000 to 10,000 for manifest and procedural breaches, and ETB 15,000 to 20,000 for loading or unloading goods without a customs officer present.

Appeals

An appellant must pay the undisputed duty and deposit 50 percent of the disputed amount; previously the full disputed amount was required.

Importers and Exporters	Consider whether partial release and the 50 percent appeal deposit help with pending consignments, and keep documentation supporting each declared value, since a rejection must now be reasoned and open to response.
Clearing Agents	Update procedures for the new examination methods, the revised storage periods and the exchange rate applicable on acceptance of the declaration.
Transporters and Vehicle Owners	Review precautions against the concealment of contraband and ensure that loading and unloading take place in the presence of a customs officer.

TSA VIEW

The amendment gives traders more time and more procedural protection: longer storage periods, partial release, a reasoned valuation process and a lower appeal deposit. In return it tightens enforcement, with wider examination powers, confiscation of vehicles used to conceal contraband and fines for owners and transporters. Two points need care in practice: partial release is discretionary, so a request should be supported by evidence, and the country-of-origin marking rules await implementing directives.

2 Foreign Nationals' Residential Property Directive No. 1147/2026

Issued under Proclamation No. 1388/2025 by the Ministry of Urban and Infrastructure Development | Registered and published in August 2026

Proclamation No. 1388/2025 permits qualifying foreign nationals to own a residential house in Ethiopia, and Directive No. 1147/2026 sets out the procedure. The Directive was registered by the Ministry of Justice and published in early August 2026, and it applies from registration and publication. Foreign nationals of Ethiopian origin are outside its scope and remain governed by their existing regime.

Permit and Limits

A foreign national must obtain a permit before acquiring a house and may hold one residential house. The permit is valid for one year, extendable by one year only in cases of force majeure. After acquiring the house, the owner must notify the Ministry within 30 working days and submit the title documents.

Regional Thresholds

The applicant must deposit foreign currency in a restricted account with an Ethiopian bank. The amount depends on the region where the house is located:

Region	Minimum deposit
Afar, Benishangul-Gumuz and Gambela	USD 100,000
Oromia, Amhara, Tigray, Sidama, Central Ethiopia, South Ethiopia, South West Ethiopia, Somali, Harari and Dire Dawa	USD 120,000
Addis Ababa and Sheger City	USD 150,000

Financing and Investors

The Proclamation does not permit the purchase to be financed by domestic bank credit. A foreign investor acquiring through an investment permit must obtain confirmation from the permit-issuing authority.

Foreign Buyers	Obtain the permit before signing, confirm the threshold for the region concerned, and diarise the one-year validity and the 30-working-day notification.
Developers and Sellers	Reflect the permit requirement and the one-house limit in sale contracts and conditions precedent.
Banks	Domestic financing is not available for these purchases; the relevant business is the restricted foreign currency account and the related AML/CFT screening.

TSA VIEW

The Directive does not create the ownership right. It turns the right granted by Proclamation No. 1388/2025 into a permit procedure with fixed thresholds and time limits. The sequence matters: the permit comes before the purchase, the foreign currency deposit must match the region where the house is located, and the purchase cannot be financed by domestic bank credit. Developers and sellers dealing with foreign buyers should build these steps into their contracts from the outset.

3 Beneficial Ownership Regulation No. 592/2026

Council of Ministers Regulation on the Transparency of Legal Persons' Beneficial Ownership Information | Published 10 July 2026

Regulation No. 592/2026 was published on 10 July 2026 under the Anti-Money Laundering and Countering the Financing of Terrorism Proclamation No. 780/2013, as amended by Proclamation No. 1387/2025. Filings are made with the Ministry of Trade and Regional Integration.

Who Is a Beneficial Owner

A beneficial owner is the natural person who ultimately owns or controls a legal person, directly or indirectly, including through nominees or other entities. The ownership threshold varies by type of entity: 2 percent for financial institutions; 5 percent for private limited companies and for entities in mining, real estate, motor vehicle sales and import and export; 10 percent for share companies; and 25 percent for partnerships. Control by other means, such as the power to appoint or remove directors, also qualifies. Ownership held through holding companies must be looked through to the natural person.

Information and Duties

A legal person must record each beneficial owner's full name, date and place of birth, nationality, address, contact details and occupation, identity document number (Fayda or passport) and whether the person is politically exposed. It must appoint an information officer, review the information at least twice a year and report any change within 14 days. A foreign legal person must file authenticated beneficial ownership information before it is registered in Ethiopia. The Regulation exempts civil society organisations, wholly state-owned enterprises, cooperatives, religious organisations and political parties.

Transitional Period

Existing legal persons must obtain and hold the information within three months, and file it within six months, of the Regulation taking effect, a period the Ministry may extend by up to two months. On the Gregorian calendar these periods end in the second week of October 2026 and the second week of January 2027. The central registry's information system is reported to be targeted for March 2027, after the filing period, so the interim filing mechanism should be confirmed with the Ministry.

Enforcement

Late, incomplete or false filings carry fines of ETB 100,000 to ETB 500,000 and may lead to suspension or cancellation of the trade licence. No business registration, trade licence or investment permit is issued or renewed until the information is on record. The Ministry may also exclude an offender from public procurement and publish its name, and the Regulation allows the information to be shared with foreign authorities.

Legal Persons	Identify beneficial owners under the applicable threshold, appoint the information officer and record the required data now. The first transitional period ends in the second week of October 2026.
Beneficial Owners and Foreign Investors	Expect to be asked for identity documents and details of ownership chains. Foreign entities should obtain authenticated documents before registration.
Compliance Teams	Align this record with existing AML/CFT and tax files, and confirm with the Ministry how filings will be made until the registry is operational.

TSA VIEW

The Regulation reaches behind the shareholder register to the natural person, and the low thresholds (2 percent for financial institutions and 5 percent for private limited companies) mean that many minority holders will be reportable. It is a continuing obligation, not a one-time filing: the information must be reviewed at least twice a year and updated within 14 days of a change. Because registrations, licences and investment permits will not be issued or renewed without it, legal persons should treat the record as part of routine corporate housekeeping and confirm with the Ministry how filings will be made until the registry is operational.

4 Critical Infrastructure Cybersecurity Proclamation No. 1426/2026

Approved 9 June 2026; published 21 July 2026; obligations apply from 21 July 2027

The House of Peoples' Representatives approved the Proclamation unanimously on 9 June 2026. It was published on 21 July 2026 and enters into force one year after publication, on 21 July 2027. It applies to owners and operators of designated critical infrastructure, whether located in or outside Ethiopia, and to persons providing cybersecurity services. The Information Network Security Administration (INSA) is the supervising authority.

Sectors

The Proclamation covers twelve sectors: information and communication technology; finance; security and public safety; transport; education; health; water and energy; government services; emergency services; agriculture; trade; and industry.

Obligations of Owners

Owners are subject to eighteen obligations, including adopting a cybersecurity programme aligned with INSA's frameworks, conducting periodic risk assessments, obtaining audit and inspection certification and implementing corrective measures, employing certified cybersecurity professionals, security vetting of personnel with access to critical resources, obtaining INSA clearance before integrating new ICT systems, and notifying the National CERT within 48 hours of an incident. An owner may delegate these obligations to a licensed service provider, except where INSA determines that the infrastructure is too sensitive to delegate.

Licensing and the Cybersecurity Fund

Providing cybersecurity services requires an INSA licence. The applicant must be a legal entity with qualified professionals, minimum capital, a permanent address in Ethiopia and no relevant criminal record. The Proclamation also establishes a Critical Infrastructure Cybersecurity Fund to support programmes, research, training and infrastructure upgrades.

Penalties

Administrative fines range from ETB 300,000 to ETB 2,000,000 depending on the violation, with the highest band applying to, among others, failure to report an incident. A fine is tripled for a repeat violation and may be reduced, to not less than one half, where the violation resulted from negligence. Criminal liability applies in parallel: an intentional violation is punishable by simple imprisonment of up to one year, and a violation that damages critical infrastructure or compromises national security by rigorous imprisonment of seven to ten years.

Violation (selected)	Administrative fine (ETB)
Failure to implement the required cybersecurity frameworks	500,000 to 1,000,000
Failure to report a cyber incident	1,500,000 to 2,000,000
Failure to cooperate with the National CERT	300,000 to 500,000
Failure to cooperate with an audit or inspection	1,500,000 to 2,000,000
Failure to implement corrective actions	800,000 to 1,000,000
Use of an uninspected or uncleared ICT system	800,000 to 1,000,000
Providing cybersecurity services without a licence	1,200,000 to 2,000,000

Infrastructure Owners	Determine whether any of your infrastructure falls within the twelve sectors and use the period to 21 July 2027 for a gap assessment against the eighteen obligations.
Service Providers	Prepare licensing documents (entity documents, qualified staff, capital and address) in anticipation of INSA's licensing criteria.
Boards and Senior Management	Treat compliance as a governance matter. Fines reach ETB 2,000,000, and individual criminal liability is provided for.

TSA VIEW

Banks, telecommunications operators, utilities and hospitals are the evident first population, but coverage turns on INSA's designation of specific infrastructure. Personnel vetting, vendor review and certification take longer than the twelve months available, so preparation should begin before designation.

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