

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ



Clearance & Forwarding Services

خدمات جمركية متكاملة

لإرسال الاستفسارات الجمركية يرجى المراسلة على
البريد الإلكتروني

Info@serajaldeen.com

تفضلوا بزيارة موقعنا على الانترنت

www.serajaldeen.com

Translation
Republic Presidency
Legislative Decrees
Legislative Decree No. 20
Regarding The Public Establishments, Companies

The Republic President
According to The Constitution Provisions
Decreases the following:

Chapter One
General Provisions:

- Article 1- The following definitions, in field of this legislative decree application, shall have the following meanings:
- A- The Public Establishment: is a public recognized person that enjoys the financial and administrative dependency, participates in developing the national socialist economy, practices a work of an economic nature through his direct activity or through supervising a number of public companies or installations of similar or integrated purposes and coordinates between them.
 - B- The Public Company or the Public Installation : is a public recognized person that enjoys financial and administrative dependency, participates in developing the national socialist economy and consists of one or a group of economic units that practice agricultural, industrial, commercial or financial business.
 - C- The Minister: is the competent Minister to whom the public establishment, public company or public installation is reporting according to the situation.
- Article 2- A- The Public Establishment, public company and public installation shall be initiated by a decree without restriction to the procedures and formalities stipulated in the Commence Law..
- B- Each of the public establishment, public company and public installation shall be construed a merchant in its relation with the others and shall practice all the activities resulting therefrom.
- Article 3- The decree initiating the public establishment, the public company or the public installation shall in particular specify the following:
- A- Its name and center.
 - B- The purpose of its initiation.
 - C- The capital and components thereof.
 - D- The authority it is reporting to.

- Article 4- The public establishment,, the public company or the public installation shall have the right, in order to realize its objectives, within the limits of the rules and regulations in force, to follow the various necessary means especially the following:
- A- Regarding the public establishment:
- 1- To implement the decrees initiating the public companies or the public installations affiliated thereto.
 - 2- To initiate economic units affiliated thereto, merge, partition or cancel them.
 - 3- To initiate branches and centers thereto in the country or abroad or cancel or partition them.
 - 4- To grant loans to the public companies and public installations affiliated thereto and to sponsor same in loans granted thereto.
 - 5- To conclude agreements of loans with the state and abroad without prejudice to the authorities bestowed to State Planning Authority according to the rules and regulations in force.
- B- First-Regarding the public company and public installation affiliated to a public establishment:
- 1- To initiate economic units affiliated thereto, merge, partition or cancel them within the frame of its determined plan.
 - 2- To conclude agreements of loans with the state and the local financial establishments.
- Second: Regarding the Public Company and the Public Installation not affiliated to a public establishment:
- 1- To initiate economic units affiliated thereto, merge, partition or cancel them within the frame of its determined plan.
 - 2- To initiate branches and centers thereto locally or abroad, partition or cancel them.
 - 3- To conclude agreements of loans with the state and the local financial establishments.
- Article 5- Merger of the public establishments, public companies and the public installations, canceling same and changing their reference shall be effected by a deed similar to that of their initiation.
Such deed shall specify the manner thereof and the results depending thereon.

Chapter Two The Public Establishment Management

Article 6- The public establishment shall be managed by :

- 1- Board of directors.
- 2- General Manager.

Article 7- A- The public establishment general manager shall be appointed by a decree specifying the general manager's salary and indemnities.

B- The deputy general manager and the managers in the public establishment shall be appointed by a decision of the minister according a proposal by the general manager within the conditions stipulated in the laws and regulations in force.

C- 1-The public establishment board of directors shall consist of:

General Manager - Chairman

Deputy General Manager - Member and Vice Chairman

Financial Affairs Manager - Member

One manager named by the Minister (Technical - production - investment... etc.) according to the nature of work in the establishment - Member

Two representatives of Laborers to be named by the executive office of The General Union of workers Two members.

One representative of farmers to be named by The Farmers General Union - regarding the establishments related to the agricultural sector - Member.

- 2- It shall be permissible, by a decision of the premier and according to a proposal by the appropriate minister, to add a representative or more from the other public departments out of the establishment to the board of directors membership.
- 3- The board of directors shall convene once monthly at least and it shall convene when necessary by a request of the chairman or the majority of its members.
- 4- The general manager of the public company or the public installation affiliated to the establishment shall be called to attend the Board of Directors meetings when matters related to his company or installation are discussed, but said manager shall not have the voting right.
- 5- Meetings of the board of directors shall not be considered legal except in presence of the majority of its members including the chairman. In case of the chairman's absence, he shall be replaced by the deputy General Manager in presiding over the meeting.

6- Board of Directors decisions shall be taken by majority of voting, but when voting is equalized, the chairman's side will win except what is stipulated in article II of this legislative decree where it is conditioned to have the majority of the two - thirds of members.

Article 8- Financial and accountancy systems, contracts and sales systems,, costs, financial incentive systems, jury and settlement systems shall be issued by a decree covering the basic principles of the public establishments, public companies and public installations of economic nature.

Article 9- By a decision of the minister the following shall be issued:

- 1- The public establishment policy consistent with the tasks determined thereto.
- 2- Storing and distributing systems, warehouses, operations, publicity and advertising regarding the public establishment, public companies and public installations affiliated thereto.

Article 10- The board of directors is the competent authority that plans the public establishment policy to be followed to achieve the purpose of its initiation. To realize this, the board shall enjoy all prerogatives in managing the establishment and running its works. It shall be fully responsible for setting plans and carrying them out as well as the economic management, and realizing the economic reward thereto according to the State's policy, the provisions of this legislative decree and the Syrian Commence Law. It shall be responsible namely for the smooth implementation of the plans of production, export and the optimal utilization of the available resources with the aim of achieving an appropriate reward for the invested capital. The board of directors shall undertake:

- 1- Setting out the drafts of the basic principles and regulations stipulated in Articles (8&9) of this legislative decree and forwarding same to the competent authorities to issue them.
- 2- Setting out the standards and performance rates for the public establishment, public companies and public installations affiliated thereto.

- 3- Setting out the policies and objectives of production, marketing, export, investment, workmen, profits, prices and to follow up on the public companies and the public installations in realizing their objectives determined by the State in this concern.
 - 4- Setting out the detailed plans and executive programs that guarantee developing production and tighten control on its quality and nice utilization of the available resources in a sound economic manner and whatever may increase and improve production of the public establishment , the public companies & public installations affiliated thereto.
 - 5- Sanctioning the annual plan of the public companies and public installations affiliated thereto. This plan covers the following:
 - A- The investment plan.
 - B- The production plan.
 - C- The commercial plan.
 - D- Manpower plan.
 - E- Costs & profit plan.
 - F- The estimated budget.
 - 6- Coordinating between the public companies and public installations affiliated thereto and to work on solving the disputes arising between them.
 - 7- Studying the quarterly and annual reports as well as others submitted by the general manager of the public establishment, public company or public installation to the board of directors on the implementation of the plans of the public establishment, Public companies and public installations affiliated thereto as well as their financial status and taking the action necessary in this concern.
 - 8- Studying whatever the minister, the general manager or workmen representatives in the board of directors deem of issues relevant to the activity of the public establishment, its public companies and public installations.
 - 9- Sanctioning the results of tenders, quotation bids and direct contracting which mount or exceed one million Syrian Pounds each. This sum may be amended by a decision of the premier.
- Article 11- The public establishment board of directors convening and presided by the Minister shall have the following prerogatives:
- 1- To sanction the public establishment annual Plan, and to sanction the unified annual plan of the public establishment and its public companies and installations within the frame of the State-Five-Year plan without prejudice to the State Planning Authority prerogatives according to the laws and regulations in force.

To prepare and discuss the annual plans of the public establishment, public company or the public installation in light of the annual performance appraisal indications.

- 2- A- To sanction the final annual budget and profit and loss account of the public establishment, public companies and public installations affiliated thereto, appraise their performance and issue certificates of clearance for the board of directors members and its administrative committees. The board of directors in this case is considered the public authority of shareholders in the Syrian Commence Law provided that a representative of The Central Authority for Control and Inspection and a member representing The Central Authority for Financial Control are added thereto. The provision stipulated in The Syrian Commence Law shall be applicable to whatever is not stipulated in this legislative decree in matters related to the responsibilities of the boards of directors members and the administrative committees.

Certificates of clearance for the members of the board of directors of the establishment and the administrative committee of the public company or the public installation shall be issued or not issued - according to the situation - after referring to the acceptance decisions issued by The Central Authority for Financial Control and the annual performance appraisal indications reports.

- B- The provisions and principles specified in paragraph A of this Article on the public companies and public installations that report directly to the Minister upon sanctioning the final budget and profits loss account or in case of not clearing their administrative committees shall be effected through a meeting of their administrative committees to be presided over by the competent minister provided that a representative of The Central Authority of Control & Inspection and the Central Authority for Financial Control join said meeting.

- 3- To propose increasing or decreasing the capital of the public establishment, the companies and public installations affiliated thereto. Sanctioning the increase or the decrease shall be effected by a decision of The Board of Planning.
- 4- To initiate, merge, partition and cancel economic units.

Article 12- The board of directors shall have the right, in practicing its tasks, to ask for the assistance of experts and specialized personnel deemed appropriate.

Article 13- The establishment General Manager shall have the following prerogatives:

- 1- To carry out the board of directors decisions.
- 2- To manage the public establishment, develop methods of work therein and support its apparatuses.
- 3- To practice the right of recruitment according to the provisions stated in this concern in the laws and regulations in force.
- 4- To promote, transfer and second the public establishment staff within the limits of the laws and regulations in force and according to the appropriations allocated in the budget.
- 5- To grant incentives within the limits of appropriations and impose penalties on the workman within the limits of laws and regulations in force.
- 6- To delegate the deputy general manager and managers with some of his prerogatives.
- 7- To supervise the works of the public companies and public installations affiliated to the public establishment and control them.

Article 14- The public establishment general manager shall enjoy, within the limits of laws and regulations in force, a wide range of prerogatives in the management of the public establishment affairs, and he shall be responsible before the minister in person for the smooth flow of work therein.

Chapter Three Funds of The Establishment

- Article 15- The public establishment Capital shall consist of:
- 1- Shares of the state in the funds of the public companies and public installations affiliated thereto.
 - 2- The funds allocated by the state thereto.
 - 3- Value of the fixed assets therein and its investments.
 - 4- Other components as specified in its initiation decree.
- Article 16- The public establishment resources shall consist of:
- 1- Net profit of the public companies and public installations affiliated thereto.
 - 2- The reserves and the depreciation rates of the fixed assets of the public establishment, public companies and public installations affiliated thereto.
 - 3- Loans and trust facilities.

- 4- The appropriations allocated by the State.
 - 5- The special resources resulting from the public establishment activity or for works and services rendered to the others.
- Article 17- The public establishment shall utilize its resources according to the following:
- 1- To finance its plans and cover its expenses and what is required for the nature of the tasks assigned thereto.
 - 2- The budget of the public establishment, public company and public installation shall have a separate appropriations to be allocated for the expenditure on the general cultural and social activities thereof. Bases of expending this appropriations shall be defined by the competent minister in agreement with The General Labor Union and according to a proposition by the Public establishment board of directors.
 - 3- To deposit the surplus of its resources to the general debt treasury.
- Article 18-A- The establishment accounts shall be kept according to the commercial and industrial book-keeping principles and its budget shall be arranged on this basis.
- B- Without prejudice to The Economic Law of Penalties provisions, funds of the public establishment, public companies and public installations affiliated thereto shall be construed of the private funds of the State save what is assigned for a public utility by law.
 - C- The public establishment shall have the right of ownership for the purpose of erecting the public companies, public installations and economic units or expanding same according to the provisions of Expropriation Law.

Chapter Four

The Management of The Public Company and The Public Installation

- Article 19-Management of the public company on public installation shall be by:
- 1- An administrative Committee
 - 2- General Manager
- Article 20-A- The general manager of the public company or the public installation shall be appointed by a decree in which his salary and indemnities shall be defined.
- B- The managers in the public company or the public installation shall be appointed according to the laws and regulations in force.
 - C- 1- The administrative Committee of the public company or the public installation shall consist of :
 - The General manager - Chief
 - Deputy General Manager - Member and deputy Chief

- Planning Manager in the public company or public installation - Member
 - Financial Affairs Manager - Member
 - One manager to be named by the competent minister (technical - production - investment... etc.) according to the nature of work in the public company or the public installation - member.
 - Two representatives of workmen to be named by The Executive Office of The General Labor Union.
 - One representative of the Farmers' Organization to be named by Formers' General Union for the public companies and public installations related to the agricultural sector.
- 2- It is permissible, by a decision from the premier based on a proposition from the competent minister, to add one or more representatives from outside the public company or the public installation or from the other sides to the membership of the administrative committee.
- 3- The administrative committee shall convene once per month at least. It may convene - when necessary - by a request of its chief or the majority of its members.
- 4- Meetings of the administrative committee shall not be considered legal unless in presence of the majority of its member among whom is the chief in whose absence the deputy general manager shall act as chief of the committee.
- 5- Decisions of the administrative committee shall be taken by majority of votes and the side of the committee's chief shall win in case of vote equalization.

Article 21- The competent minister shall issue by a decision the following:

- 1- The policy of the public company or the public installation consistent with the tasks defined thereto.
- 2- To appoint one manager in the public company or the public installation as a deputy for the general manager in addition to his work.

Article 22- The administrative committee is the authority competent to set out the policy to be followed by the public company or the public installation to realize the objectives which it was initiated for.

It shall enjoy - to achieve this - a wide range of prerogatives in managing the public company or the public installation and running its works. Moreover, it shall be fully responsible for the nice implementation of plans and the economic management thereof as well as realizing the economic profit thereto according to the state policy, its general plans and the provisions of this legislative decree.

It shall be namely responsible for carrying out the production plans, export and the optimal utilization of the available resources with the objective of achieving a profit proportionate to the invested capital. It shall undertake:

- 1- Proposing drafts of systems necessary thereto as stipulated in Article nine of this legislative decree and forwarding same to the public establishment.
- 2- Proposing the standards and rates of performance therein and working according to these standards and rates after duly approving them.
- 3- Setting the executive plans to realize the policies and the objectives of production, export, marketing, investment, manpower, profitability and the prices set by the public establishment.
- 4- Setting out programs for implementing the plans set up by the public establishment to develop the production, control centered on its good quality and nice utilization of the available resources in a sound economic manner.
- 5- Proposing the annual plan.
- 6- Coordinating between the economic units affiliated thereto.
- 7- Studying the regular reports submitted on the workflow therein and on its financial status and take whatever is necessary of actions in this concern.
- 8- Working on good application of the industrial cost accountancy according to scientific bases.
- 9- Setting out the policy that guarantee upgrading the workmen production efficiency and realising the efficiency in operating the public company and the public installation as well as keeping the regularity of work therein.
- 10- Following up the implementation of projects on the dates determined thereto.
- 11- Realizing the estimates of resources and expenses stated in its plan and working on developing the resources and decreasing the expenses.
- 12- Taking the necessary action to deposit the surplus of its revenues to the public establishment on due dates.
- 13- Setting out training programs for its workmen.

- 14- Studying whatever is deemed by the public establishment general manager, public company general manager, public establishment general manager or workmen representatives in the administrative committee of issues related to its activities.
- 15- Sanctioning the tenders results, quotation bids and direct contracting of which the amount of everyone mounts to or exceeds one million Syrian pounds. This sum may be increased by a decision of the premier.
- Article 23- The administrative Committee may seek the assistance of whoever is deemed appropriate of experts and specialized personnel in practicing its prerogatives.
- Article 24- The general manager of the public company or public establishment shall have the following authorities:
- 1- To carry out the decisions of the public establishment board of directors or the administrative committee.
 - 2- To manage the public company or the public installation, develop methods of work therein and support its apparatuses.
 - 3- To practice the right of recruitment according to the provisions stated in this concern in the laws and regulations in force.
 - 4- To promote, transfer and second the workmen of the public company or the public establishment within the limits of laws and regulations in force and according the appropriations allocated in the budget.
 - 5- To grant incentives within the allocations of the budget and impose penalties on its workmen within the limits of laws and regulations in force.
 - 6- To authorize the managers with some of his prerogatives.
 - 7- To supervise the works of the economic units affiliated to the public company on the public installation and control them.
 - 8- To submit quarterly and annual reports on the implementations of the public company or the public installation plans and its financial status to the public establishment board of directors.
- Article 25- The general manager of the public company or the public establishment shall enjoy a wide range of authorities in managing its affairs and he shall be responsible before the public establishment general manager for the implementation of the plan and smooth flow of work.

Chapter Five

Funds of The Public Company or The Public Installation

- Article 26- Capital of the public company or the public installation shall consist of:
- 1- Value of the fixed assets thereof and its investments.
 - 2- Funds allocated by the State thereto.
 - 3- Other components specified in its initiation deed.
- Article 27- The public company or public installation resources shall consist of:
- 1- The resources generated from its various fields of activities.
 - 2- Loans and trust facilities.

- 3- Sums allocated thereto by the public establishment.
- Article 28- The public company or the public installation shall utilize its resources in:
- 1- Covering its expenses and financing its plans and whatever is required by the nature of its objectives.
 - 2- Depositing the surplus with the public establishment.
- Article 29- Accounts of the public company or the public installation shall be kept according to the principles of commercial and industrial accountancy and organizing its budget on same basis.

Chapter Six Final Provisions

- Article 30- Workmen of the public establishments, public companies and public installations shall be subject to the provisions of The Basic Labor Law in the State.
- Article 31-A- Chief and members of the public establishment board of directors and the administrative committees of the public company and the public installation shall receive a lumpsum payment for each session they attend.
- B- A decision from the premier shall determine the session remuneration as well as the basis and rules governing this proportionate with the activity volume and nature of work in the public establishment, public company and public installation.
 - C- It is impermissible that the total of what every person receives annually exceeds the sum of (10 000) Syrian pounds for attending the sessions of the board of directors - whatever their number was - Sum of this remuneration may be amended by a decree.
 - D- Session remuneration paid by virtue of this article may not be included within the maximum limits of remunerations stipulated in the laws and regulations in force.
- Article 32-A- The general manager of the public establishment, public company or the public installation is the expenditure authority therein. He shall
- have the right to grant a remuneration to whoever he approves within the limits and conditions he defines.
- B- The general manager represents his public establishment, public company or public installation before jurisdiction and others. He may delegate whoever he approves for this purpose.
- Article 33- The financial year for the public establishment, public company and public installation is the financial year of the state.
- It is permissible, by a decision of the Minister of Finance, to determine another date for the beginning and end of the financial year of the

- public establishment, public company and public whose nature of activities require this.
- Article 34- The public establishment, public company and public installation shall operate under the sponsorship of the State.
- Article 35- The contracts and operations concluded by the public establishment, public company and public installation shall be exempted from the state council authentication.
- Article 36- The public establishments, public companies and public installations shall be exempted from presenting guarantees to the public departments, municipalities, all authorities, public companies and public installations affiliated to the public sector in matters related to the tenders in which they participate on contracts they conclude or the modifications they carry out.
- Article 37- The public establishments, public companies and public installations shall be exempted from presenting the guarantee in the jurisdictional procedures in all cases the law imposes this commitment.
- Article 38- With due observation to the provisions of paragraph (B) of article 11 of this legislative decree, the competent minister shall act all the prerogatives of the board of directors and the general manager of the public establishment regarding the public companies or the public installations reporting to the minister and which are not affiliated to a public establishment.
- Article 39- The public establishments, public companies and public installations already established on the date of this legislative decree application shall continue the application of the provisions of their laws and regulations until their statuses are amended by a decree according to the provisions of this legislative decree.
- Article 40-A- The application of The Public Establishment Law No. 32 for the year 1957 shall be restricted on the public establishments of an administrative nature.
- B- The expression "The public establishment" shall be replaced, wherever mentioned in the law referred to in paragraph (A) of this article, by
- "The Public Authority" as well as all laws and regulations related thereto.
- Article 41- The legislative decree No. 18 for the year 1974 and its amendments shall be canceled.
- Article 42- This legislative decree shall be published in the official gazette and shall be construed in force as of the date of its issue.

Damascus on 17-4-1415 H & 18 September 1994.

Republic President
Hafez Al - Assad