

Foreign Investment Procedure in Iran

Phase I Identification and Selection of the Investment Project

Different ways to identify and choose an investment project in Iran are as follows:

- Contacting the Organization for Investment, Economic and Technical Assistance of Iran (OIETAI)
- Contacting Provincial Foreign Investment Services Centers (FISCs)
- Economic section of Iran's embassies abroad
- Available Projects in public, private, state sectors
- Data base of Investment opportunities in Iran in OIETAI's website

Phase II Obtaining permit

Green Fields

- Obtaining Preliminary Permit/ Establishment License from the relevant Iranian Organization/ Ministries

Brown Fields

- Share Purchase Agreement
- Operation Permit

Contractual Arrangements

- Contracts, Agreements and MOUs Concluded in PPP Projects

Phase III Obtaining FIPPA license



Phase IV Implementation of the Project

Company Registration

- Registration of a company through Office for the Registration of Companies and Non-commercial enterprises.

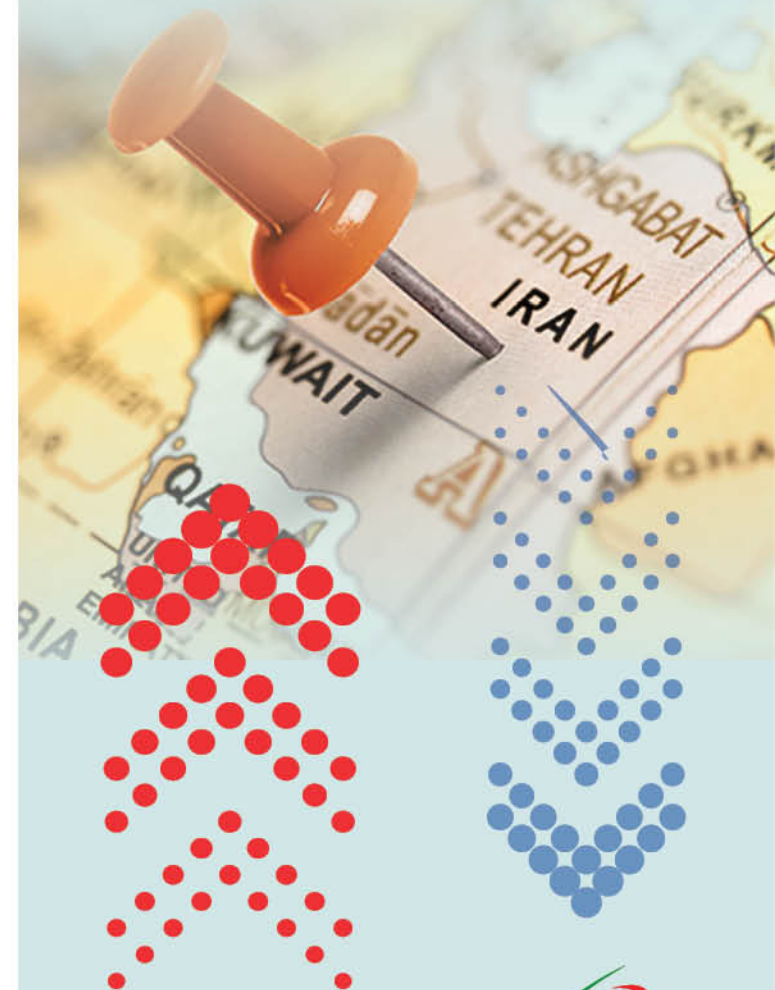
Capital Importation & registration

- Transferring the Foreign Capital in cash to Iran's banking system and registration in OIETAI
- Registration of Orders, Machinery, Equipments and other Physical Capital
- Issuance of the Customs Clearance and registration in OIETAI
- Registration of intellectual properties in OIETAI according to para 2 b of article 21 of FIPPA Implementing regulation

Visa, Work & Residence Permit

- Issuance of short and long term visas for Foreign Investors, Directors and Experts;
- Issuance/ Renewal/ extension of Work Permits for Foreign directors, Investors and experts
- Issuance/ Renewal/ extension of Residence Permits for Foreign Investors, directors and experts and their immediate family members

Foreign Investment in IRAN



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Iran Economic Advantages

➤ The Diversified Economy and Broad Industrial Base directly involved in Tehran Stock Exchange (TES) and Iran Fara Bourse (IFB) are the Largest Industrial Base in the MENA region.

➤ Rich in Natural Resources.

➤ Labor-Rich Economy

➤ Young and Educated Population

➤ Large Domestic Market

➤ The Middle East market as a Prime Market

➤ Opportunity for Iran's Non-Oil Exports

➤ Developed Infrastructure in Transportation, Telecommunications and Energy

➤ Strategic Location, surrounded by 15 Land and Sea Neighbors, Serve as a Lucrative Trade and Transit Route in Both North-South and East-west Directions

➤ Diversified hydrocarbon-rich economy

➤ 4th Oil Producer in the World

➤ 2nd Gas Reserves in the World

➤ One of the Top Producers of Zinc, Lead, Cobalt, Aluminum, Manganese and Copper in the World.

➤ Ranks amongst the Top 7 Countries in production of Agricultural Products

➤ Ranks the first to tenth countries in Producing 22 Important Agricultural Products

Infrastructure and Population	
Population	85 Million
Mobile-Phone Penetration Rate	175.2 %
Internet Penetration rate	78.6 %
Mobile Broadband Penetration Rate	124.18%
Airports	68
Railways	15037km
Roadways	232535km

Some features of investment under Foreign Investment Promotion and Protection Act (FIPPA):

Types of investment:

➤ Direct Investment (Equity Participation): Equity Participation in All Areas Open to Iranian Private Sector in Greenfield & Brownfield Projects

➤ Contractual Arrangements:

o Buy-Back Arrangements

o Civil Partnership

o BOT Schemes

No Limitation on:

➤ Equity Percentage,

➤ Volume of Investments,

➤ Profit Transfer,

➤ Capital Repatriation

➤ Types of Capital Imported

➤ No Import / Export Restriction

➤ Equal Treatment towards Foreign Investors as accorded to Local Investors

Full Government Support & Services Providing:

➤ Free of charge before and after care services to foreign investors

➤ 3 years' multi-entry Visa

➤ 5 years' residence permit

➤ Work permit

➤ Covering political risks for foreign investments

To facilitate the Foreign Investment procedures in Iran, OIETAI provides investment services with a One-Stop-Shop approach in its "Foreign Investment Services Centre" (FISC) at the national level and in 31 provincial Investment Service Center.

Risks Covered under FIPPA (non – commercial risks)

➤ Nationalization & Expropriation

➤ Government Intervention

➤ and Breach of Contracts by Government

➤ Unlimited Transfer for principal and dividend

Appropriate Tax Regime – Highlights of Tax Holidays (Cooperate tax %25)

Income Tax with 0.0% Rate	Duration of Exemption
Industry, Mining & Services (Hospital & Hotels)	5 Years
Industry, Mining & Services (Hospital & Hotels) in Industrial Parks and Special Economic Zones	7 Years
Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas	10 Years
Industry, Mining & Services (Hospital & Hotels) in Less Developed Areas located at Industrial Parks and Special Economic Zones	13 Years
100% of Income derived from Agricultural Activities	Perpetual
100 % of Income derived from Export of Services, Non-oil goods, Agricultural Products and 20% of Income derived from Export of Non – Processed goods	Perpetual