

**Ministry of Economic Affairs and Finance
Organization for Investment, Economic and Technical
Assistance of Iran
(OIETAI)**

GUIDANCE

And

Q&A

On

Foreign Investment in the Islamic Republic of Iran

OIETAI

GUIDANCE

Q&A

Chapter one: General Information

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Foreword:

This is a compilation of the enquiries frequently asked by potential investors willing to invest in the Islamic Republic of Iran. We hope the answers provided herein, in addition to the policy issues, would assist parties, and provide them to have access to a package of comprehensive information in respect of the legal framework for admission of investments and the manner to obtain the relevant Investment License. You may find certain questions which do not necessarily have any direct relevance with Foreign Investment as a whole, but in light of the need for preparing a multipurpose source of information, we have tried to compile a variety of likely inquiries to respond to any question relating to doing business in Iran.

Obviously, those investors who may need more detailed information on any subject, are recommended to refer to other OIETAI publications and guides; or if they wish they may communicate directly or have meetings with the OIETAI staff who are in a position to welcome them by providing answers to any other question which is not addressed in this guide as well.

Readers are kindly recommended to refer to the table of content before searching the answers to their questions in each chapter.

GUIDANCE

Under provisions of Iran's Foreign Investment Promotion & Protection Act (FIPPA), foreign investors investing within the framework of contractual arrangements such as buy-back shall also have the right to make transfers abroad by using the mechanism of purchasing foreign exchange from the banking system of Iran. In consideration of their specific nature of investment and as stipulated in the Note of Article (23) of the Implementing Regulations of FIPPA, these investors also have the privilege to make the transfers through export of goods, without giving up the right to purchase foreign exchange from the banking system.

Q&A

Chapter one

General information

1. Is Foreign Investment permitted in Iran?

Foreign investment is permitted in accordance with the prevailing laws and regulations of the Country. All foreign investors are permitted to invest, for the purpose of development and producing goods and activities, in all areas of industry, mining, agriculture and services. However, from the standpoint of the Iranian government, only those investments shall be eligible to enjoy the privileges and protections under the Foreign Investment Promotion and Protection Act (FIPPA) that have obtained the required license under the FIPPA.

2. What objectives are to be achieved by foreign investment?

The main objectives are:

- Enhancing economic growth;
- Increasing employment opportunities;
- Access to and development of new technologies and managerial skills;

· Upgrading quality of products and boosting export capabilities.

3. Under what legal or contractual framework, foreign investment may be admitted in Iran?

Foreign investment in Iran is admitted under all forms of legal participation (Foreign Direct Investment) and/or contractual arrangements. By contractual arrangements we mean all forms of project financing methods within the framework of civil participation, buy back arrangements, and different types of Build, Operate and Transfer (BOT) schemes.

4. Has Iran joined the Multilateral Investment Guarantee Agency (MIGA)?

Yes, the Islamic Republic of Iran is a member of MIGA at present, to these end foreign investors can enjoy the guarantee mechanisms of this agency as well. Although FIPPA along with bilateral and multilateral investment agreements signed by Iran, provides sufficient protections against non-commercial risks, membership to MIGA gives a double guarantee

5. What law protects foreign investment in the Islamic Republic of Iran?

The law protecting foreign investment in Iran is the Foreign Investment Promotion and Protection Act ratified in 2002 which is hereinafter referred to as FIPPA. The scope of applicability of the FIPPA grants to the territory of the Islamic Republic of Iran under which all foreign investors may invest in the Country and enjoy the privileges available there under.

6. What are those rights and privileges?

Fundamental rights recognized under FIPPA in favor of foreign investors are as follows:

- The right to transfer profits (dividends) as well as capital and gains on capital in foreign exchange;
- The right to receive compensation resulting from expropriation (deprivation of ownership) and nationalization of foreign capital;
- The right to receive compensation resulting from the passing of laws or Cabinet Decrees causing prohibition or interruption in the implementation of financial contracts of foreign investors;
- The right to enjoy equitable treatment accorded to domestic investors.

7. Are there any other facilities and privileges available to foreign investors?

Other facilities and privileges contemplated under FIPPA and its Implementing Regulations are as follows:

- Convertibility and transferability of the funds resulting from various investment and transfer of technology agreements;
- Possibility of submission of investment disputes to international tribunals;
- Recruitment of foreign staff related to the investment projects;
- Export of goods and services without any commitment to reintroduce export proceeds to the Country (i.e., no surrender commitment requirement) ;
- Direct access to and possibility of withdrawal of export proceeds out of Escrow accounts established in banks outside the Country;
- Inapplicability of price control, distribution as well as local content and manufacturing requirements.

8. What issues are specified in the investment license?

Many issues such as area of investment, Iranian and foreign shareholders, type and method of investment, volume and percentage of foreign investment, the manner for transfer of dividend and profit gained as well as other terms and conditions pertinent to a foreign investment project are to be specified in the investment license.

9. Who is qualified to invest in Iran?

All foreign natural and juridical persons, international organizations, institutions and companies as well as Iranian natural and juridical persons are qualified to invest in the Country in accordance with the provisions of FIPPA.

10. How investments by Iranian nationals can be covered under FIPPA?

Investments by Iranian nationals can enjoy privileges of FIPPA on the condition that their capital has been sourced from foreign origin and, further to that; the investor has submitted documentary evidence proving their economic and commercial activities outside the Country.

11. Is the validity of the investment license limited time wise?

Yes. Upon the notification of investment license, the foreign investor is required to bring an appropriate portion of his capital into the Country, within a period determined by the investment board on the basis of the peculiarities

of the investment project; otherwise the investment license shall be null and void.

12. Is it possible to extend the validity, and how?

Yes, foreign investor may apply for the extension of the validity of the investment license, prior to expiration, by way of submission of justifiable reasons. The investment board will review the application and determine a new period for importation of capital, upon the approval of the application for extension.

13. Are foreign state-owned companies authorized to invest in Iran in accordance with FIPPA?

Foreign state-owned companies may invest in Iran in accordance with FIPPA, and enjoy privileges available under the law.

What are the sectors open to foreign investment in Iran under FIPPA?

Sectors open to foreign investment in Iran are vastly diversified and include all producing activities for the purpose of development in all areas of industry, mining, agriculture and services including tourism sector.

14. Is the legal protection under FIPPA extended to foreign investments automatically?

Extension of legal protection to foreign investments is not an automatic phenomenon, but subject to obtaining the required investment license.

15. How and under what condition an investment already carried out but not covered under FIPPA can enjoy FIPPA's coverage?

Investments already carried out but not covered under FIPPA may, upon application for obtaining an investment license and subject to creating added value, enjoy the protections available under FIPPA.

16. Is foreign investment permissible in existing firms? If yes, how?

From the standpoint of FIPPA, there is no difference between investment in a greenfield project - a new company - and investment in an existing economic entity. All prospective foreign investors may at any time proceed for investment in a new (greenfield) project and/or an existing economic entity. However, admission of foreign investment in existing firms is subject to creation of new added value which may result from increase in investment,

upgrading managerial skills, development of exports, and improvement of technology level in the same entity.

17. How foreign investment can take place in an existing Iranian company?

From the standpoint of admission regulations, such investments can be covered under FIPPA and enjoy its privileges upon completion of admission procedure and obtaining the investment license, on the condition that they bring about value addition.

18. In what manners a foreign investor can invest in an existing Iranian company and become a shareholder?

There are two ways:

1. Acquiring shares of a company based on agreed terms and conditions.
2. Subscription of the shares resulting from the capital increase of the company by way of assigning the first refusal rights of the existing shareholders to the foreign investor.

19. Is ownership of land by foreign nationals permitted in Iran?

Yes. Ownership of land to the extent typically required for personal use by foreign nationals is permissible. Recognition of such ownership is dependent upon a specific permission from the Ministry of Foreign Affairs.

20. Is it permissible to own land by foreign nationals for the purposes other than personal use (i.e. industrial, agricultural, services, etc.)?

The answer is no. On the overall, the ownership of land for the aforementioned purposes which are considered to be beyond personal use is not permitted.

21. Then how the “ownership of land” in foreign investment projects is resolved?

As explained in previous answer, ownership of land in the name of foreign nationals is not permitted. However, in the event the implementation of foreign investment project results in establishment of an “Iranian Company”, ownership of land in the name of that company which bears an Iranian identity would be permissible.

22. What is the procedure for issuance of a foreign investment license? What documents are required for the issuance of such a license?

The procedure for issuance of an investment license is short and simple. Upon submission of the official application for foreign investment addressed to OIETAI, the application will be put in the agenda of the Foreign Investment Board for review within 15 working days, and subsequently a draft license will be communicated to the foreign investor for confirmation. Should the foreign investor be satisfied with the draft, upon his confirmation, the final investment license will be issued and released. The documentation required includes the filled-in application form along with all supplements/annexes, as the case may be, and other documents indicated in the last page of the application form.

23. What is the objective behind establishment of the Center for Foreign Investment Services?

For the purpose of facilitating and accelerating the attraction of foreign investments into the Country, the Center for Foreign Investment Services was established at the premises of O.I.E.T.A.I., comprising the representatives of relevant authorities. This center acts as a focal point for the referrals by foreign investment applicants to the relevant Organizations.

24. Which services could be provided to foreign investors by OIETAI?

The organization can be addressed and consulted for any and all issues foreign investors come across. To this end, the investor is in touch with only one single organization through the Center for Foreign Investment Service, which will result in time and cost saving for them.

25. In what sectors foreign direct investment is permissible?

Foreign direct investment is allowed in all sectors of economy.

26. Is it obligatory to have local partner(s)?

No, it is not obligatory to have a local partner.

27. How can be familiar with the regulations and investment opportunities in Iran?

Understanding the regulations and investment opportunities in Iran is possible in the following ways:

1. Visiting the official website: www.investiniran.ir
2. Sending emails and request for information.
3. Participating in national and international conferences regarding IRAN' Investment Climate.
4. Contacting with Investment Services Center which is located in OIETAI.
5. Contacting with or visiting the provincial investment centers throughout the country.
6. Going to the Embassies of Iran and meeting with the experts of relevant agencies and receive a brochure or Catalogue and related documents.

28. How can foreign investors communicate with the related centers to the investment in the country by Embassies/Agents of the Islamic Republic of IRAN?

Foreign investors are willing to invest in Iran, including the communication with the relevant institutions, sent a formal request on behalf of the Islamic Republic of Iran and then do follow-up necessary to obtain results.

29. Is it obligatory to obtain a license for foreign investment?

For those investments to be covered under FIPPA, it is required. Such a license is released when signed by the Minister of Economic Affairs and Finance.

30. Does it mean that each single investment under FIPPA requires a specific license?

Yes. Foreign investment in any single project covered by FIPPA, requires a separate license.

31. Does the Organization provide any specific services to foreign investors other than consultancy services?

Of course yes. The Organization, besides offering the consultancy services to foreign investors, provides the following services:

1. Provision of information related to all laws and regulations pertaining to foreign investment;
2. Introducing investment opportunities in the Country;
3. Coordinating with different authorities with respect to applications for foreign investment;
4. Finding appropriate partners/parties, being local or foreign;
5. Contributing towards settlement of disputes between investors;

6. Organizing and arranging meetings and/or appointments with relevant authorities.

32. Is it possible for foreign investors coming IRAN and visit the investment opportunities?

All foreign nationals (other than tourists) must have an internal host to enter the country for negotiating and administrative matters:

A) Can enter the country through the invitation of the Iranian partner who has an officially registered company in Iran, and then visiting (<http://en.mfa.ir/>) to complete the related forms.

B) To be invited by the OIETAI's letter to the Foreign Ministry.

C) Now more than 11 countries except (US, Canada, England, India, Afghanistan, Pakistan, Bangladesh, Somalia, Colombia, Iraq and Jordan) foreign nationals can enter the country without an invitation, the Foreign Ministry booth at the International Airports has implemented a 15-day visa. This type of visa can be extended to 15 days on request by the immigration police departments.

33. Is foreign investment allowed in companies quoted in the Stock Exchange Market?

There is no restriction for investment in companies quoted in the Stock Market. Foreign investment in these companies is eligible to enjoy the protections available under FIPPA, in the same manner as is available to foreign investment outside the Stock Market.

34. How do you define Special Economic Zones in Iran and in which areas of the Country these so-called zones have so far been established?

Special Economic Zones are restricted customs areas in which import of goods, machinery and equipments is not subject to the general import/export regulations. The zones may have been established for different reasons and objectives. Some of them are established for the purpose of warehousing whereas some, in addition to warehousing of goods, are designed for setting up processing and production line. At present the number of Special Economic Zones reaches to 31 (For more information please refers to website www.freezones.ir).

35. Is there any difference between investments made in Free Trade Industrial Zones, Special Economic Zone and the mainland?

Investment in Free Zones is subject to especial regulations governing such investments. Iranian Free Zones at present comprise seven areas by the name of Ghesm, Kish, Chahbahar, Arwand, Aras, Bandar Anzali and Makoo. Areas known as Special Economic Zones are part of the mainland in which all investments are considered to be investments in the mainland. Taking into consideration the applicability of Foreign Investment Law to the territory of the Islamic Republic of Iran, all foreign investments realized in Free Trade and Industrial Zones may also enjoy the privileges of FIPPA, provided that the relevant formalities for obtaining the investment license have been followed.

36. What are the features of Industrial Estates and what facilities are available in those areas?

Industrial Estates are prefabricated Estates designed and constructed by the Industrial Estates Company of Iran, affiliated to the Ministry of Industry and Mines, readily available for investors in all industrial poles throughout the Country. Even in certain Estates, factories and industrial workshops are offered for purchase. The important feature of these estates is availability of infrastructural utilities such as water, power, gas, telephone and quick access to the main transportation network of the Country.

37. Is the establishment of branch or representative offices considered as foreign investment?

Establishing a branch or representative office is not considered as foreign investment. In fact, foreign investment can be realized by way of establishing a new Iranian company, participation in an existing Iranian company and/or entering into contractual arrangements with Iranian recipient entities.

38. Has Iran concluded any multilateral investment agreement?

Yes, the Government of the Islamic Republic of Iran has joined the Agreement on Promotion, Guarantee and Protection of Investment among OIC member countries as well as the agreement among ECO member countries.

39. What is meant by proprietary rights?

Proprietary rights are certain rights arising from having ownership over property and assets and/or rights assigned to the recipient under a contract. This right has been recognized in FIPPA and is applicable to a series of rights

including right of ownership, right of operation and profitability, as the case maybe.

OIETAI
Chapter Two
Foreign Capital

40. What are the types of foreign capital?

According to FIPPA, there are various types of foreign capital which, in addition to cash capital, includes all types of non-cash capital comprising of machinery, equipments, parts, and raw material, know-how and expertise services. (For more information please see Article (2) of the Implementing Regulation of FIPPA).

41. Are all kinds of foreign exchange acceptable as cash capital?

In fact, those kinds of foreign exchange which are acceptable to the Central Bank of the Islamic Republic of Iran could be registered as cash capital.

42. How foreign cash capital is imported into the Country?

Foreign cash capital shall have to be imported into the Country through banking system and/or the official channels acceptable to the Central Bank of

the Islamic Republic of Iran. Evidently, the imported foreign exchange shall be among those currencies acceptable to the said Bank.

43. Is it obligatory to convert the imported foreign exchange into Rials?

That portion of imported foreign exchange required to be converted into Rials at the discretion of the investor, shall be purchased by the recipient bank at the current rate, and its equivalent in Rials shall be deposited in the account of the J.V.C. or the investee firm.

44. Is it possible for the foreign investor not to convert the imported foreign exchange into Rials but use it for foreign purchases and orders related to the investment project?

Yes, as the foreign exchange may be converted into Rials, it is also possible to deposit the same in the foreign exchange account of the J.V.C. or the investee firm to be used, under the supervision of the Organization, for payments related to foreign orders and/or other necessary expenses of the investment project. Depositing foreign exchange without conversion into Rials protects the foreign investor against foreign exchange fluctuations, and provides the opportunity to use it at his own discretion, whenever required.

45. What is the applicable rate for the conversion of the foreign exchange imported into the Country?

The rate applicable for the conversion of cash funds imported by the foreign investors is the prevailing rate of the Country's official monetary network or the free (market) rate as acknowledged by the Central Bank of Iran.

46. Is it possible to register patent right and trade mark in Iran?

According to Patent and Trade Marks Registration Law, industrial and intellectual property rights such as patent rights, trade marks and names, etc. can be registered and protected in Iran.

47. Is it necessary to provide the list of non-cash capital before importation of the same?

Yes. Prior to importation of non cash capital, the foreign investor is required to submit to the OIETAI the detailed list of the same comprising technical specifications, manufacturer(s)' name, year of manufacture and price, along with relevant catalogues. Upon confirmation of the list, the said non-cash

capital can be imported into the Country in one or more shipments at the discretion of the investor without any other specific formalities.

48. Is a prior review of technical know-how necessary?

Agreements related to specialized services, to be imported in the form of capital or to be paid for in other ways, shall be submitted to OIETAI along with the foreign investment application. The Organization will then coordinate and consult with the relevant Ministry on the necessity of the know-how as well as its value.

49. Is it necessary to evaluate the foreign imported capital before its registration?

Yes. Valuation of capital, whether in cash or kind, is necessary. In both cases, the bank's conversion rate on the date of importation shall be the basis for valuation.

50. What formalities are required for importation of machinery, equipments, parts and raw materials (i.e., non-cash capital)?

In principle, importation of non-cash capital items related to foreign investment projects are not subject to the formalities of importation of commercial commodities. Non cash items of any type can be imported into the Country upon recommendation by OIETAI based on the approved list, and the statistical (order) registration with the Ministry of Commerce.

51. Does it mean that importation of non-cash capital is free from local content requirements, allocation of foreign exchange and opening letter of credit?

That is true. It is not necessary to comply with the local content requirement, allocation of foreign exchange and opening letter of credit.

52. Is there any charge applicable to importation of foreign non-cash (in-kind) capital?

Except for machinery applicable in manufacturing and mining projects, foreign non-cash capital, the same as other goods, is subject to payment of import duties.

53. What criteria are to be considered for importation of know-how?

Technical know-how and specialized services are considered as acceptable types of foreign capital, so should be evaluated and registered then as foreign capital. However, the opinion of the relevant Ministry shall be sought before the importation of technical know-how.

54. Is it permissible to pay license fee or royalty?

Sure. In cases where technical know-how is not considered as part of foreign capital, the relevant sums and/or approved royalty are payable to technology supplier.

55. What criterion is set for payment of license fee or royalty to foreign parties?

In any and all manners of payment, the value of imported raw material shall be the basis for calculation of royalty and or license fee. This net amount, after deduction of imported materials value, shall be paid to who granted the license. In other words, according to prevailing policy, payment of royalty and license fee is calculated on the basis of domestic added value.

56. What is meant by the term "foreign exchange transfers"?

The term "foreign exchange transfers" refers to transfer of all sums resulting from the performance of a foreign investment and/or other sums to be transferred in the form of foreign exchange. Such transfers are categorized in two:

- a. Capital transfers such as dividends, principal capital, and capital gain, sums pertaining to compensation for confiscation or expropriation of foreign capital;
- b. Other foreign exchange transfers including those resulted from patent, technical know-how as well as engineering and technical assistance agreements, trademarks and name, and similar agreements.

57. How the foreign exchange required for such transfers is procured?

Foreign exchange required for transfers related to foreign investments shall be procured and made available by way of purchasing foreign exchange from the banking system or out of foreign exchange earnings resulted from the export of products and/or services of the foreign investment project, as the

case may be. However, the mechanism for provision of foreign exchange transfers is specified in the investment license.

58. Which formalities are required for transfers related to a foreign investment?

Principally, any and all foreign exchange transfers shall be made upon formal application of the foreign investor or the joint venture company or investee firm on behalf of the foreign investor. All transfers, after deduction of legal dues, are payable to the foreign investor's account.

59. In case specific regulations or a government decision prohibits the export of products of the investment project, how the foreign exchange related to transfer of capital and profit is procured?

In exceptional cases where export is not so permitted, the foreign investor is authorized to sell his products in domestic market and to purchase, from the banking system, the required foreign exchange for such transfer(s). Obviously, the foreign investor may export other authorized goods instead, should he wish to do so.

OIETAI
Chapter Three
Tax & Customs Issues

60. How much is the legal entity income tax in Iran?

The aggregate income of companies, and also the income from the profit-making activities of other juridical persons, derived from different sources in Iran or abroad, less losses resulting from non-exempt sources and minus the prescribed exemption, shall be taxed at the flat rate of 25%, except the cases for which separate rates are provided under the present Direct Taxation Law.

61. How much is the salary income tax for Iranian and foreigner?

The employment income of employees in both the public and private sectors is taxed at progressive rates ranging from 0 to 20% after deducting a basic annual exemption (i.e. IRR 138 million – for the calendar year starting on 21 March 2015 and ending on 20 March 2016) as presented below:

Table : Salary Tax Rates

annual taxable income		rates	
Up to	IRR	138,000,000	0%
Up to	IRR	966,000,000	10% of the excess over
Up to	IRR	966,000,000	20% of the excess over

Foreign investors in Iran enjoy the same support and privileges that are offered to the Iranian investors. This means both Iranian and foreign investors pay the same amount of taxes.

62. In respect of tax exemptions, is there any distinction between the units located in Special Economic Zones and those of the mainland?

No, In respect of tax exemptions, there is no difference between the Special Economic Zones and the mainland. In fact, tax treatment is the same in all parts of the Country.

63. What are the conditions of the importation of goods by natural or legal persons?

Import of goods into the country requires laws and regulations, including business cards, licensing regulations (order) and by the type of the product, receiving legal permits such as standard, health, etc, and paying the import Pricing according to the tariff's table.

64. With which countries has Iran signed the Agreement on the Avoidance of Double Taxation? And which of them are enforceable at present?

The list of countries that the agreements are enforceable with them is described as follows:

South Africa, Armenia, Uzbekistan, Pakistan, Turkmenistan, Turkey, Tunisia, China, Sri Lanka, Syria, Kyrgyzstan, Kazakhstan, Georgia, Lebanon, Bahrain, Sudan, Oman, South Korea, Malaysia, Azerbaijan, Algeria, Qatar, Kuwait, Indonesia, Jordan, Germany, France, Ukraine, Russia, Belarus, Switzerland, Austria, Spain, Bulgaria, Poland, Venezuela, Romania, Croatia, Serbia and Tajikistan, Slovenia and Macedonia.

65. How is the withholding tax for contractor's agreements?

Legal entities required to defalcate three percent of the payments to the contractors, as against the taxpayer's account (the recipients of funds) and within three days even to the account which is appointed by the INTA and submit the receipt to the taxpayer.

66. How the value of imported goods is calculated?

Customs value of imported goods in all cases is the cost of purchasing goods at origin plus the insurance, freight (CIF) and other costs that the goods to the first customs office on the list of order or other documents submitted by the owner of the goods on the basis of exchange rate announced by the central Bank of the day is declared.

67. What are applicable exemptions for foreign investors?

By virtue of Section 119 of the Customs law, import of the production line machinery with the permission of the Ministry of Industry, Mine and Trade by production, industrial and mining units, is permitted, which is far decree by the Industry, Mine and Trade Customs communication and customs clearance also apply the exemption to the action.

68. What's an export and if there is the possibility of refunding duties?

Definite Issued is a customs procedure that according to it, the domestic products (produced domestically) for the purpose of sale or use issued outside the country. Taken duties from the same imported goods that are exported and also materials of consuming goods and materials used or consumed in filling and packaging of exporting goods, in compliance with regulations, legislation and regulations must be returned to the issuer.

69. What are the rules and regulations for Importation of used goods?

Entry of used goods:

- 1- Used motor vehicles including road building machinery may be imported in conformity to the relevant law (now the import of road building machinery up to 5 years under the year of made is possible)
- 2- Second-hand equipment, appliances and machinery for use in production line may be imported subject to the confirmation by the relevant ministry dealing with production affairs. (Currently for some

independent used goods the Ministry of Industry, Trade and Mines announced the agreement of entrance).

- 3- In other cases, importation of used goods shall be subject to the approval of the Committee referred to the Article 1 of this ordinance

70. Where is the investors' Customs authority for disagreements?

Customs authority for investigation of disagreements in the diagnosis of the tariff value goods, penalties except smuggling customs, force (force majeure) and customs regulations is the customs commission for investigation of disagreements.

Vote for investigation of disagreements customs to be enforced except in cases that the amount to our difference in the customs and accepted by taxpayers or customs value commodity that the difference in conditions on entry and it is about more than fifty million Rials in this case taxpayers can be within 20 days of the date of the announcement of the vote request for referral to the commission revised seem to.

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Chapter Four

Facilities for entry and residence

71. Which facilities are offered by OIETAI for entry visa of foreign investors and experts?

OIETAI facilitates visa formalities of foreign investors, including short and long term as well as single and multi entry visas (i.e., 3 year multi entry visa with a 3 months residence permit that is renewable for 1 year), by introducing foreign investors, directors, foreign experts and their immediate family members to the Ministry of Foreign Affairs. Foreign investors or joint venture companies can apply for visa by sending the relevant specification form of applicants along with the reasons for their presence to OIETAI. It is worth mentioning that OIETAI is not the only reference for foreign investors to obtain visa, but all foreigners, according to the prevailing regulations, can refer to the Missions of the Islamic republic of Iran abroad, and apply for visa.

72. How could the investors ask for a long-term visa?

According to paragraph A of Article 35 of the Implementing Regulations for Foreign Investment Promotion and Protection Act, after receiving the license of foreign investment, if the investment is approved by OIETAI, the investors could ask for long term visa from OIETAI by providing the necessary documents.

73. According to Article 35 of the Implementing Regulations for Foreign Investment Promotion and Protection Act for whom long-term visas be issued?

With regard to paragraphs "a" and "b" of Article 35 of the Implementing Regulations to him and, according to labor and residence law and to avoid confrontation of relevant departments, according to the request of foreign investors for the needed human resources, so that for main investor and citizens who are not in permanent employment, long-term visa is issued for up to three years and for those who want to stay and work in their projects after receiving three months entry visa, during the subsequent correspondence for using the paragraph "b" of Article 35 of the Executive Regulations above and to obtain work permits and residency is presented.

74. What documents are required for receiving visa in addition of the invitation of the Foreign Investment Organization for the Consular Department of Ministry of foreign affairs?

Sending the visa application form through the website of the Ministry of Foreign Affairs (wvisa.mfa.gov.ir) is also required. The request can be followed with a ten-digit code.

75. How long does it take to receive visa permission?

After completing the documents and sending the visa form through website of the Ministry of Foreign Affairs (wvisa.mfa.gov.ir), maximum working week.

76. How can I get a visa extension within the country?

Once entry visa after the expiration, could be extend with the letter/request of OIETAI, by immigration police.

77. What is the type of visa for investors, experts and their relatives are and how much is the cost?

In the case of investors have investment license from OIETAI, and for each invitation the become liable of paragraph A of Article 35 of the law of a foreign investment law a formal offer, for those in the amendment to Article 35, they have to request for visa through letter, for the cases which is mentioned in amendment of Article 35 with the request of OIETAI, of as soon as possible the license will be send to the Iran's Embassy and the visa with the code (I) will be issued free of charge.

78. Time to answer the question is how long investors?

Foreign Nationals Department of the Ministry of Cooperatives, Labour and Social Welfare has tried to answer to the request of foreign investors as soon as possible (at least seven days).

79. How long does it take to send the letter to the Ministry of Foreign Affairs for issuing a work visa?

Immediately after the approval of the Technical Board with foreign nationals (one-day) A letter will be sent to the Ministry of Foreign Affairs.

80. How long does it take to issue a work permits?

After receiving a visa with work rights by citizens and giving the request to the foreign nationals of the Department of Employment of the Ministry of Cooperatives, Labor and Welfare Affairs, it will be issued maximum of five working days.

81. What is the ratio among Iranian and foreign work force in foreign investors companies?

No ratio is regarded.

82. How are the foreign nationals residing in Iran?

Foreign nationals working in Iran after obtaining a license from the Department of Employment of Expatriates Ministry of Cooperatives, Labour and Social Welfare can be referred to the immigration police and receive a work permit.

83. How are the issuance, extension, renewal and cancellation of work permits for foreign nationals?

By virtue of Article 1, paragraph A of Article 129 of the implementing regulations of the labor law of the Islamic Republic of Iran, the work permit of foreign nationals who work visa approved by the Technical Board for

Employment of Foreign Nationals (Article 121 of the Labour Code) is issued by the Ministry of Cooperatives, Labour and social welfare units of the Department of Employment of Expatriates.

84. Technical Board for Employment of Foreign Nationals

In accordance with Article 12, paragraph (b) of Article 129 of the implementing regulations of the Islamic Republic, Technical Board for Employment of foreign nationals about a work permit after necessary review its decisions.

85. Employers who are willing to use the services of foreign nationals, how long do they have time to apply and send the required documents to the Employment of Foreign Nationals units?

Within one month from the date of entry of nationals into the country.

86. What is the maximum time to issue the work permit for foreign nationals?

Maximum 5 working days.

87. How long does the approval of Technical Board for Employment of Foreign Nationals take for the activities of investment companies?

Technical Board for Employment of Foreign Nationals accept the activity of investment companies and the work permit of the foreign practitioner of these companies after 2 years of consecutive issuance, to be extended for one year.

88. Is foreign investor that is seeking employment authorization, is required to provide education?

No - in order to facilitate the employment of foreign citizens in the process of licensing investor is exempt from providing evidence.

89. Could natural or legal investors employ other foreign nationals?

Yes - foreign investors, both natural and legal persons could employ other foreign nationals according to the type of activity that they do.

90. Is any question relating to the granting of work permits to foreign investor should be discussed in the Technical Board for employment?

Yes – if the investors have the investment license form OIETAI, the procedure will be done with less time interval.

91. What Facilities is concluded for foreign investors?

The process for licensing employment period is less in comparison to other foreign nationals. As well as foreign investors who seek for employment is considered in the Technical Board once and, if approved, the activity was a three-year agreement for the after the foreign investor, without the need to send the file for the Technical Board for Employment, work permits will be extended.

OIETAI
Chapter Five
Industry, Mining & Trade

92. What is an Industrial unit?

It is a determined place where the owner of the legal or natural entity, do one or more of its corporate activities.

93. What is the establishment license?

It is a license that issued to the name of the applicants after being qualify for investment, for doing the corporate activities, by the Department of Industry, Mine and Trade of the Ministry of Industry.

94. How could ask for the establishment license?

The applicant could send their request through the BEHINYAB website and complete the registration process.

95. Is the production line machinery subject to custom exemption?

In the case that the production line machinery is new and has not domestic production, is subject to custom exemption.

96. Is foreign investment in the mining sector is allowed?

Yes, foreign investor could request for all permissions for establishing an Iranian company and receive all needed licenses for its Iranian firm.

Contact Details

· Office of the Vice Minister and President of OIETAI

Tel No.: (98-21) 33 96 77 70 – 33 96 70 43

Fax No.: (98-21) 33 9677 59

· Directorate General for Foreign Investments

Tel No.: (98-21) 33 9670 75 – 33 96 77 55

Fax No.: (98-21) 33 96 78 64

· Center for Foreign Investment Service

Tel No.: (98-21) 33 96 77 62 – 33 9677 49

Fax No.: (98-21) 33 96 77 74

· Website: info@oietai.ir

· Postal Address: Shahid Ibrahimi Building, Davar Avenue, Tehran, Iran

· P.O. Box: 11 365/4618 Tehran