



Foreign Investment in Iran

Outlook of Iran Economy, Law, Incentives

How to invest in IRAN ?



Director General for Foreign Investment



Outlines

➤ **General Policy of 6th Development Plan & Attracting FDI**

➤ **Iran Economy Outlook**

➤ **O.I.E.T.A.I**

➤ **F.I.S.C**

➤ **F.I.P.P.A**

➤ **FIPPA Procedure**

➤ **Investment Incentives**

➤ **Iran Bilateral Treaties**

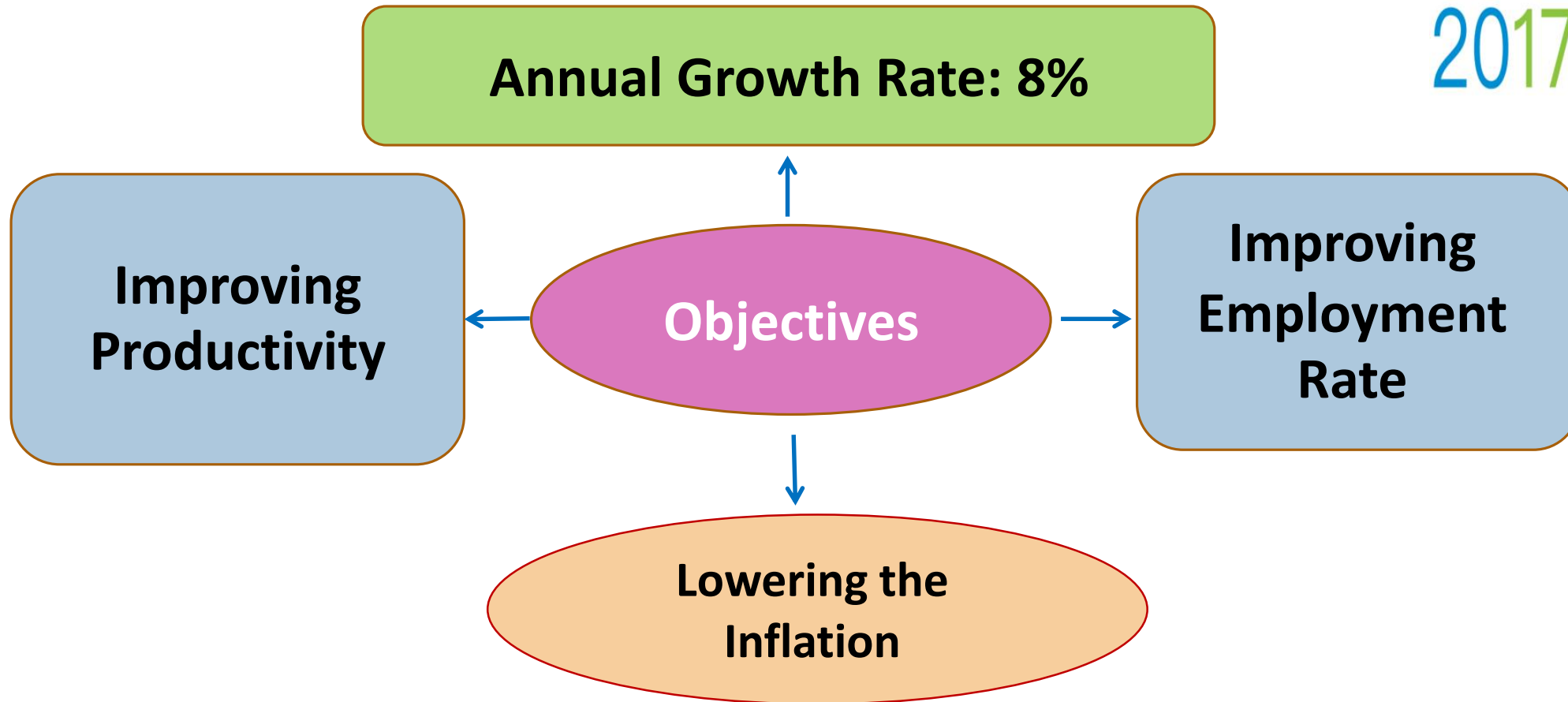
➤ **Data Base Platform**

➤ **Contact Us**



Main Objectives of 6th Development Plan

2017-2021



6th Development Plan - Article 4

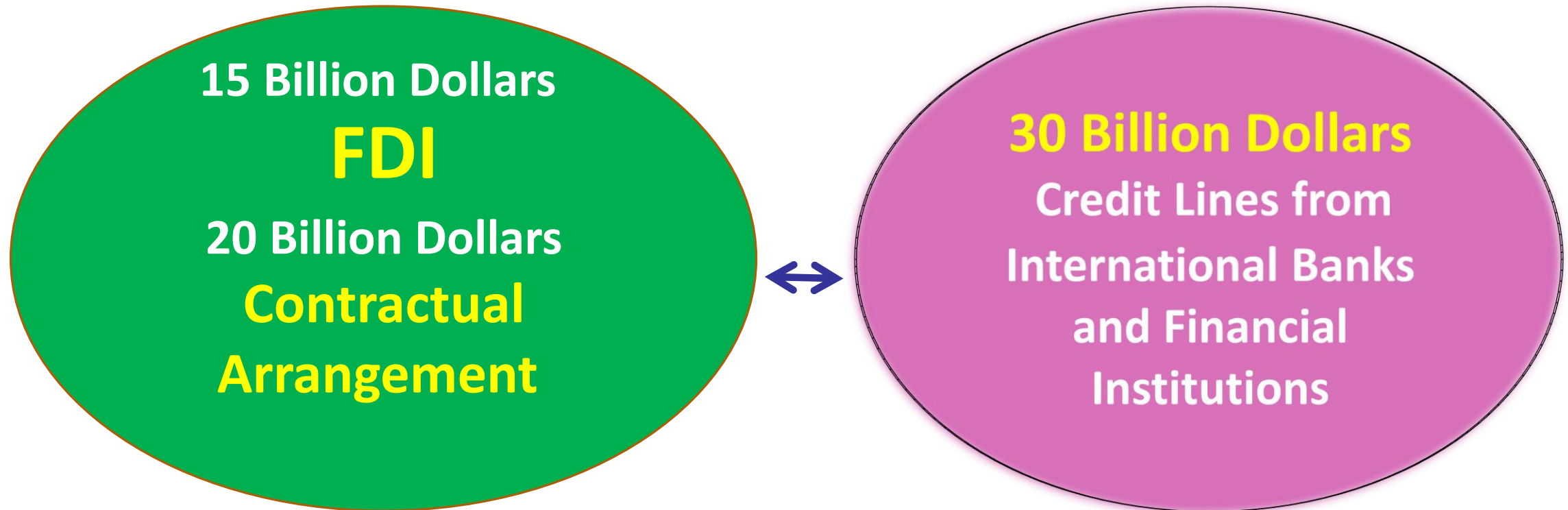


- **Improving Know-how and Technology**
- **Developing Export-Oriented Investment**
- **Attracting International & Regional Companies**

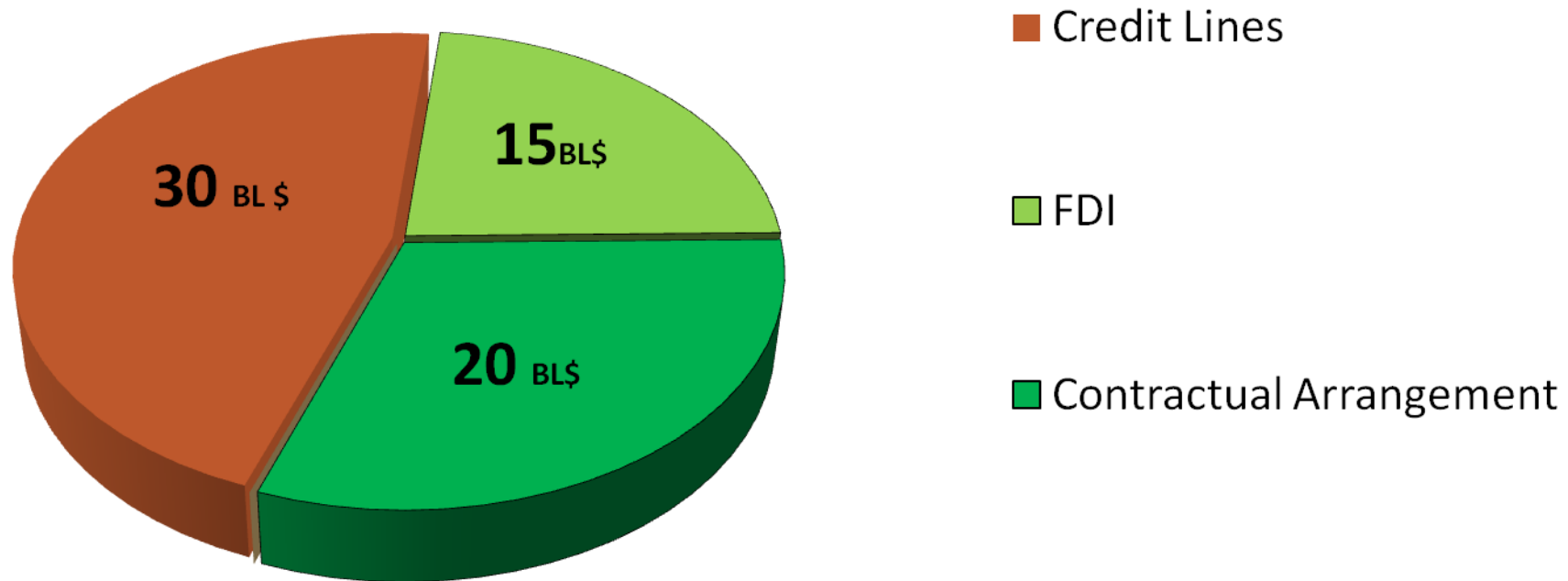


Finance and FDI

2017-2021



International Financial Resources



Economic Growth



- One of the economy performance index is GDP growth that indicates increase or reduce the level of welfare of society. So it has always been the concern of every economist and politician.

- Iranian economy, experienced a deep recession during recent years, (-7.7 in 2012/13 and -1.6 in 2015/16) but it turned into a positive performance of 12.5 percent GDP growth in 2016/17

The Legislation

➤ The Foreign Investment Promotion and Protection Act (FIPPA):

- Substitutes Former LAPFI
- Ratified in 2002

➤ The Corpus:

- Implementing Regulations of the FIPPA



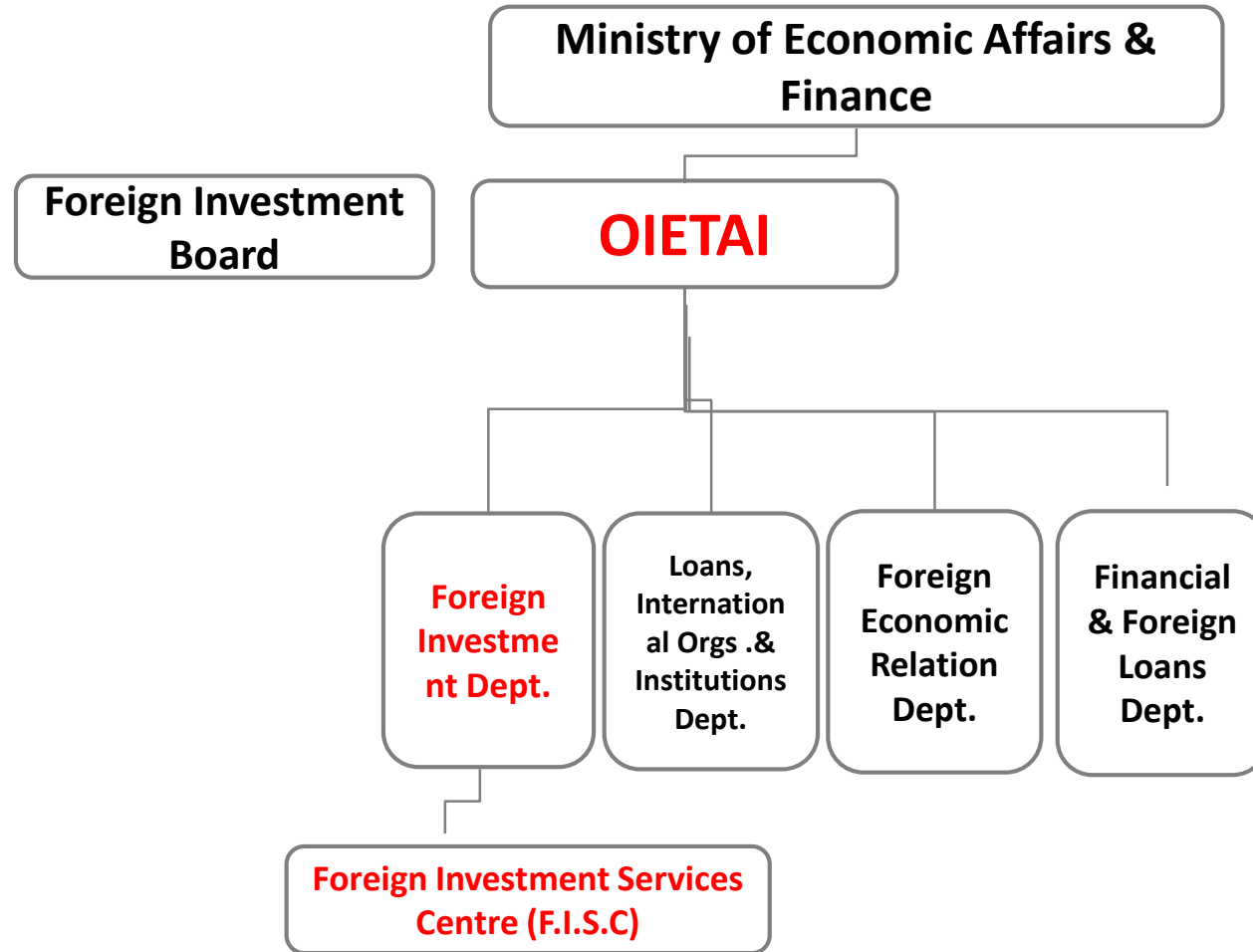
Policy of FIPPA



- **Contribution to Economic Development in Industry, Mining, Agriculture and Services**
- **Upgrading Technological & Management Skills**
- **Improving Products with High Quality and Competitive in International Scale**
- **Increasing Employment & Exports**
- **Sharing Benefits and Risks on Equal Term without Discrimination**



Who We Are.



OIETAI



Founded in June 1975



What We Do.



OIETAI

- **The main official authority for the Promote and Protection of Foreign Investment in Iran.**

- **Review of all issues related to Foreign Investment such as:**
 - **Admission**
 - **Importation**
 - **Utilization**
 - **Repatriation**



Foreign Investment Services Center (F.I.S.C)

Established at OIETAI with Objectives of:

- Facilitating all Issues related to the admission and activities of FDI
- Facilitation of official procedures for required permissions and licenses
- Coordination with Executing Agencies Related to Foreign Investment



Our Services



Offered by F.I.S.C

- **Guidance**
- **General Supervision Projects**
- **Necessary Coordination**
- **The Declaration of Establishment**
- **The Environment Protection License**
- **Permits for Residence & Work**
- **Registration of Joint Venture Company**

Members from Relevant Executing Agencies



Iranian National Tax Administration



Ministry of Industry, Mine & Trade



Ir. Iran Customs Administration IRICA



The Office for Registration Companies & Non-Commercial Institutions



Ministry of Agriculture (Jihad)



Central Bank of the I R. of Iran



Ministry of Foreign Affairs



Police Immigration and Aliens



Types of Investments

➤ Direct Investment

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

➤ Investment through Contractual Arrangements

- Buy Back Arrangements
- Civil Partnership
- BOT Schemes



Features of Investment under FIPPA

No Limitation on:

- Equity Percentage,
- Volume of Investments,
- Profit Transfer,
- Capital Repatriation
- Types of Capital Imported
- No Import / Export Restriction



Some other Features of FIPPA

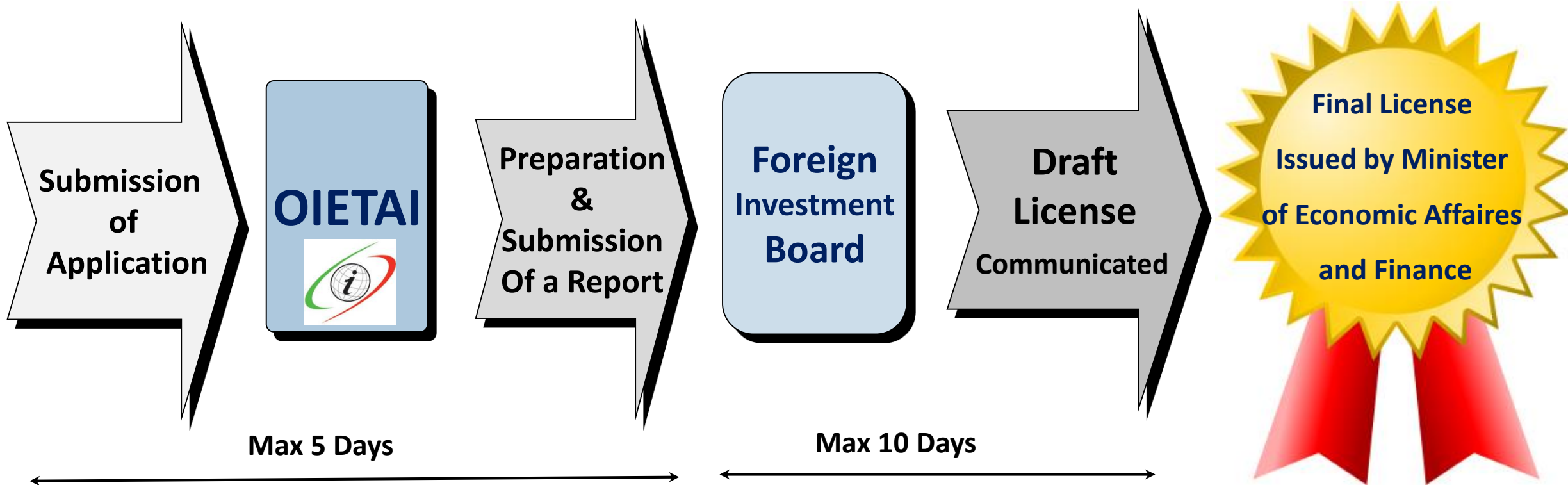
- Possibility of Investment by foreign Natural and Juridical Persons and Iranians Living Aboard
- **Equal Treatment** towards Foreign Investors as accorded to Local Investors
- **Article 35 Services**
 - 3 years Multi-entry Visa
 - 3 years Residence Permit
 - Work Permit



Risks Covered By FIPPA



Investment Licensing Procedure



Some of Foreign Investment incentives in Iran





Incentives

✓ Fixed Corporate Income Tax At a Flat Rate of 25%

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





(Tax exemption on: Employment and Joint Ventures)

- In companies with more than 50 employees, in case of **increasing the employment** volume up to **50%** in comparison to last year, **one-year exemption** can be added to the duration of exemptions (mentioned in previous slide).
- In the case that foreign companies with reliable **Brand produce** goods using production capacity of Iranian companies **and export** at least 20% of total production, can enjoy **50% on Tax Rate** for the **income from sales** of products (12.5 % instead of 25%) after the end of above duration.



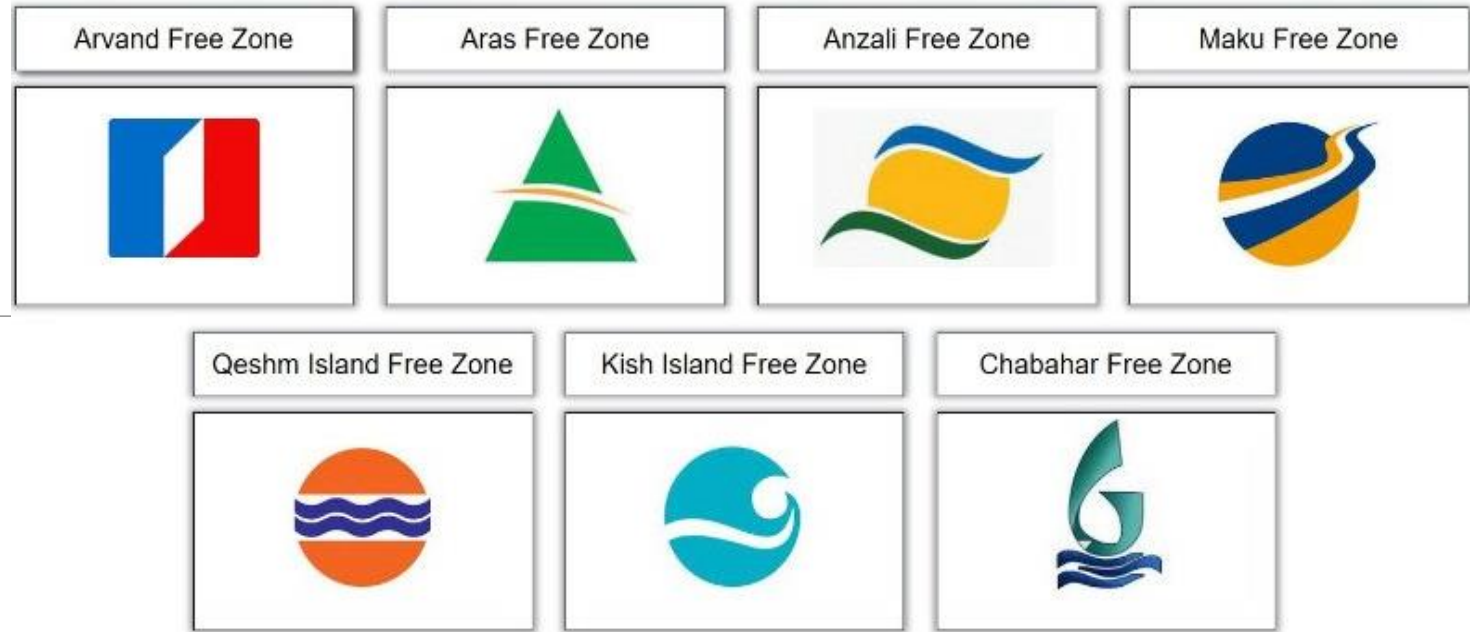
Custom Exemption



- Import of Production Line Machineries and Equipment
- Import of Raw Materials used for Production of Export commodities
- Easy Circumstances & No Duty and Tax for Exportation of Products

Investment Incentives in 7 Free Zones

www.freezones.ir



- **20 Years Tax Exemption for All Economic Activities**
- **No needed Visa for Entrance of Foreigners**
- **Custom Exemption for Raw materials and Industrial machineries of Producing units**
- **Possibility of Exporting Products to The Mainland**
- **Easy Circumstances for Re-export and Transit of Commodities**



Investment Facilities in Industrial Parks

- No need for different permissions from various agencies and organizations
- Be exempted from the municipalities
- Free of Charge services to take the construction permit and finish license
- Reduced investment costs due to the organized common services
- Rent/ purchase of ready-built Sites in order to accelerate the Project exploitation
- Payment of exploitation costs by cash and installment



22 Special Economic Zones

www.freezones.ir



Amir Abad



Yazd



Lorestan



Khalij Fars



Shahid Rajaei



Pars



Shiraz



Petroshimi



Khalij Fars



Booshehr



Sarakhs



Bandar Booshehr



Sirjan



Salafchegan



Payam



Arge Jadid



“Introduce FDI”

**“International
Treaties”**

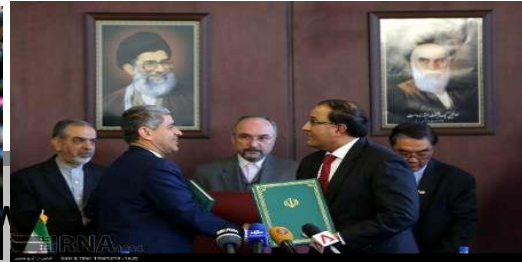
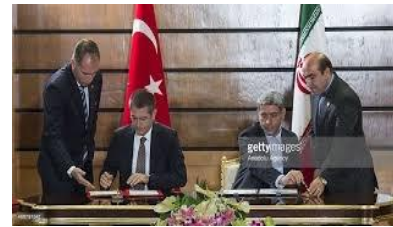
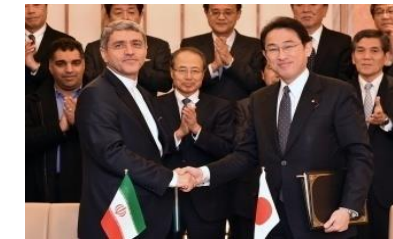
**Bilateral
Investment**

- BIT with 69 Countries
- Double Taxation Treaty (DTT) with 42 Countries



Iran Bilateral Investment Treaties

 Afghanistan	 Algeria	 Armenia	 Austria	 Azerbaijan	 Bahrain
 Bangladesh	 Belarus	 Bosnia & Herzegovina	 Bulgaria	 China	 Croatia
 Cyprus	 Ethiopia	 Finland	 France	 Georgia	 Germany
 Greece	 Indonesia	 Italy	 Kazakhstan	 Kuwait	 Kyrgyzstan
 Lebanon	 Libya	 Macedonia	 Malaysia	 Morocco	 North Korea
 Oman	 Pakistan	 Poland	 Qatar	 Romania	 Serbia
 South Africa	 South Korea	 Spain	 Sri Lanka	 Sudan	 Sweden
 Switzerland	 Syria	 Tajikistan	 Tunisia	 Turkey	 Turkmenistan
 Ukraine	 Uzbekistan	 Venezuela	 Vietnam	 Yemen	 Zimbabwe





Iran Bilateral Investment Treaties

- Iran has signed its first Bilateral Investment Treaty with Germany in 1965, second BIT signed in the World.
- Since 1995, The Organization for Investment, Economic & Technical Assistance of Iran (O.I.E.T.A.I) has Negotiated & Signed 68 BITs with Different Countries from all over the World.
- Iran has Concluded BIT with Many Capital Exporting Countries such as: Austria(2001),China(2000),France(2003),Germany(2002),Italy(1999),Japan(2016),South Korea(1998),Singapore(2016),Spain(2002),Sweden(2005)Switzerland(1998)

International Treaties

➤ **Bilateral Investment Treaties (BIT)**

- BIT with 69 Countries

➤ **Double Taxation Treaty (DTT)**

- DTT with 42 Countries
- DTT with Germany has also been concluded

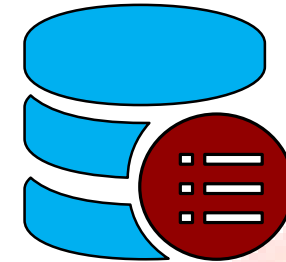


OIETAI

Data Base Platform



**Investor Database
with more than 5,000
Persons & Companies**



**Project Database
with more than 1,000
Project Profiles**



www.investiniran.ir



Thank You

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