

FAQs

1. What is the definition of an industrial unit?

It is a specified place in which the owner could do one or more industrial activities through legal or natural personality.

2. What is an establishment permit?

It is a permit that would be issued by the Industry, Mine, & Trade after meeting the requirements for the investment in doing industrial activities.

3. How long would the issued establishment permit be valid and how could it be extended?

The establishment permit would valid for a year after its issuance date and could be extended provided that executive actions such as buying the land and embarking on the construction operations are done and the report of the physical progress of the job is sent to the Organization every two months.

4. What does a pilot production mean?

A pilot production is meant to install and run the machineries and equipments relevant to production of the product and also the mass production within a given period. The Industry, Mine, & Trade Organization of the province would determine the pilot production.

5. What are engineering establishment & service permits?

Establishment permit: It is a kind of permit that is issued by the Industry, Mine, & Trade Organization of the province after the expert analysis in case of being qualified and having all the required documents. It would be valid for a year after the date of issuance & could be extended at most twice and would last a year each time.

Permit: It is a kind of permit that would be issued by the Industry, Mine, & Trade Organization of the province after the establishment permit (in case of not having the establishment permit, provided that it is qualified) and having the complete required documents and facilities and after the visit of relevant specialist.

6. How many specified economic zones and free zones are there?

There are 17 specified economic zones and 7 free zones in Iran.

7. What is a free zone?

It includes a zone of a country that is created to pave the way for the facilitation and development of export and attracting foreign investments. In other words, a free zone is totally free in exporting goods and attracting foreign investments. through these zones, governments attempt at creating appropriate backgrounds for investment and development of export as well as obtaining foreign exchange income through strategies that are really facilitative.

8. What are the legal advantages of free zones?

- Enjoying various tax exemptions
- Possibility of entering machineries, parts, and raw materials for the industries of the region without customs toll, enjoying the Act of advantage of added value for the production units of the region
- Total freedom to enter and exit the asset and income of economic activities
- Special regulations for export and import and customs affairs in free zones
- No need for Visa for the entrance and exit of the foreigners from the permitted entrance and exit of the region
- Regulations of obtaining specific tolls of Anzali Free Zone and exemption from the common tolls of the country

9. Who could invest in the free economic-industrial zones?

According to the Free Zones Regulations, all the natural and legal people and institutions including the Iranian and foreign ones and the international organizations could invest in the free zones, either independently or through cooperation with the Organization and its subordinate companies, or by cooperation with each other.

10. What is meant by domestic investment?

All the investments in Rials that are done by the domestic investors.

11. Is foreign investment in the free zones permitted?

One of the main goals of creating free zones is to have foreign investments. Hence, foreign investment is permitted in these zones. However, the investments would enjoy the legal advantages of the zones, provided that they obtain the required permissions.

12. Is foreign investment possible in the existing units? How?

•According to the regulations of foreign investment, there is no difference between new investment and the one in an economic unit. All the foreign investors could embark on having a new plan of investment or a business firm at any time.

13. What sectors include direct foreign investments?

It would be permitted in all the fields in which a private sector's activity is permitted.

14. Is having a local partner required for the foreign investors?

No. It is not obligatory for foreign investors to have local partners. However, since Iranian parties are familiar with working conditions, regulations, and official rules, ways to use the local facilities, etc., foreign investors usually tend to have local partners.

15. What is the permitted limit of foreign investment in Industry, Mine, & Trade?

In terms of the percentage of cooperation and investment amount, there is no limitation for direct foreign investment in the I.R. of Iran.

16. What is meant by specified economic zones?

They are customs surrounded zones to which the import of goods, machineries, and equipments does not include the export and import regulations. Each of these zones might have been established for specific purposes. Some of them have been established to keep the goods for import to the country or export to abroad, and others might have been for doing production and industrial activities as well as keeping the goods.

17. Is forming a legal basis as a branch or representative of foreign companies possible in Iran?

Yes. In order to develop its trade activities and doing the arbitrary responsibilities and marketing activities, etc., each foreign company could have a legal basis in Iran, through registering a branch or a representative of the original company. There are special regulations for the establishment of a branch or representative. Hence, the applicants must directly refer to the Corporation Registration & Industrial Ownership Administration.

18. What are the qualities of the industrial parks and what kind of facilities do they have?

The industrial parks are pre-fabricated parks that have been made by Iran's Industrial Park Corporation, a subordinate of Ministry of Industry, Mine, & Trade, in the industrial hubs nationwide and ready to be used by the foreign investors. It should be mentioned that in some of these parks, there are pre-fabricated factories, and industrial workshops ready to be assigned. The point in these parks is enjoying the basic services including water, electricity, gas, telephone, and access to major networks of transportation of the country.

19. What are the permitted fields of foreign investment in Iran, according to Foreign Investment Act?

There are various permitted fields of foreign investment in Iran and all the industrial, mining, agriculture, and services that lead to construction and production activities are included.

20. Do the foreign investments automatically enjoy the legal support?

No. In order to enjoy the legal support for the foreign investments, obtaining the permit of investment is required.

21. How could a foreign investment that was done before but wasn't legally supported become legal?

The investments that were done before but were not legal could become legal any time after passing the acceptance stages, provided that they bring about new added value.

22. How would the land ownership be in the foreign investment plan?

Foreign investors could not own the lands. However, if the foreign investment plan leads in the formation of an Iranian corporation with an Iranian identity, it would be permitted.

23. Is it possible to register the right to invent and trade marks in Iran?

The industrial and intellectual property including the right to invent, right for the trademarks, etc, could be registered and legally supported, based on the Marks & Inventions Registration Act of the country.

24. Does the settlement of the units in the deprived zones end in the increase of the amount and period of tax exemption?

Yes. 100% of the income including the tax for all the units that are placed in the deprived zones would be exempted from tax for 10 years (according to the Article132 of Direct Tax Act)