

Features and Advantages of FIPPA

This file provides a summary of the main features and advantages of Foreign Investment Promotion and Protection Act:

➤ Foreign Investment Policy

- ❖ Contribution to Economic Development
- ❖ Financing Projects, Upgrading Technological & Management Skills
- ❖ Sharing Benefits and Risks on Equal Term without Discrimination
- ❖ Advantages in Enhancing Products and Output Quality, Increasing Employment & Exports

➤ Types of Investments

- ❖ Direct Investment (Equity Participation)
 - In All Areas Open to Iranian Private Sector Without Any Limitation on the Percentages of Foreign Shareholding
- ❖ Investment through Contractual Arrangements (Non-Equity Forms)
 - Buy Back Arrangements
 - Civil Partnership
 - BOT Schemes

➤ Scopes of Investment under FIPPA

- ❖ No Limit on Equity Percentage
- ❖ No Limit on Investments Volume
- ❖ No Limit on Profit Transfer
- ❖ No Limit on Capital Repatriation
- ❖ No Limit on Types of Capital Imported
- ❖ No Limit on Import / Export

➤ Areas of Investment

- ❖ All Areas in Industry, Mining, Agriculture, and Services
 - In Greenfield Projects
 - In Brownfield projects and existing companies

➤ Risks Covered under FIPPA

- ❖ All non-commercial risks
- ❖ Currency transfer
- ❖ Nationalization and expropriation
- ❖ Government intervention and breach of contracts by government

➤ Other features

- ❖ Possibility of investment by foreign natural and juridical persons and Iranians living abroad
- ❖ Equal treatment of foreign investors as accorded to domestic investors
- ❖ Quick approval of foreign investment applications
- ❖ Issuing three-year residence permit for foreign investors, directors, experts and their immediate family members