

# How to invest in **IRAN**

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**Legal Solutions  
for Investment in  
Iran via Stock  
Exchange**



# INVESTING IN IRAN AS A FOREIGN INVESTOR

If you are a strategic investor then you must apply for FIPPA license from “Organization for Investment Economic and Technical Assistance” of Ministry of Economic affairs of Iran. The law which protecting foreign investment in Iran is the Foreign Investment Promotion and Protection Act (FIPPA) ratified in 2002. If you only want to invest in Tehran Stock Exchange (TSE) then you just need to take a license from Security Exchange Organization (SEO). Foreign investors can invest in TSE, directly or indirectly (mutual funds) by intermediation of TSE’s members.

For trading stocks on TSE, foreign citizens must apply for Investment license from SEO and obtain a “trading code” from SEO then they must open a bank account in Iran and transfer the money to the Iranian bank.





## **MORE ABOUT 'TEHRAN STOCK EXCHANGE' - TSE**

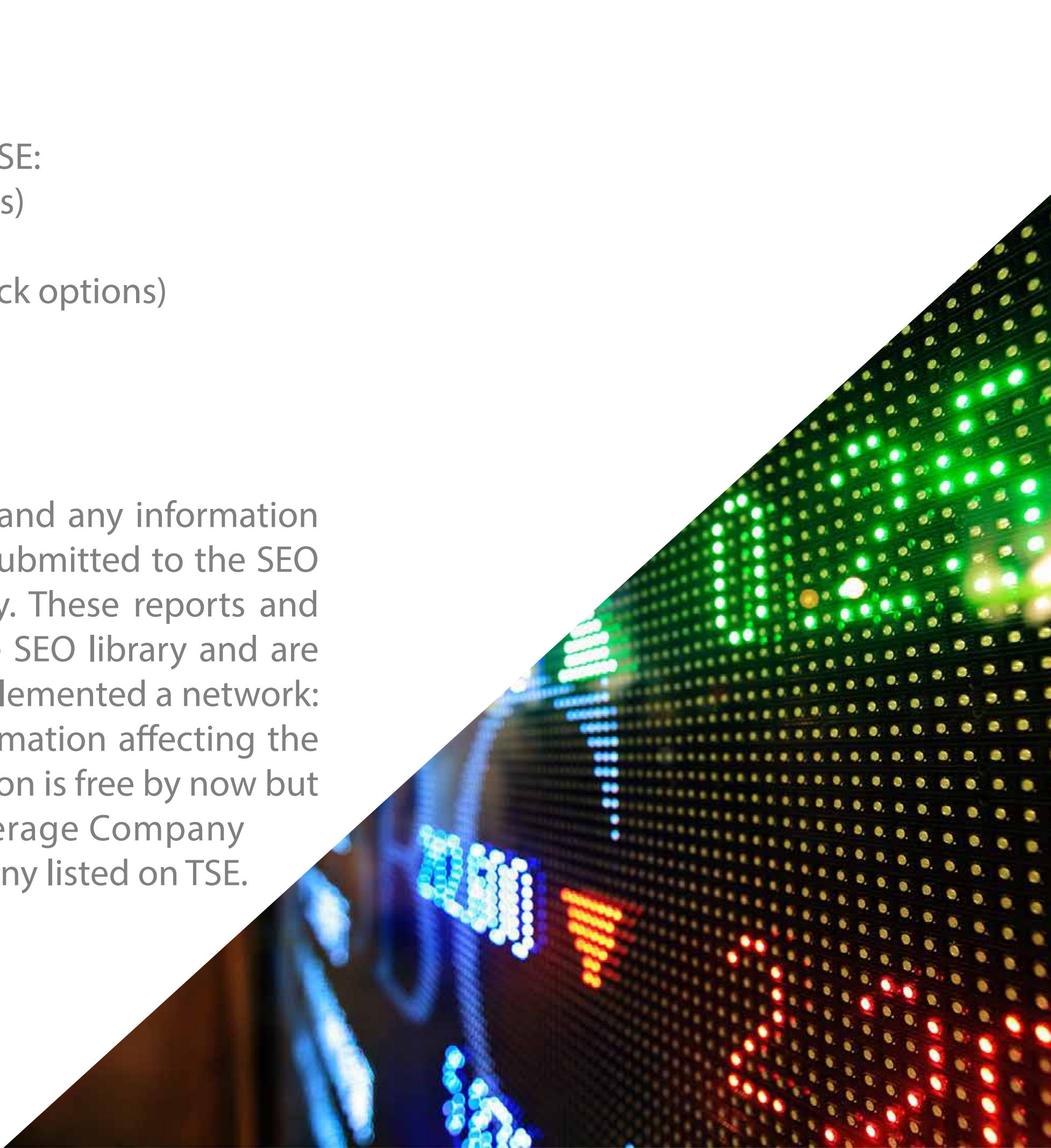
Tehran Stock Exchange (TSE) is the first and biggest stock exchange in Iran. Tehran Stock Exchange was established in 1968. In 2005, the new Capital Market Law of Iran was approved by the parliament, and in 2006, according to this act, TSE was demutualized and reestablished as a joint stock company with over 6000 shareholders and a seven-member board.



The following instruments are available on TSE:

- Stocks (common and subscription rights)
- Islamic Bonds (Sukuk)
- Derivatives (Single stock future and Stock options)
- Housing Mortgage Rights (HMR)
- Exchange Traded Funds (ETF)
- Exchange Traded Project Fund (ETPF)
- Intellectual Property (IP)

Annual, semi-annual and quarterly reports and any information that could affect stock process have to be submitted to the SEO on a regular basis by every listed company. These reports and other financial statements are stored in the SEO library and are available to the public. Besides, SEO has implemented a network: CODAL ([www.codal.ir](http://www.codal.ir)), through which information affecting the price will be issued directly. All the information is free by now but they are in Farsi. However, Behgozin Brokerage Company can provide English disclosure of any company listed on TSE.



## **DON'T WORRY ABOUT TAXATION!**

Iran has a rather simple tax system. While in practice finalizing tax for companies can take up to several years, a good tax advisors can assure you that there is nothing much to worry about. Taxation for Iranians and foreigners are more straightforward though. But the most interesting part is when you look at the taxation from a foreign investor's perspective.

Investors who come to Iran cannot believe their eyes when they find out about a fixed 0.5% tax rate on transfer of shares in stock exchange, tax exemption on interest received from fixed-income instruments and absence of double taxation as there is no tax on dividends received. Tax reliefs and exemptions can last for decades if you start a right business in the right region especially if you intend to export your goods and services to outside of Iran. The tax is paid by brokerage companies on taxpayer's behalf.

