

Import Duties

The import duties mentioned in the tables of export/import rules and regulations includes the base value of products and the trade profit.

Base Value

Customs duties, taxes, registration charges, all types of tolls and surcharges collected from the imported merchandise will be collected to form 4% of the customs value of the commodities. The collection of these charges plus trade benefit that is determined by the Cabinet of Ministers is called import duties.

Forex Resulting from Export of Services

The foreign exchange income resulting from the export of technical and engineering services, hotel management, trade services, transit and transport, human services, incomes by the Iranian laborers and staffers working abroad and other special services at the discretion of the Ministry of Commerce in cooperation with other executive bodies, will be called export forex revenue. All anticipated privileges and promotional policies for the export of commodities will be equally valid and enforceable for the export of services.

Countries Singing Preferential Tariffs with Iran

The following countries have signed preferential tariff treaties (discount on boarder trade) with Iran: Turkey, Uzbekistan, Pakistan, Tunisia, Syria, Cuba, Bosnia and Herzegovina, Kyrgyzstan and Venezuela.

- ▶ For further information on export/import rules and regulations as well as customs formalities, domestic and foreign investors and those applying for foreign investment in Iran can refer to the Book of Export/Import Rules and Regulations, 2011, and the Customs Formalities Law – passed in 1971 – and the related executive bylaw.



SPECIAL SPONSORS



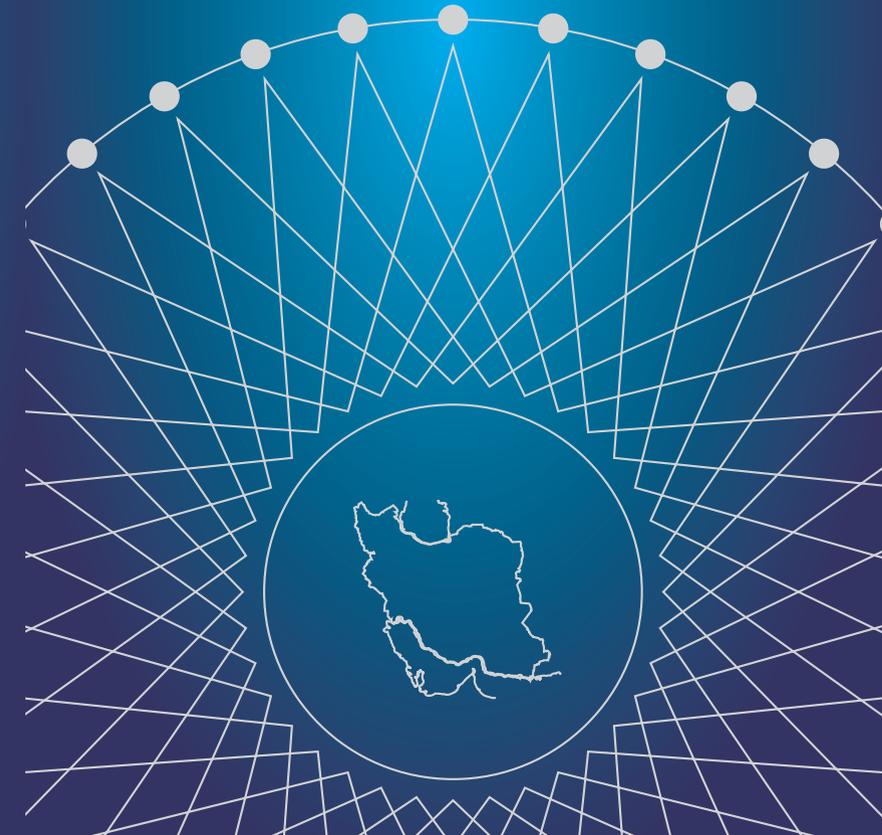
Guide to Import & Export, Customs Formalities



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Customs Exemptions

- ▶ Exemption of manufacturing machinery from import duty relevant to single article dated July 15, 1980 of the Council of Revolution as well as Article 16 of the Customs Law of the I. R. of Iran – passed in 1971 – at the discretion of the Ministry of Industries and Mines on condition of lack of domestic production of such machinery
- ▶ Import before export of materials and goods used in manufacturing, finishing, preparation and packaging of export commodities in the form of temporary imports against submission of valid undertaking or promissory note to the I. R. of Iran Customs Administration (IRICA) will be exempted from import duties except taxes levied on pertinent costs or commissions.
- ▶ All export commodities of the country (except crude oil and downstream oil products for which there are special rules and regulations) are exempted from any foreign exchange undertaking or deed of obligations.
- ▶ In connection with import materials and goods used in export commodities fully cleared from the Customs gates, the duties paid will be refundable upon the export of the commodity.
- ▶ In case the goods used in export commodities have been domestically manufactured but their materials have been exported, the duties paid will be refundable.
- ▶

Import Registration

The import of all importable commodities by the governmental or non-governmental importers except in following cases will be subject to registration and receiving import certificate from the Ministry of Commerce upon observing other stipulated rules and regulations.

Instances of Exemption from Registration and Import Certificate from Ministry of Commerce:

- ▶ Passenger goods to the extent mentioned in IRICA rules and regulations and according to the list provided by the Ministry of Commerce
- ▶ Import goods through postal service to the extent mentioned in IRICA rules and regulations
- ▶ Trade and manufacturing samples to the extent mentioned in

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- ▶ Sample products for display in all international exhibitions in Iran

Commodity Registration Procedure for Foreign Investors:

- ▶ Logging on www.tpo.ir (Export Promotion Organization) for downloading and filling out the related registration forms
- ▶ Submitting required documents to the Foreign Trade Division (Registration Unit) of the Organization of Industries, Mines and Trade at the province where the company is situated. The following documents are needed:
 - ▶ Filled-out registration form
 - ▶ Valid pro forma of non-cash foreign capital of the company issued by the manufacturing company
 - ▶ Submitting Trade Certificate issued by Chamber of Commerce, Industries and Mines and approved by the province's Organization of Industries, Mines and Trade
 - ▶ Submitting a letter from the Organization for Investment, Economic and Technical Assistance of Iran addressed to the Organization of Industries, Mines and Trade to approve the import of non-cash foreign capital for statistical registration. [Upon the approval of Organization for Investment, Economic and Technical Assistance of Iran for the import of non-cash foreign capital (including machinery, equipment, spare parts, CKD parts, raw materials, additives, etc.), the ministry of Industries, Mines and Trade will carry out statistical registration and notify IRICA houses for evaluation and clearance of the commodities. IRICA evaluation will be acceptable and the evaluated sum will be registered along with the transport and insurance charges in the name of the investor. Then, the commodity or the capital will be under the coverage of Foreign Investment Promotion and Protection Act (FIPPA).
 - ▶ For customs formalities and cargo clearance, foreign investors can submit the filled-out forms and documents and pro forma signed and sealed by the provincial Organization of Industries, Mines and Trade to the local customs houses.

Trade Certificate

Trade certificate is a document for import or export of products.

How to Apply for a Trade Certificate?

Trade certificates are issued by the Chamber of Commerce, Industries and Mines in Tehran or other provinces for the qualified applicants (whether Iranian or non-Iranian real and legal entities) for a period of one year (extendable) for a special field of activity upon the request of the applicant. It will be valid after the approval of the Ministry of Industries, Mines and Trade.

At the discretion of IRICA, there will be no need for trade certificate for the commodities imported or exported for non-trade purposes.

Temporary Import

The import before export of raw materials and goods needed for manufacturing, finishing, preparation and packaging of export commodities relevant to Article 12 of the Export/Import Rules and Regulations, passed on Sept. 26, 1993, will have to observe the following:

▶ Conditions for Issuance of Import Certificate:

- ▶ The import certificate relevant to Article 24 of the Executive Bylaw of Export/Import Regulations Act will be only issued for factories, corporations and manufacturing units (whether trade or industrial) that hold a valid certificate. The commercial and cooperative units can enjoy the privileges only upon their valid contract with the certified manufacturing units. The maximum raw material and goods import for the manufacturing units will be according to the nominal capacity of their production.
- ▶ Exporters importing raw materials and other required goods for their manufacturing units temporarily, are obligated to export a minimum 125% of the value of imported materials and goods in the form of manufactured products. If, after the 125% export, any product remains for domestic consumption, it will be considered as permanent import and subject to customs duties, trade profit and other tolls after changing the temporary declaration into a permanent declaration.
- ▶ The deadline for export of finished commodities will be one year after temporary import of raw materials and goods. The deadline can be extended to one more year upon the discretion of IRICA.
- ▶ For temporary import of commodities relevant to the above-said article, IRICA will collect undertakings and promissory notes according to the pertinent rules and regulations.
- ▶ In the case of governmental factories, corporations and manufacturing units, promissory note or written guarantee will be collected at the discretion of IRICA.
- ▶ In the case of non-governmental factories, corporations and manufacturing units, exemplary units, and highly recognized firms, written guarantee or promissory note plus bank guarantee worth the value of imported goods at the recognition of IRICA
- ▶ In case of businessmen and merchants, promissory notes or bank guarantee worth the same value of the imported goods at the recognition of IRICA