Commercial law in Iran and doing business

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Tariffs and regulations

Iran is in the process of streamlining and modernizing the customs procedure to monitor imported goods. Tariffs and duty rates are constantly revised and are subject to change without notice.

Tariffs and non-tariff barriers

Tariffs

Iran has extensive tariffs on imports and exports across a range of goods in the country. Imports valued at over US$50,000 are subject to a pre-shipment quantity and quality inspection. The inspector must be an internationally recognized organization that inspects all goods at the country of origin. The Iranian Embassy has imposed a variety of tax/tariff rates on varying goods, ranging from 10 to 25 per cent, with automotive vehicles at 100 per cent.

The government has passed a law that bans imports of foreign goods and services that are already being produced domestically.

Non-tariff barriers

Indirect taxes such as value added tax (VAT) is a set rate per goods, ranging from three to 10 per cent and some goods may be subject to double taxation if also required from the country of origin. In 2015, it is set that VAT is going to increase by one per cent to generate more revenue for the country.

There is a variety of items, which are exempt from taxes being imported into Iran, some popular items are:

- unprocessed agricultural products
- flour, bread, sugar, rice, milk, cheese
- machinery
- livestock and animals
- feedstock and pesticides.

Iran currently has free trade zones which avoid the non-tariff barriers such as value added services (VAT). These specialized economic zones have been established to provide:

- 100 per cent foreign ownership
- flexible monetary control
- no entry visa required
- 20 years tax exemption.

Product certification, labelling and packaging

Special certificates

Cargo and goods being imported into the country must be secured and fully concealed with documentation of commercial invoice, bill of lading, labelling and measurements. Most imports come via ports through the gulf and are apparent to customs upon arrival.

Methods of quoting and payment

All goods and services must be identified through their present costs before entering into the country. Any goods valuing over US$50,000 are subject to additional taxes. This is the method of quoting used in Iran while payments must be made before shipment of goods. Companies may request delayed payment of three to six months instalments or work with government official to agree on a payment period.

Documentary requirements

Commercial invoice

All imports of goods and services must have their commercial invoice stamped and legalized by government from origin of export. Without this document, companies will be fined and goods may be rejected from entry.

Bill of lading

When exporting products to a non-governmental importer in Iran it must include the bill of lading. When items are declared, they are subject to different tax thresholds and must include:

- marks of identification, name and address of consignee
- Quantities, weights and values.

Certificate of insurance

Certificates must include details about the overall program, project or contract that is being embarked on, information about your organization, total value of the project and other details may be requested and all sections of the form must be filled out and in order.

Weights and measures

Iran uses the metric system of weight and other measurements.

Public health requirements

The health care system in Iran is arranged around three pillars, the public government system, the private sector and the non-governmental organization (NGO). In the coming years millions of US dollars will be spent on medical services due to increasing demand from an aging population. All travellers should have up-to-date vaccinations for tetanus, measles, mumps, and rubella, polio, hepatitis A and B, typhoid and yellow fever.

Source:

https://www.austrade.gov.au