

Details of Protocol on Granting 5-Year Residence Permits to Foreign National

Directives on issuing residence permits to foreign nationals making investment in Iran have been announced.

“The Protocol on Granting Five-Year Residence Permits to Foreign Investors and Depositors” as well as investment and depositing application forms have been posted on the website of the Iranian Ministry of the Interior in three languages.

What follows is the full text of the protocol in English:

Protocol on Granting Five-Year Residence Permits to Foreign Investors and Depositors

By virtue of Clause 8 of directives approved at the 14th meeting of the Supreme Economic Coordination Council dated October 02, 2018, and Directive No. 56181T/43772 approved by Cabinet ministers on July 06, 2019, a protocol was adopted as follows to grant five-year residence permits to foreign nationals in order to encourage foreign investment and take in foreign financial resources:

A) Generalities:

Article 1 – Definitions: In this protocol, the following words are used to denote detailed expression

ns and phrases:

Organization: The Iranian Investment and Technical and Economic Assistance Organization

Central Bank: The Central Bank of the Islamic Republic of Iran

Commission: The Special Residence and Facilities Commission stationed at the Ministry of the Interior

Secretariat: The Secretariat of the Special Residence and Facilities Commission stationed at the Ministry of the Interior

Investor: Foreign nationals who invest in Iran in accordance with the protocol and in compliance with the rules and regulations of the Islamic Republic of Iran

Depositor: Foreign nationals who make time deposits in foreign currency in banks and non-bank credit institutes licensed by the Central Bank in accordance with the protocol and in compliance with the rules and regulations of the Islamic Republic of Iran

Five-Year Residence Permit: A permit approved by The Special Residence and Facilities Commission of the Ministry of the Interior and issued by Immigration and Passport Police for each residence application presented by foreign nationals in keeping with the present protocol

Article 2 – The term of the deposit or investment shall, at least, be equal to the duration of the residence permit and can be extended in accordance with the provisions of the present protocol.

B) Stages of Reviewing Applications and Documents Submitted:

Article 3 – In order to examine and adopt decisions on applications for Five-Year Residence Permits, The Special Residence and Facilities Commission is tasked with looking into applications in the presence of representatives from the Organization and the Central Bank.

Article 4 – In order to enjoy the privileges stipulated in this protocol, the applicant needs to fill in the relevant forms and send them along with required papers to political missions of the Islamic Republic of Iran abroad or directly to the Organization and the Secretariat. After receiving the forms and required documents and establishing their authenticity, the Foreign Ministry of the Islamic Republic of Iran will send to the Secretariat, in three days at the latest, the above-said documents along with the result of the ministry’s examination of the papers,

and at the same time inform the applicant of the same to follow up on the matter accordingly.
Note 1 – Relevant forms are accessible via the websites of the Ministry of Foreign Affairs, the Organization, the Central Bank and the Secretariat.

Note 2 –In line with outsourcing services and facilitating affairs, the Commission can delegate to competent companies and institutes the task of implementing the executive procedures of this protocol as well as rendering services needed by foreign nationals both inside and outside the country should the occasion arise.

Article 5 – The Commission is duty-bound to examine and announce its viewpoint on applications in a month's time and inform the applicant and the Organization of its decision, be it rejection or acceptance.

Note 1 –The deadline for depositing the money for investment and deposits is two months as of the date the Commission has announced its agreement.

Note 2 –The Immigration and Passport Police shall extend the applicant's visa if he or she applies for the renewal of their visa during the time his application for investment and making deposits is being studied in order to be able to go through the relevant procedure.

Article 6 – In two months' time at the latest as of the date of the announcement of this protocol, the Commission is obliged to design and put into a service a comprehensive system to receive, examine and announce its viewpoints on applications online, and to give access to relevant authorities (the Central Bank, select agent banks, the Police, the Ministry of Foreign Affairs, the Ministry of Cooperatives, Labour and Social Welfare, the Organization, the Financial Information Center, etc.,) The project shall be bankrolled by the Ministry of the Interior.

C) The Process of, and Regulations Governing Investment

Article 7 – The minimum required amount of investment required to grant a residence permit to the investor or depositor along with the spouse, under-18 male children, single female children and parents (maximum five persons) is \$ 250,000 or its equivalent in other currencies approved by the Central Bank.

Note – If the number of above-mentioned individuals exceeds five, the applicant is required to invest or deposit, for each extra person, \$50,000 or its equivalent in other currencies approved by the Central Bank,

Article 8 – The applicant is obliged to deposit the amount which is the subject of Article 7 at a bank account in foreign currency through the banking system or other methods of transferring money to the country approved by the Central Bank before the deadline stipulated in Article 5 expires and in accordance with the terms and conditions of this protocol, send submit the deposit confirmation to the Organization. Appendix I explains the terms and conditions required for investment in foreign currency by foreign nationals to receive five-year residence permits.

Article 9 – After receiving the confirmation of depositing the amount from the Organization, the Commission will issue a five-year residence permit for the applicant and his/her family in keeping with Article 7. The said permit shall be forwarded to the Immigration and Passport Police to issue a five-year residence document, and that institution shall issue the residence document for the applicant in a month's time at the latest.

Article 1 – The issuance, by the agent bank, of written confirmation of investment is a guarantee of the return of the original sum invested plus the interest earned, which can be transferred overseas in accordance with the provisions of this protocol (Appendix I).

Note 2 – Applicants who are the subject of this protocol and who would like to start working in the country need to refer to the Ministry of Cooperatives, Labour and Social Welfare in order to receive work permit within the framework of pertinent rules and regulations after receiving the approval of the Commission.

Note 3 – Foreign Nationals who are the subject of this protocol will face no restrictions

leaving and returning to the country after receiving the five-year residence permit.

D) Miscellaneous Regulations;

Article 10 – After the five-year term ends, the following actions shall be taken should the occasion arise.

- a) If the applicant is willing to have his/her residence permit extended, they should send their application to the Secretariat three months before the current permit expires.
- b) The regulations and deadlines governing the issuance of the residence permit shall be valid for the extension of the permit as well.
- c) If the applicant's residence permit is extended, he/she can withdraw the interest earned on their invested sum as stipulated in Article 7.

Article 11 – Upon the Commission's approval, investors can withdraw or transfer abroad the original sum invested by sending a request for the cancellation of the residence permit to the Secretariat at six months' notice before the permit expires.

Note – Investors shall not receive any interest for two years, and the interest for up-to-five-year term deposits shall be calculated in keeping with executive regulations of the Central Bank (Appendix I).

Article 12 – State-run and public institutions are obliged to make the necessary arrangements and offer the required facilities, so that holders of five-year residence permits shall be able to enjoy public services such as health, treatment and educational services, receiving driver's licenses and domestic travel services during the time the applicant is legally residing in the country in accordance with this protocol.

Article 13 – In cases where the enforcement of this protocol requires a revision of rules and regulations, then ministries, institutions which are members of the Commission and other relevant institutions shall draw up and present bills, bylaws, directives, etc., in coordination with the Secretariat.

Article 14 – Should the applicant desire to utilize the amounts of money which are the subject of Article 7 within the framework of the Foreign Investment Support and Encouragement Law and its relevant bylaw, he/she can enjoy the privileges of the said law as well as this protocol after going through the pertinent legal procedure. (The text of the law and its bylaw can be accessed at the site of the Iranian Investment and Technical and Economic Assistance Organization at www.investmentiran.ir)

Note 1: In line with its legal authority, the Commission can examine the conformity of foreign nationals' previous investments in the country and make decisions on the residence of applicants.

Note 2 – If the applicant requests to use the deposited sum for investment, the Secretariat will inform the Central Bank accordingly after receiving approval from the Organization, so that the bank shall act to free up all or part of the sum deposited by the applicant in agent banks.

Note 3 – If the applicant fails to invest in the approved project within six months of the date on which the foreign investment permit was issued, the residence permit granted on the strength of this protocol shall be cancelled and the Commission shall be informed of the same by the Organization.

Article 15 – This protocol was ratified on February 10, 2020 at a meeting of the Special Residence and Facilities Commission in 15 articles and 11 notes and shall be binding for all institutions since the date of announcement.

Terms and Conditions for Investment in Foreign Currency by Foreign Nationals Required to Issue Five-Year Residence Permits (Appendix I)

1. Iran's Melli Bank is authorized to conclude, on behalf of the Central Bank, forex deposit contracts with foreign nationals by opening forex bank accounts with a minimum balance of \$250,000 or its equivalent in Euros or Emirati dirhams in the form of bank drafts or

banknotes, and after making the necessary arrangements with the International Department of the Central Bank, [Melli Bank] will deposit the bank drafts at the accounts introduced by the said department, or will hand over the received banknotes to the Central Bank.

Note – As for deposits with banknote origins, Iran's Melli Bank is required to establish the authenticity of the customs declaration submitted by the applicant, and announce to the depositor the conditions for transferring abroad the original deposited amount in the form of banknotes by handing over the said declaration.

2. The interest rate for deposits via banknotes or bank drafts for the above-mentioned is 0.5 percent annually.

3. The term of forex deposits is five years and it shall be possible to revoke the contract and withdraw the original sum deposited less than two years from the date of the conclusion of the deposit contract only if approved by the Special Residence and Facilities Commission.

Note – If the Commission accepts the request for the cancellation of the deposit contract within less than two years from the date of the conclusion of the contract, no interest will be allocated to the deposit. However, if at least two years have passed since the conclusion of the contract, the interest will be calculated and fully paid (from the date of the conclusion of the agreement until the date of revocation).

4. It is possible to pay back the original sum deposited as well the interest gained on the deposit all at once at the end of the five-year term or at the time of the termination of the contract. Accordingly, the original sum deposited via bank drafts shall be paid through forex drafts along with its interest, and sums deposited as banknotes (at the request of the applicant) shall be paid as banknotes or bank drafts along with the relevant interest.

5. If the applicant requests an extension of the deposit period (at three months' notice before the term expires), the term can be extended for another five-year term upon the agreement of the Commission.

6. An equivalent of two thousandth of the deposit shall be paid annually as commission to Iran's Melli bank, which serves as the agent bank.

7. Iran's Melli Bank can take the necessary action through other agent banks in order to absorb forex deposits whose origin is bank drafts abroad.

8. The Central Bank guarantees the repayment of the original sum deposited as well as the interest gained.

9. Offering services shall be subject to agent banks and depositors complying with rules and regulations governing the fight against money laundering and the sponsoring of terrorism against the Islamic Republic of Iran.