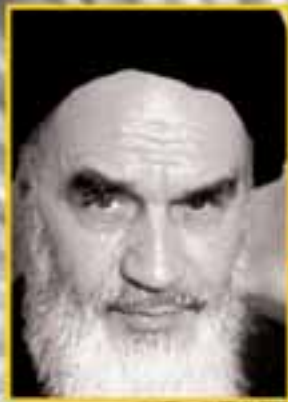


IN THE NAME OF GOD





A Guide to Invest in Aras Free Trade - Industrial Free Zone

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Under Supervision of: Public Relation & Int,l Affairs Department

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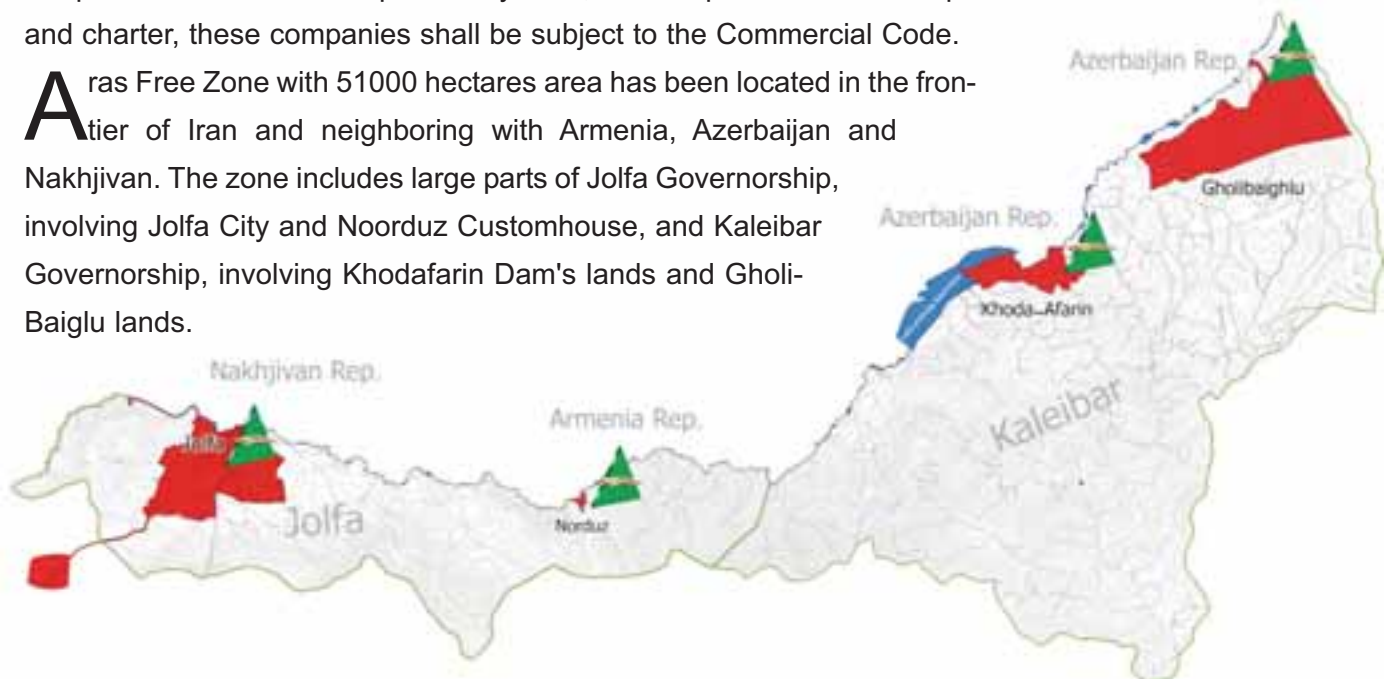
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Aras Free Trade-Industrial Zone Organization

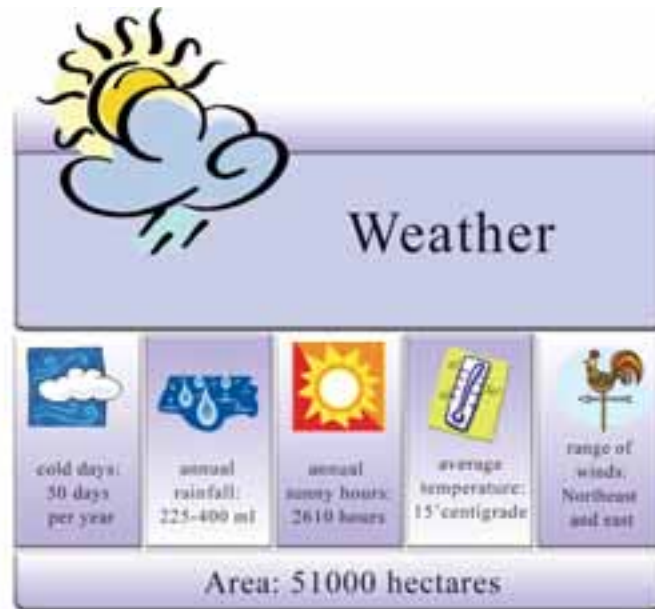
Aras free Zone was established by the decree of the Islamic Consultative Assembly on August 24, 2003 and its charter approved in September 2004 in order to accelerate the accomplishment of infrastructures, development, economic progress, increase of public income, creation of productive employment, regulating of goods and labor markets, to be actively present in regional and world markets and to produce and export the industrial and processing goods as well as rendering public services. Each Zone shall be administered by an Authority organized as a company, with autonomous legal status, whose capital shall belong to the government. Such companies and their affiliates and subsidiaries shall be exempt from the laws and regulations governing state-owned companies and from other general regulations decreed by the government; they shall be administered solely on the basis of the present law and its respective by laws, with respect to cases not provided in this law and charter, these companies shall be subject to the Commercial Code.

Aras Free Zone with 51000 hectares area has been located in the frontier of Iran and neighboring with Armenia, Azerbaijan and Nakhjivan. The zone includes large parts of Jolfa Governorship, involving Jolfa City and Noorduz Customhouse, and Kaleibar Governorship, involving Khodafarin Dam's lands and Gholi-Baiglu lands.



Geographical Situation

- ↘ A contiguous area not exceeding 51000 hectares;
- ↘ Located in semi-dry and semi-cold Zone of north-west of Iran (East Azerbaijan Province);
- ↘ 225-400 mm annual rainfall;
- ↘ 15°centigrade average temperature;
- ↘ Approximately 50 cold days per year;
- ↘ 2610 annual sunny hours;
- ↘ The main wind direction: Northeast and east. Strongest range of winds occurs on March (30mps);



Geo-strategic Standing

- Neighboring with CIS countries, with 300 million population as a target market;
- Being located in international transit corridors (6 corridors) and the Silk road;
- Proximity to Turkey as a gateway to Europe;
- Capability of creating road and railway links between Iran's neighbors on the north and countries of Persian Gulf region states;
- Aras River as natural connector factor;

Geo-economical

Situation

- Eco-tourism and cultural tourism potentials;
- Rich mineral resources adjacent to the zone;
- Abundant water supplies due to Aras River;



Infrastructures

▲ Transportation networks

- ✦ Railway networks: Jolfa-Tabriz railway is the first (100 years old) and Iran's only electrical railway which connects Aras Free Zone to CIS countries, Caucasus, Russia, Turkey, Black Sea and Europe in the north, and to Persian Gulf and Oman sea in the south.
- ✦ Road network: Tabriz-Jolfa axis provides entrance and exit link through Jolfa, Nourduz and Khodaafarin with Autonomous Republic of Nakhjivan, Armenia, and Azerbaijan. Border axis from Bazargan to Bile Savar connects Europe to CIS countries.
- ✦ Airway network: Tabriz international airport and Nakhjivan airport are distanced 120km and 35km away respectively, while Aras Free Zone Airport is under construction.



JOLFA RAILWAY



▲ Energy

There are energy carriers (petroleum, Gas and electricity) in the zone in enough amounts at present time, and 500 Mw. power station is under construction by private sector now. The power station will provide the required energy of the coming investments in the zone in the future.

▲ Communication

The infrastructures and equipments of communication have been totally Launched in the zone and necessities are set up based on actual requirements and waiting to be delivered for applicants, Such as:

- Programming to construct IDC (Internet Data Center) of the zone
- Supplying the investments of private sector in SAP, PAP and PSTN fields in the zone, because of no limitations in main land
- Establishing and developing ICT in the zone based on the advantages of Aras Free Zone in accessing international communicational infrastructures and in situating on the way of east-west international fiber optics, from China to Europe
- Programming to change the zone into the pilot of ICT international projects to reach an electronic zone

Potentials of Processing Industries Sector

Aras Free Zone is surrounded by fertile plains of northwest of Iran. Regarding the recent investment on Moghan, Miandoab, Maku, Mahabad, Gordian (1800 hectares) and Golfaraj (25100 hectares), Khodafarin (after completion of Khodafarin Dam, 70000 hectares will be used as aqua cultural farms) plains, it is estimated that these lands would produce 12 million tons of various agricultural products. At the time being, this zone produces 6.8 million tons of agricultural products. On the other hand, there is possibility of processing tropical and semi-tropical products for exportation to northern hemisphere especially Russia and Europe, due to unique location of Aras Free Zone with regard to road, rail and airway transit and development plans of the Zone.



Investment Incentives

- 20 years of tax exemption starting from exploitation date for all kinds of economic activities.
- Exemption from custom charges and commercial profit for importing raw material and machinery.
- Ability to export the produced goods in the Zone to other countries with minimum regulations.
- Ability to import all goods to Aras Free Zone except the ones forbidden by Islam.
- Legal protection of foreign investors' rights (in possession and nationalization).
- No investment limitation for foreign investors.
- Registration of companies, by Aras Free Zone.
- Registering of 100% foreign investment without Iranian partnership.
- No entry visa required for foreign investors.
- Issuance of work permits for foreign nationals by the organization.
- Ability of using non-Iranian experts & technicians

Customs & Commercial

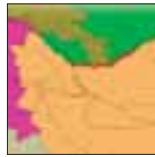
Services Incentives

- Reimbursement of a part of charges of goods owners, up to 15% of the due paid to the Organization
- Clearance of goods in minimal period
- Ability to import goods through interior and exterior transit, TIR and etc.
- Possibility of goods transportation via railway system & connecting to foreign lines
- Accepting bank guarantee for clearance of goods from the zone
- Separation of cleared warehouse receipt (certain clearance, transition, exporting ...)
- Regulating terms for importing and exporting produced goods in the zone
- Clearance of on-truck goods in minimum period
- Issuing interchangeable warehouse receipt goods owners' request

Investment Opportunities in Transport Sector



Aras
International Airport



Jolfa-Aslanduz Railway



Export terminal of
agricultural products

Investment Opportunities in Tourism Sector



Eques Trian Field



Health Park



Aras
International Exhibition



Medicinal and Studios
Complex



Aras Restaurant



Health Village



Language Village



Beach Camp



Sport Village



Motel



Bahar (Spring) Bazaar



Cable Car



Archers Club



History City



Olive Station



Fishing Lake



Children Park



Cycling Complex



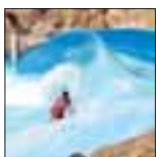
Crops & fruits bazaar



Forest Games Complex



Parvaneh (Butterfly) Bazaar



Abshar (Waterfall) Water Games Center



Bagh (Garden) Traditional Restaurant



Ghilas (Cherry) Station & Sib (Apple) Station



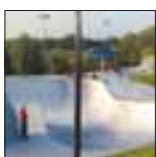
Technical & Vocational College



Gardening Services Center



Sport Station



Skating Track



Oghab (Eagle) Flying Center

Investment Opportunities in Agriculture Sector

- ✦ Floriculture in greenhouse complex
- ✦ Agriculture processing industries and production of fruit nectar concentrate
- ✦ Fish ponds project on the bank of the Aras River
- ✦ Planting and establishing mechanized garden
- ✦ Herbal plants cultivation
- ✦ Sericulture and silk production project
- ✦ Export terminal of agriculture productions
- ✦ Flesh solidification
- ✦ Construction of slaughterhouse and Production of essence

- ✦ Fruit market of Ghordiyān
- ✦ Industries of dried fruit production
- ✦ Mushroom production
- ✦ Production of flour and bread
- ✦ Production of paper paste from agricultural waste
- ✦ Production of sapling
- ✦ Apiary
- ✦ Production of animal concentrate
- ✦ Production of aseptic tomato sauce
- ✦ Production of fertilizers from planet waste
- ✦ Production of biological fertilizers, compost and vermicompost
- ✦ Production of hive
- ✦ Animal husbandry & Ostrich breeding town
- ✦ Greenhouse complex



Center for Investment Services in Aras Free Zone

According to Law, the sole authority to issue economic activity license in Aras Free Zone, is the Aras Free Zone Organization. This organization for the sake of rendering investment services and improvement of business atmosphere in the zone has established Investment Service Center in its economic deputy department. So in order to meet investors needs, they shall visit to this center and there is no need to visit to any other place, body or department.



Criteria on Registration of Companies, Intellectual and Industrial Property

▲ **Functions of Registry office are as follows:**

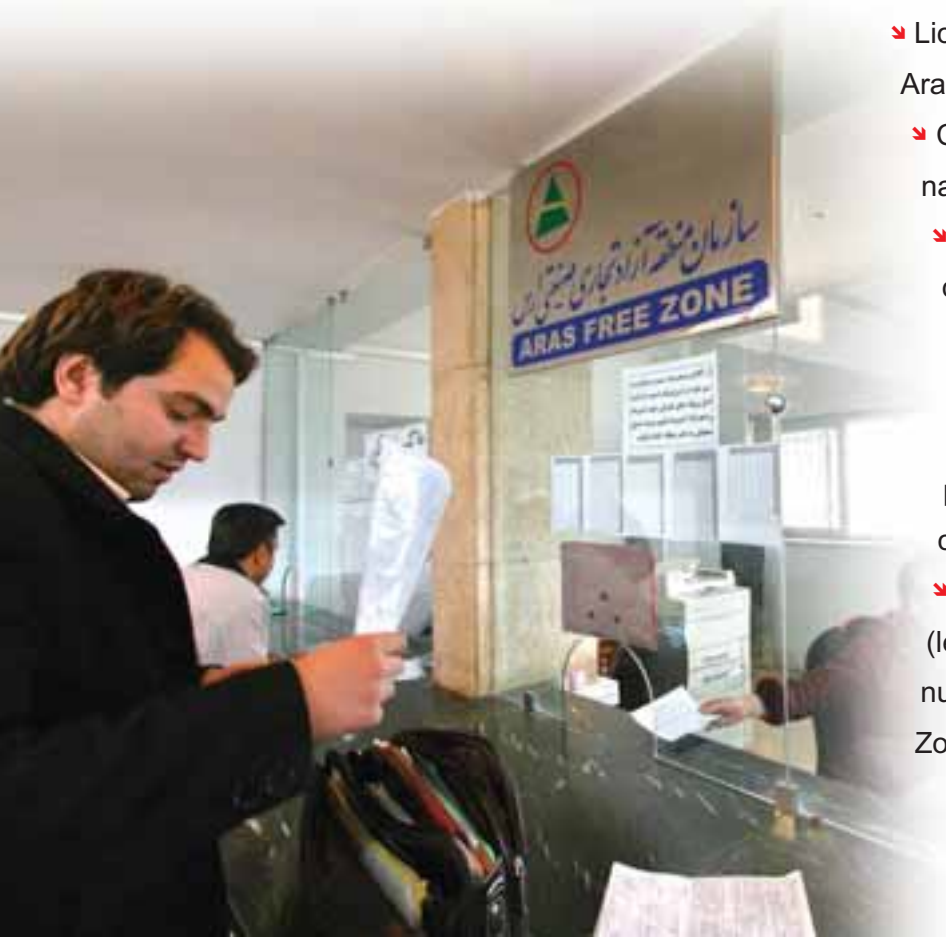
- ✦ Registration of non-Iranian & Iranian non-commercial companies and institutes.
- ✦ Registration of Branch or representative office of foreign legal status;
- ✦ Registration of trademark and trade & industrial names.
- ✦ Registration of invention, patents, monograms and industrial drawings;
- ✦ Registration of traders' commercial books.
- ✦ Sealing the commercial and non-commercial books in the territory of the zone.
- ✦ Registration of companies and banks and credit institutes with regard to the law on Monetary & Banking Operations in the Free Zone.
- ✦ Registration of Insurance companies in accordance with the governing regulations in the Free Zone.

Each Company or institute which is registered in the zone and its principal center is in the same zone, shall be deemed as an Iranian company .



General Documents Required for Registration of Companies or Non-commercial Institutes

- License of economic investment issued by Aras Free Zone Organization.
- Confirmation of Registry Office on nominating the name of company or institute.
- Date and Place of birth, identity certificate number and its place of issuance, and the photocopy of the pages of identity certificate in case of the Iranian nationals and photocopy of the passport pages for foreign nationals. (all copies must be in A4 paper)
- Submitting 2 company trade book (ledger and day book which have page numbers and been threaded by Aras Free Zone) having serial no.





↘ Iranian legal status being shareholder or partner in an under establishment company in implementing article 589 of Commercial Code should draw up a decree based on partnership and investment in newly established company containing the following points:

- The amount and percentage of investment (share/contributions) should be noted.
- A representative to attend all assemblies and meetings of the Board of Directors must be appointed .
- The above mentioned decree must be signed by authorized status and sealed by the company.

Then the Office Gazette of I.R.Iran bearing the Establishment Notice and the latest alterations on authorized status as well as a photocopy of company/institute articles of association must be attached to the decree.

↘ Foreign legal status being shareholder or partner in an under establishment company must submit the below mentioned documents:

- Decree of the Board of Directors on partnership and investment in an under establishment company which contains the amount and percentage of investment (share/contributions). Also, a representative to attend all assemblies and meetings of the Board of Directors must be appointed and signed by authorized status and sealed by the company.
- Registry certification of foreign legal status issued by Registry officials of his/her sovereign state.

- Copy of Foreign company/institution articles of associations.
- Passport photocopy of foreign legal status' representative.
- Minutes of the Board of Directors and Registry certificate must be confirmed by authorized status (Registry officials) of legal persons sovereign state and attested by representative of Islamic Republic of Iran in that country.
 - Also, all documents should be submitted in officially translated Farsi version.
 - Paying the fee of company's registration & plumbing commercial books.
- The photocopy of the company's ownership or lease document of main office in Aras Free Zone and its post code number





Exclusive Documents for Registration

▲ Joint Stock Company

- ✎ Letter of Declaration. (2 copies)
- ✎ Minutes of the founders general assembly. (2 copies)
- ✎ Minutes of the Board of Directors. (2 copies)
- ✎ Company's Articles of association. (2 copies)
- ✎ Certificate issued from one of the banks located in the Zone, attesting that the minimum of 35% of cash capital has been paid.
- ✎ List of shareholders and determinations of shares and the percentage of their paid share.

▲ Limited Liability Company

- ✎ Minutes of the founders general assembly. (2 copies)
- ✎ Minutes of the Board of Directors. (2 copies)
- ✎ Companies Articles of association. (2 copies)
- ✎ Company's Memorandum of association and registry application.



SEYYED MOHAMMAD HOLY SHRINE

▲ Non- commercial Institutes

- Minutes of the founders general assembly. (2 copies)
- Minutes of the Board of Directors. (2 copies)
- Companies Articles of association. (2 copies)
- Registry application for non- commercial Institutes.

▲ Registration of branch or representative office of foreign legal status

- Registry declaration. (2 copies)
- Original license of branch establishment or letter of authorization indicating representation.
- Copy of Registry certificate of foreign company / institute.
- Articles of Association of foreign company / institute.
- Photocopy of registry declaration of foreign legal status.
- The last balance sheet of the foreign company / institute.

Notify: All above mentioned documents must be confirmed by authorized status (Registry officials) of legal persons sovereign state and attested by representative of Islamic Republic of Iran in that country. Also, all documents must be submitted in officially translated Farsi version.

Documents Required for Registration of Trade Mark



- License of economic activity issued by Aras Free Zone Organization.
- Photocopy of the pages of identity certificate in case of the Iranian nationals and photocopy of the passport pages for foreign nationals.
- Submitting 2 company trade books (ledger and day book).
- Filling the letter of declaration forms for registration of legal person's name.

Expenses Related to the Registration of Company/Institute

Expenses pertaining to the registration of a company, institute and alterations thereafter, and registrations of Trader's name, also registrations of commercial books and sealing of commercial and non-commercial books shall be paid into the account of Aras Free Zone.



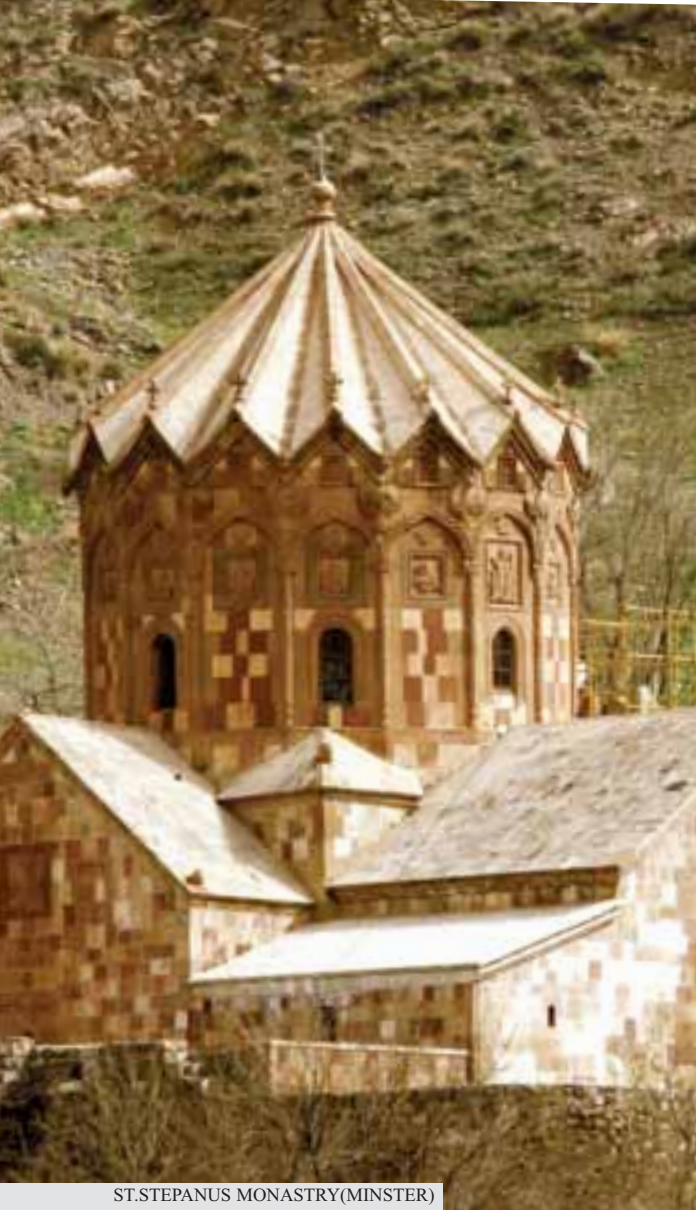
ASIAB WATERFALL



Differences between Joint Stock Company and Limited Liability Company

- ✦ In ltd co, number of partners shall be at least 2 persons, while there should be at least 3 shareholders in Joint Stock co;
- ✦ In Joint Stock co, there shall be a certificate issued from one of the banks located in the zone, attesting that the minimum of 35% of cash capital has been paid. The rest is in shareholders' commitment. While in ltd co all the cash capital must be paid by partners at first.
- ✦ Joint Stock co is obliged to select main and alternate inspectors and this is the same in ltd co but if the partners are more than 12.
- ✦ Directors in Joint Stock co shall be appointed for tenure of 2 years and their reappointment is permissible. The tenure of directors in ltd co is not limited.
- ✦ The capital in Joint Stock is divided up into shares, and bonds and responsibilities of shareowners are limited to the par value of their shares. But in ltd co the company's capital is not divided up into shares





ST.STEPANUS MONASTRY(MINSTER)

or bonds, and the partners are responsible for the liabilities and obligations of the company to the extent of his contribution only.

- Managers in Joint Stock companies must necessarily be shareowners or provide a number of sureties share which is noted in the Articles of association and submit to the fund.
- Managers in Ltd. co. can be selected from partners or elsewhere.
- Official Expert of the Administration of Justice shall value the benefits of non-cash contributions in joint stock co.



Issuance of Investment License

▲ Required Documents

- Photo of the applicant (two frames).
- Photocopy of the pages of the identity certification or passport.
- Bank receipt on payment of investment license issuance expenses.
- Completion of application form for investment.
- Economic ground plan.
- Photocopy of justification of Aras Free Zone economic commission.
- Identity certification and the document of educational degree of status' direct

▲ Procedures

- Applicant shall fill in the forms required to receive investment license and submit them to License Issuance office.
- The investor must give the economic ground plan.
- The office authorities will evaluate the documents.
- Aras Free Zone economic commission considers the plan
- The investment license shall be issued.

Issuance of Exploitation License (Economic Activities)

▲ Required Documents

- ✦ Photocopy of the title deed or lease related to the place of activity.
- ✦ Bank receipt of exploitation license issuance expenses.
- ✦ Completion of applications form of economic activity.
- ✦ Getting construction completion license from Deputy of Construction & Infrastructures Affairs of Aras Free Zone.
- ✦ Getting Necessary inquiries from authorized administrations.
- ✦ Getting import license of Aras Free Zone industrial administration for machinery is required.
- ✦ Getting the justification of department of environment of Iran about the plan is required.
- ✦ Getting safe industrial license.

▲ Procedures

- ✦ Corporation registration.
- ✦ To buy or lease the place for economic activities and submitting the construction completion license.
- ✦ Completion of the application forms industrial administration for exploitation license
- ✦ Bank receipt on payment of exploitation license issuance expenses.
- ✦ Necessary inquiries from authorized administrations.
- ✦ Issuance of application form for economic activity license

Issuance of Commercial Card

- The applicant shall visit the Commercial Administration of Aras Free Zone to get and fill in the A and B forms.
- The applicant shall submit the A and B forms and the other required documents to the Commercial Administration.
- Issuance of commercial card after evaluation of the documents by the Commercial Administration authorities.
- Submission of the card to the applicant after signing the commitment (form C).



Aras 4 Star Hotel (under construction)

Documents Required for Issuance of Commercial Card

- ✦ Photocopy of the pages of the identity certification
- ✦ Managing Directors photo (3 frames)
- ✦ Company's Articles of association
- ✦ Certification of financial books sealing
- ✦ Certification of company registration
- ✦ Photocopy of the Letter of declaration applying for registration
- ✦ Official paper notice
- ✦ Photocopy of investment license
- ✦ Bank receipt on payment of card issuance expenses
- ✦ Certification of current account from one of the banks located in the zone
- ✦ Photocopy of title deed or lease
- ✦ Filling in A and B Forms
- ✦ Filling in and Signing C form