

Services of Open Iran Group/Afarin Law Firm (The Firm)

Open Iran Group/Afarin Law Firm, The Firm, is formed to cater for the needs of international companies and their local counterparts. In conjunction with Afarin Law Firm, one of the most trusted and experienced law firms in Iran, the firm is now concentrating on bringing international businesses to Iran, introducing investment opportunities to foreign companies, and assisting them in securing contracts. We offer services that are essential for market entry and to facilitate successful operation. Some of our most popular services includes:

1- Company Registration

A wide variety of legal arrangements may be used to carry on business activity in Iran. Some of the more commonly used arrangements are corporations, limited partnerships, partnerships, co-ownerships, joint stock company and limited liability companies.

The selection of the appropriate form of business organization will depend in each case upon the circumstances of the investor, the nature of the activity to be conducted, the method of financing, income tax ramifications and the potential liabilities related to the activity.

Generally, one of the first issues faced by a foreign entity contemplating carrying on business in Iran is whether to conduct the business directly in Iran as an Iranian branch of its principal business, or to create a separate Iranian entity to carry on the business. We will provide you with the necessary information to establish the most suitable type of business in Iran. Consider the following information for establishing a company Iran:

100% Ownership of your company;

Incentives of Free Zones of Iran;

Foreign Investment Promotion & Protection Act;

Foreign investors can now establish their company with 100% ownership of the shares and control of their business. This can be an advantages to some of the companies willing to be more involved in the Iranian market providing them with more security and stability as a foreign investors. There are two most suitable types of companies for foreign entities:

Limited Liability Company

A limited liability company (sherkat ba massouliat mahdoud) is defined as a company formed by two or more persons for the purpose of trading. Liability is based upon the direct contributions of the partners to the partnership and not by share subscription. The formation of a limited liability partnership is

deemed to have taken place when the capital in cash has been fully contributed and when non-cash contributions have been assessed and delivered.

The name of the company must always include the phrase “limited liability” otherwise under the law the company will be considered as a general partnership.

Joint Stock Company

The Joint Stock Company is defined by law as a company whose capital is divided into shares and the liability of whose shareholders is limited to the par value of their shares. As mentioned in the Foreword, the Joint Stock Company may be either a public company (Sherkat Sahami Aam) or a private company (Sherkat Sahami Khass). The main difference between the two is that the public company may offer its shares and debt securities to the public while the private company may not. See Annex A for additional differences between the public and private companies. The shareholders of a joint stock company participate in the ownership, profit and losses, and distribution of assets in liquidation, in proportion to the shares held. As indicated above, the liability of each shareholder is limited to the par value of his shares and in the absence of fraud or other deceptive practices; there should be no recourse to shareholders for the liabilities of the company.

Branch Office

Foreign Companies can establish a branch of their company in order to conduct their business in Iran. The Branch will be a foreign company and act as a branch under mother company and may operate in the following areas of activities:

- 1) Offering after-sale services for the goods or services of the foreign company.
- 2) Carrying out the executive operations of the contracts concluded between Iranian persons and foreign companies.
- 3) Studying and preparing the necessary conditions for the foreign company’s investment in Iran.
- 4) Cooperation with Iranian technical and engineering companies for undertaking activities in third countries.
- 5) Participating the non-oil exports of the Islamic Republic of Iran.
- 6) Offering technical and engineering services and transfer of know-how and technology.
- 7) Engaging in activities permitted by government agencies legally authorized to issue permits, in areas such as offering services in the fields of transportation, insurance, inspection of goods, banking, etc.

A local branch office of a foreign company is the subordinate of the mother company which carries out the objectives and business transaction for the mother company. The operation of the branch office will be conducted under the name and responsibility of the mother company. The branch office is subject to Iranian laws in areas such as labor, social security, taxation, etc. The government protects the legal rights of a registered branch office as of the mother and domestic companies.

2- Market Entry Strategy Service

We provide clients with business consulting services to ensure their success in the Iranian market. Our educated and experienced team can help you secure your investment in Iran. You can rely on our office in providing quality reports and advice for various business aspects of your operation in Iran.

Acquiring reliable market intelligence and determining your ideal partner profile are key factors in the success of your international market expansion.

We can help you with advice on entry strategy that will give you the best chances of success in your chosen market.

Market Entry Strategy service will help you:

Gain a good understanding of key market entry criteria and competitors

Determine your ideal partner profile

Get a comprehensive strategic plan

Get the support and guidance you need to ensure a successful market entry

Enter markets with confidence with a strategic plan

Understand international commercial objectives

Develop your market research

Develop competitive analysis

Undertake a risk assessment

Prepare an action plan covering the operational and financial aspects of entering the market

3- Partner Services

Foreign investors who are looking to invest in other countries usually look for local partners for their market entry. Iranian Lawyers Office as a well established law firm in Iran can help foreign investors to select the right partner for your business in Iran. Our firm has long experience in connecting local business partners with foreign companies and can help your business find a suitable partner in Iran.

Foreign individual and entities usually have difficulties choosing their partner in Iran and our experienced legal team can provide the appropriate legal advice to help with your decisions. The following must be considered when selecting a business partner in Iran:

- Evaluating and Selecting a Strategic Partner
- Define and Validate Your Objectives for Alliance
- Identify Imperatives for Partnering
- Set Criteria for Evaluating Potential Partners
- Identify Potential Partners
- Conduct a Preliminary Screen & Qualify the Potential Partners
- Complete a Detailed Assessment & Prioritize the Potential Partners
- Create Long List of Prospective Partners
- Orientating Meeting with Prospective Partners
- Determine Short List of Prospective Partners
- Conduct Due Diligence of Short Listed Potential Partners
- Negotiating Alliance with Prospected Partner
- Writing Legal Partnership Agreement
- Develop Alliance Plan

The firm can find you potential partners to choose with more confident. We offer a range of services to foreign investors planning to enter the Iranian market. There are many factors in choosing a partner in Iran and our office can consult investors in their alliance with local companies process. Our services range from preparing long list of evaluated partners to meeting, due diligence, and to your final agreement with any individual or legal entity in Iran.

4- Regulatory & Compliance

Regulatory frameworks are constantly evolving across sectors and around the world. As transparency is importance to international companies and the costs of non-compliance with laws and regulations increases, businesses everywhere strive to adapt to the growing pressure from regulatory bodies.

With our extensive knowledge of local regulations and our multi jurisdictional capabilities, we are well-positioned to help clients around the world deal effectively and creatively with regulatory and compliance issues. As business has globalized and cross-border transactions have become more complex, the ability to provide appropriate counsel across jurisdictions becomes all the more important.

Our clients come to us to understand their responsibilities, manage risk and understand the impact of complex regulatory regimes on their transactions or day-to-day operations. Our strong relationships with members of oversight agencies give us the basis to counsel clients with a current and fully informed perspective. We commit our resources to helping them meet regulatory requirements and keep their businesses running smoothly, no matter where they are based.

Our objective is to create sophisticated strategies that safeguard our clients' assets and reputations and enable them to concentrate on pursuing their business objectives with confidence, which is helped by the substantive involvement we have had in the development and implementation of current Iranian legislation and related guidance.

At Afarin Law Firm we provide advice on complex regulatory matters including in:

Health, Chemicals, Pharmaceuticals

Consumer Goods

Energy

Financial institutions

Public procurement

Telecommunications, media and technology

Other regulatory matters (agricultural, import/export, and medical devices, sport/gaming, specific product regulation, etc.)

5- Dispute Resolution

Global disputes are becoming more frequent and complex as corporations and financial institutions continue to enter new markets against a backdrop of tighter regulatory scrutiny, higher accountability standards and intense competition. With more companies doing business in emerging markets, the risks are even greater. All of this creates higher costs and greater liability, requiring that disputes be avoided whenever possible, and resolved efficiently when they arise.

We help clients through the lifecycle of transactions and product development to minimize exposure to risk and avoid disputes. When disputes arise, we guide clients through pre-contentious negotiations and help them choose the best dispute resolution option. We provide expert advice at every step of the process, including litigation, international arbitration, and alternative dispute resolution.

With more than 12 years of experience in the legal industry of Iran, we understand the legal and regulatory environment, language, culture, and way of doing business wherever our clients operate.

We also have extensive industry expertise, particularly in the international trade, oil and gas, construction, mining, consumer products and retail, pharmaceuticals and life sciences sectors.

6- Other services

We provide clients with business consulting services to ensure their success in the Iranian market. Providing the right legal and business advice is a key. All our lawyers and business consultants have lived abroad, they speak fluent English and understand western culture and are aware of the expectations of western clients in terms of communication, customer care, customer service, and most importantly delivering the promised service in a timely manner. Our consultants are also very well aware of all the market trends, Iranian business culture, administration and bureaucratic systems, and how best every clients must be served. Our experience together with our local and international network are very well utilized to move fast in a period when time matters more.

Acquiring reliable market intelligence and determining your ideal partner profile are key factors in the success of your international market expansion.

Due Diligence

The firm can help foreign investors gather the necessary information and meet the legal requirements to establish their business in Iran with more confidence.

Financial Auditing

The experienced team of accountants working closely with the Afarin Law Firm can assure foreign investors of the credibility of financial statements produced by companies inside of Iran.

Business Plan Development & Financial Reports

A business plan is an essential roadmap for any business success. Our experienced team can develop/adjust your business plan for the Iranian Market and provide in-depth insight of any markets. We can provide financial and research reports for management teams to evaluate their position in the Iranian market. We can also offer additional services to our clients:

Market Research & Industry Analysis

Economic Feasibility Study

Business Strategy

Marketing Plan

Advice and services related to FIPPA

Upon selection of any of our services, the firm will be engaged with the client in providing information on how what the service includes, how it is provided and the range of costs.