

Preface

The present book is the fifth English edition of the Export-Import Regulations of the Islamic Republic of Iran. The primary aim of this volume is to respond to a long-felt need by providing the foreign trade partners with general knowledge and understanding of the I.R. of Iran's export-import policy features, as well as with up-to-date information on the national Customs tariffs as they are currently applied.

We are aware that in a work of this extent and complexity there is always ample room for improvements. As such, our readership is encouraged to alert us to any shortfalls or oversights that they may come across. Moreover, we welcome comments and suggestions that could contribute to the improvement of future editions and updates.

**Directorate - General
for Export - Import Regulations
Ministry of Commerce**

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EXPORT-IMPORT REGULATIONS ACT

Article 1

Regulations in respect of the exportation and importation of goods and the delivery of related services to all exporters and importers and also to those that the application of the law requires their naming, shall be governed by this law, and all laws which are inconsistent with it, are hereby annulled.

Article 2

Exportable and importable goods are classified into the following three categories:

1. Permissible goods: with the observance of the relevant criteria, the exportation or importation of these goods shall not require a license.
2. Conditional goods: the exportation or importation of these goods is possible by obtaining a license.
3. Prohibited goods: the exportation or importation of these goods (purchase, sale or consumption) is forbidden under the sacred Islamic Shari'a and or by law.

Note 1

The Government may, with the observance of the relevant laws and depending on the prevailing exigencies and circumstances, prohibit the exportation or importation of certain goods.

Note 2

The types and specifications of goods falling under any one of the aforesaid three categories shall be set forth by an ordinance to be drawn up by the Ministry of Commerce and approved by the Council of Ministers.

Article 3

Engaging in the business of exportation and importation of goods for commercial purposes, requires a commercial card which shall be issued by Iran Chamber of Commerce, Industries and Mines and approved by the Ministry of Commerce.

Note 1

The criterion of determining the commercial nature of goods, as well as the manner of issuing, extending and cancellation of the commercial card shall be in accordance with an ordinance approved by the Council of Ministers.

Note 2

Any dispute which may arise between the applicant of a commercial card and Iran Chamber of Commerce, Industries and Mines shall be referred to the Ministry of Commerce for consideration and final decision.

Note 3

Co-operatives of frontier zone inhabitants; Iranian mariners; hawkers; and workers residing abroad and holding employment records issued by the Ministry of Labour and Social Affairs, shall be exempted from obtaining commercial card.

Article 4

Prior to the end of each year, the Ministry of Commerce, in consultation with the respective organizations and with the Chamber of Commerce, Industries and Mines, shall prepare the general modifications which are to be made to the executive ordinance of this law and to the schedules annexed to the export-import regulations, for the subsequent year as well as specific modifications made in the course of the current year, while incorporating therein the acquired rights, and shall promulgate them for the public knowledge, after the approval of the Council of Ministers.

Note

All circular letters and directives to the relevant executing organizations concerning the exportation and importation of goods, shall be communicated exclusively through the Ministry of Commerce.

Article 5

All productive ministries are required to forward to the Ministry of Commerce, not later than the 4th of February (15th of Bahman) of each year, their proposals for the following year concerning the export and import conditions in respect of goods similar to those produced domestically, having taken into account the internal requirements and exigencies of the country.

Note

Other relevant organizations and the Chamber of Commerce, Industries and Mines may send in to the Ministry of Commerce, not later than the 4th of February (15th of Bahman) of each year, their proposals in respect of the relevant items, having taken into account the internal requirements and exigencies of the country.

Article 6

Iranian means of transport shall have priority to transport all goods imported into the country. However, the directive pertaining to the use of foreign means of transport whether sea, air, road and railway carriers shall be drawn up by the High Council for the Co-ordination of National Transportation, in conformity with the ordinance approved by the Council of Ministers.

Article 7

The Government is required to allocate special premises for the provisional storage of goods needed to repair and equip the country's commercial marine and aircraft fleet.

Note 1

The transit of goods falling under this article from one port of entry to another shall be permissible,

with the observance of transit regulations.

Note 2

Such goods shall be exempted from customs duties, commercial benefit tax and any other charges.

Note 3

Those parts of requirements of the aforesaid fleet which can be supplied by domestic sources within the country, shall be exempted from any obligation and export licensing.

Article 8

Importers of various goods, whether governmental or not shall refer exclusively to the Ministry of Commerce, for licensing their imports and registration of their orders.

Note 1

The import license shall serve also as a clearance permit, and no separate permit shall be required.

Note 2

Households inhabiting in the frontier zones or their co-operatives, mariners, hawkers and vessel crews importing goods for their personal consumption shall be excluded from the provisions of this Article.

Article 9

The Central Bank of the Islamic Republic of Iran and Iran Customs Administration are required to send to the Ministry of Commerce and other relevant organizations and Iran Chamber of Commerce, Industries and Mines, at least once every three months, statistical statements concerning the letters of credit which have been opened and goods which have been cleared.

Article 10

The government is required to specify the following matters in the executive ordinance concerning border trade exchanges:

1. Localities or the depth of border tracts, residents of which are authorized to engage in border trade business.
2. Types and quantities of goods which may be exported or imported by households residing in border regions or their co-operatives, authorized Iranian workers employed abroad, hawkers residing in frontier zones, mariners and crew members of vessels commuting between the shores of the Islamic Republic of Iran and other countries.
3. The requirements to be met by the aforesaid persons or groups.
4. Conditions for exportation and importation of goods and fulfillment of obligations.

Note 1

Goods imported by households residing in frontier zones or their co-operatives, and by vessel crew members for their own personal consumption shall be exempted from 30 per cent up to a maximum of

100 per cent of customs duties and commercial benefit tax in the case of public provisions, and up to a maximum of 50 per cent of customs duties and commercial benefit tax in the case of home appliances, by the approval of the Council of Ministers.

Note 2

Iranian workers and nationals permissibly employed abroad may import industrial machinery, tools and primary materials needed in the country, within the quantitative thresholds, and taking advantage of such percentage exemptions from commercial benefit tax as may be jointly set by the Ministry of Commerce, the Ministry of Labour and Social Affairs and the relevant industrial ministry, and approved by the Council of Ministers.

Article 11

The government is authorized to set up border marketplace in any of the frontier zones as may be deemed beneficial, having taken into consideration such priorities as local potentiality, employment generation requirements and the expansion of commercial relation with the respective neighbouring country.

Article 12

The pre-exportation entry of materials and goods as temporary admission, to be incorporated in the production, finishing, processing and packaging of export goods are exempted from all import duties, except those designated as expenses or fees, provided that valid security or promisory note be deposited with the Customs Administration.

Note 1

If the goods which are made of the imported materials and goods under this Article, are not exported within a prescribed period of time, it shall be the duty of the Customs Administration to prosecute the importer, in order to recover the government's rights.

Note 2

Goods subject to this Article are exempted from licenses set forth in the schedules annexed to the Export-Import Regulations.

Note 3

The importer shall not be necessarily bound to export pro se, rather the relevant export certificate issued by the Customs Administration shall be sufficient to relieve the obligation.

Article 13

All exported goods (except crude oil and downstream products thereof which are subject to special regulations) shall be exempted from any obligation or foreign exchange repatriation bond.

Article 14

The sum "difference" collected by the Organization for Consumer and Producer Protection and all funds, except those designated as expenditures and fees, collected by the Customs Administration in respect of any foreign goods, materials, components and parts incorporated in the manufacture, finishing, processing and packaging of export goods, shall be refunded to the exporter in accordance with a directive set forth in the ordinance.

Note 1

If any dispute arises between the exporter and the Customs Administration, the matter shall be referred to a committee composed of representatives from the Ministry of Commerce, the Chamber of Commerce, Industries and Mines, the relevant ministry, the Customs Administration of Iran and the Export Promotion Centre, for final decision.

Note 2

It shall be the duty of the Ministry of Economic Affairs and Finance to open a [treasury] account in the names of the Organization for Consumer and Producer Protection and the Customs Administration of Iran, from which to finance payments herein provided for. The Ministry shall refund the payments herein referred to, against presentation, by the exporter, of export certificate or the receipt issued by the Organization for Consumer and Producer Protection, after the confirmation of the aforesaid authorities.

Note 3

Funds paid in respect of outright customs clearance of materials and goods, which have been imported for use in the manufacture of export goods, shall be refundable after the exportation of the product, at rates ruling at the time of exportation.

Note 4

If goods incorporated in the manufacture of export products are locally produced by using imported materials, only the funds collected in respect of the imported materials shall be refundable.

Note 5

If locally produced goods are sold to organizations and persons who enjoy exemption in respect of importation of similar foreign goods, the payments made on the import of goods, materials, components and parts shall be refundable to the producer, in accordance with the provisions of this Article.

Note 6

The imported goods which are exported as they are and without any transformation shall be subject to the facilities of the above Article.

Article 15*

In order to simplify the calculation of collectable funds in respect of any imported goods, the Ministries of Commerce and Economic Affairs and Finance, having regard to the protection of domestic

* According to the law amending a number of Articles of the law concerning the Third Economic, Social and Cultural Development Plan of the I.R. of Iran, and the manner in which duties and other levies are established and collected from producers of goods, providers of services, and imported goods, the provisions of this Article have been implicitly repealed.

production, are bound to consolidate into a unified heading called "Commercial Benefit", such collectable levies as commercial benefit tax; the "difference" payable to the Organization for Consumer and Producer Protection; order registration fee; monopoly right dues; municipal dues; local municipal dues (Co-operation); Red Crescent dues; asphalt dues; airport taxes; port charges; health dues; etc., except sums collectable under customs duties, charges and fees, in respect of each tariff line, at reasonable rates, and to communicate it to the Customs Administration for collection.

Article 16

The manner in which import prices are to be examined for order registration purpose, shall be laid down in an executive ordinance to be approved by the Council of Ministers.

Article 17

In addition to personal effects, an incoming passenger may bring in goods free of customs duties and commercial benefit tax up to such ceiling as may be approved by the Council of Ministers. The clearance of goods falling under this Article shall be permissible, provided that they are of non-commercial nature.

Note 1

The list of goods accompanying incoming passengers shall be prepared and promulgated by the Ministry of Commerce.

Note 2

The provisions of this Article shall be applicable also to passengers arriving in free-trade zones.

Note 3

In addition to personal effects, an outgoing passenger (whether Iranian or foreign national) may take domestic manufactures and products without any restriction, provided, however, that they are not intended for commercial purposes. Outgoing passengers may also take foreign goods up to the ad valorem threshold specified under this Article.

Article 18

The imposition and collection, by provincial and local authorities, of any dues in respect of any export goods and items are prohibited and the perpetrators shall be pursued for legal offense.

Article 19

The government may allocate funds in the annual budgets for the encouragement of export. Such funds shall be dispensed to exporters to enable them to benefit from financial facilities, on the recommendation of the Ministry of Commerce and approval of the Council of Ministers.

Article 20

As of the beginning of the year 1373 (21 March 1994), the government shall be required to collect from importers in non-governmental sectors who import goods for commercial purposes, an additional

levy of 1 per cent of the total customs duties and commercial benefit tax as an "especial charge", in respect of any imported goods. Funds collected thereby shall be credited to the country's general revenue account. Each year 100 per cent of funds so credited to the general revenue account shall be included in the annual budget law and allocated to the relevant executive organizations, with the approval of the Council of Ministers, to be used for the encouragement and expansion of non-oil exports, commissioning of the Export Guarantee Fund, organizing business training and promotional programmes, in accordance with the executive ordinance of this law. *

Article 21

In order to support domestic products and to formulate the country's trade policy, the Council of Ministers, having regard to the interests of consumers, shall draw up the legislative bill on customs duties in respect of any imported goods, and on the amendment of Article 37 of the Customs Affairs Law, and shall submit them, within two months from the approval date of this law, to the Islamic Consultative Assembly for approval.

Article 22

In order to safeguard the Iranian carpet industry and to provide an appropriate ground for its protection on the world markets, the Ministry of Commerce is required to prevent, as of the beginning of the year 1374 (21 March 1995), carpets of over 30 knot count from being exported without an identification card. As of the above mentioned date, the Chambers of Commerce, Industries and Mines shall be required, upon the request of the exporter, to issue identification card as a mandatory requirement, and prior to the said date as an encouragement.

Article 23

It shall be the duty of the Ministry of Commerce to draw up the executive ordinance of this law within one month from the date of its communication, and to have it approved by the Council of Ministers.

Article 24

The Ministry of Commerce shall be responsible for the orderly enforcement of this law and the executive ordinance thereof.

The above Act, composed of twenty-four Articles and twenty-five Notes, was enacted in the open sitting of the Islamic Consultative Assembly on Sunday 26 September 1993 (4th of Mehr, 1372) and ratified by the Council of Guardians on 3 October 1993 (11th of Mehr 1372).

* According to the law amending a number of Articles of the law concerning the Third Economic, Social and Cultural Development Plan of the I.R. of Iran, and the manner in which duties and other levies are established and collected from producers of goods, providers of services, and imported goods, the provisions of this Article have been implicitly repealed.

Appendix Relating to Articles (10) and (11) of the Law on Export-Import Regulation

THE LAW ON REGULATING BORDER TRADE ENACTED BY THE ISLAMIC CONSULTATIVE ASSEMBLY ON 28 SEPTEMBER 2005

Article 1

Border trade exchanges consist of the purchase and sale of goods by license holding inhabitants of border regions, cooperatives residing in those regions, peddlers, border marketplaces, sailors, and crewmembers of vessels of maximum volume capacity of 500 tons and of a specific type, within the ceiling set by the Ministry of Commerce.

Article 2

The geographic limit of the country's border trade exchanges and its alterations, the definition of border region residence and the manner of its verification shall be as laid down in Article (10) of the Law on Export-Import Regulations enacted on 26 September 1993.

Article 3

Peddler is a person who resides in a border region with a background of continuous residence of at least three years, holds a peddler card issued by the Provincial Commerce Organization and qualifies in accordance with Article (211) of the Civil Law.

Article 4

Border marketplace is an enclosed area situated in border localities and established in conformity to the standards set by the Government either independently or within the framework of a Memorandum of Understanding concluded between the Islamic Republic of Iran and the adjoining countries. In border marketplace, the representative of the Customs Administration carries out clearance formalities of permissible goods for border trade. In provincial joint marketplaces, border residents may exchange permissible goods and products with due regard to the Articles of this Law.

Article 5

In each border province there shall be a Council for Regulating Border Trade formed of the Governor-

General, or one of his pertinent deputies, as the Chairman, directors of Commerce, Industries & Mines, and Agricultural Jihad Organizations and directors-general of Information, Cooperation, State Controls, the provincial commander of Law Enforcement, the Attorney and the representative of border residents' cooperative companies. The council shall supervise over the orderly performance and enforcement of the Government's decisions and guidelines at the provincial marketplaces. The director of the Commerce Organization in the province shall act as the council's secretary.

Note 1. The removal and appointment of the border marketplace manager shall be effected by the decree of the Chief-General of the Customs Administration.

Note 2. The Ministry of Economic Affairs & Finance may renovate old customhouses or set up specialized Customs depending on the need, and foresee required funds in the annual budget.

Article 6

The total value of goods tradable in the border regions falling under this Law shall be determined by the Government commensurate to the social and economic situation and the number of inhabitants of the border regions. Such value for the whole country shall be equivalent to 3% (three percent) of the country's imports in the preceding year and must be affected against 3% (three percent) of non-oil exports in the preceding year.

Note 1. Exports against imports in a border region shall be subject to the ceiling specified for the same border.

Note 2. Importable goods accompanying sailors and vessel crew for personal consumption shall be exempted, by the approval of the Council of Ministers, from payment of import duty at the exemption rate of 30% (thirty percent) to 100% (hundred percent) on public food items and a maximum of 50% (fifty percent) on home appliances.

Note 3. In order to promote exports from border regions, the Ministry of Commerce may grant necessary incentives such as export prize to goods that have completed customs formalities.

Article 7

The Ministry of Commerce, within the set value ceiling, shall determine the list and quantity of items importable into each border region by virtue of this Law. It shall be the responsibility of the Customs Administration to monitor the import ceiling.

Note 1. The importation, once in a year, of presents and gifts by border residents within the limit specified for goods is permissible. The presents and gifts so imported shall be subject to Article (39) of the Executive Ordinance of the Law on EXIM Regulations for the year 2005-2006 (1384).

Note 2. The transfer, sale or delegation to a third party of quota is permissible but exclusively to the border residents' cooperatives. Otherwise, it is prohibited.

Article 8

The Ministry of Commerce shall set the ceiling of the items importable according to this Law comprising part of the subsistence requirements and needs of border inhabitants. Such items shall be subject, after the approval of the Council of Ministers, to import duty reduction of up to 100% (hundred percent) in the case of edible goods (public food items) and up to 50% (fifty percent) in the case of non-edible goods commensurate to the deprivation of the region.

Note 1. In the importation of these goods the observance of sanitary and quarantine laws and regulations is mandatory.

Note 2. The importation of goods falling under this Law shall not be subject to the payment of any duty or the 'difference'.

Article 9

Selling and buying of imported goods in the form of retail is permissible with due regard to Article (4) of this Law. The exit of said goods from border provinces to other parts of the country in quantities exceeding the ceiling set forth in Article (8) of this Law and with a commercial attribute may be effected by the endorsement of the Provincial Council for Regulating Border Trade and the payment of sums corresponding to the exemptions laid down in this Law.

Article 10

The apportionment of provincial import quota among border inhabitants, licensed border cooperatives and holders of peddling card shall be effected by the Provincial Council for Regulating Border Trade commensurate to the capacity and capability of the concerned actors in providing services to the border residents.

Note. Within the framework of the law on the cooperative sector of the Islamic Republic of Iran's economy, the Cooperation Ministry shall supervise the activities of cooperative companies residing in border regions. The provincial Directorate-General of Cooperation shall report any offences to the Provincial Council for Regulating Border Trade

Article 11

Effective from the date on which the new list of importable goods and the level of their exemption are communicated to the provinces, all contradicting laws and regulations, except the statutory customs exemptions concerning Khorramshahr, Abadan and Choubideh ports, shall be repealed. The existing marketplaces can carry on with their activities in accordance with this Law as long as the Government so determines.

Article 12

The executive ordinance of this Law shall be prepared by the Ministry of Commerce in cooperation with Ministries of Economic Affairs & Finance, Cooperation and the Interior within a maximum period of three months from the date of its enactment and shall be approved by the Council of Ministers.

The above Law, comprising twelve Articles and ten Notes, was enacted by the open session of the Islamic Consultative Assembly on Wednesday 28 September 2005 and ratified by the Guardian Council on 12 October 2005.

Gholamali Haddad Adel
Speaker of the Islamic Consultative Assembly

No: 1395/T 16H

Date of communication: 25.04.1994 (06.02.1373)

THE EXECUTIVE ORDINANCE OF LAW ON EXPORT-IMPORT REGULATIONS

Having considered the proposal No. 100/64945 of 12.05.1994 (23.10.1372) made by the Ministry of Commerce, and on the strength of Article 23 of law on Export-Import Regulation enacted in 1993 (1372), the Council of Ministers approved at the meetings held on 26,29 March and 02.04.1994 (7,10 and 14.01.1373) the executive ordinance of the aforesaid law, and the table annexed thereto as follows:

Article 1*

The Standing Committee for Export-Import Regulations consisting of the representatives of the Ministry of Commerce, Ministry of Industries & Mines, Ministry of Agriculture Jihad, Ministry of Economic Affairs & Finance (the Customs Administration of the Islamic Republic of Iran), the Central Bank of the Islamic Republic of Iran, and Iran Chamber of Commerce, Industries & Mines, shall be responsible for drafting legal bills and the resolutions of the Council of Ministers, and the Economic Council, and of the Economic Commission of the Council of Ministers in the following areas:

1. Bills relating to the export and import regulations, and occasional bills required for the amendment and modification of Law on Export-Import Regulations.
2. Bills for the abrogation of monopolies which impede the growth of production or trade.
3. The executive ordinance of Law on Export-Import Regulations, and occasional amendments and modifications thereto.
4. Amendments and modifications to the customs tariff schedules annexed to the Export-Import Regulations.
5. Formulation of resolutions of the Council of Ministers, of the Economic Council, and of the Economic Commission of the Council of Ministers, in respect of Export-Import Regulation.
6. The Committee shall also consider, comment, and act on proposals relating to Export-Import Regulations.

Note 1. The Committee under this Article shall be set up at the Ministry of Commerce, and chaired by the deputy Minister of Commerce. The secretariat of the Committee shall be located at the said Ministry. Comments and recommendations of the Committee shall be communicated to the relevant authorities.

Note 2. In cases where other ministries or the chamber of Cooperation are involved in the business of the Committee, their representative shall be invited to attend the meeting, and be entitled to voting right.**

* 1. This Article has been amended according to Council of Ministers resolutions No. 70621/T 22681 H dated 28.12.1378 (18.03.2000) and No. 42959/T 25695 H dated 02.11.1380 (21.01.2002).

2. According to Council of Ministers resolution No. 43208/T 31585 H dated 06.08.1383 (26.10.2004) the Secretary of the Central Committee for Fighting the Smuggling of Goods and Foreign Exchange has been added to the membership of the committee covered by this Article.

3. According to resolution No. 25516/T31203H dated 31.05.1383 (21.08.2004) the representative of the Management and Planning Organization has been added to the membership of the Standing Committee covered by this Article.

** The provisions of this Note have been amended in accordance with the Council of Ministers' decree No H 23492 T/48106 dated 25.10.1379 (14.01.2001).

Article 2*

Ministries and organizations empowered to approve the importation or exportation of certain goods, shall notify the Ministry of Commerce, by the 5th of Dec. (15th of Azar) each year, of their general approach in respect of importation or exportation of goods concerned to be enforced in the succeeding year. The aforesaid executive organs may advise the Ministry of Commerce of their additional comments up to 15th of Bahman (3rd of February). In exceptional cases where such a general approval cannot be granted, they are required to notify the Ministry of Commerce of the relevant reasons, as well as the criteria for the issuance of license.

Note. In respect of goods not subject to a general approval-except for goods which are subject to the approval of the Ministry of Defence & Armed Forces Logistics- the Ministry of Commerce shall seek the opinion of the relevant ministry or organization.** If the respective organ fails to respond to the request of the Ministry of Commerce within 15 days from the date of its receipt, the latter shall be authorized to issue an individual license.

Article 3

Ministries and organizations who set standards or certify certain exports or imports before or after the goods are declared to the customs, shall inform importers, exporters, and the executive organizations about their requirements, specifications and the name of the regulatory institute responsible for the enforcement of the said criteria, by publishing them in the press.

Note. It shall be the duty of the said ministries and organizations to draw up and announce a time frame for the inspections and tests that are to be carried out on the goods falling under their jurisdiction, with due regard to the provision of as fast and smooth a service as possible.

Article 4

Ministries and organizations who are responsible for issuing human, animal, and plant health certificate, and for confirming the conformity of products to standards which are prerequisite for the importation, but not deemed as an import license, shall be required to take action to issue the relevant certificate, regardless of whether they approve or reject the importation or exportation of the goods being considered.

Article 5

Having regard to the provisions of Articles 1 and 8 of the Export-Import Law, hereinafter referred to as "the Law", the entry of all importable goods, except for the following cases, whether imported by the governmental or non-governmental sector, shall be subject to order registration and import licensing by the Ministry of Commerce, with due regard to the observance of other relevant conditions.

“ Exceptional cases ”

1. Goods required by the households residing in frontier zones, and their cooperative companies; and by sailors and vessel crew, as per and within the limits of the list set out in this ordinance. The Customs

* The provisions of this Article have been amended in accordance with the Council of Ministers' decree No H21092 T/59174 dated 23.12.1379 (13.03.2001).

** Amended according to the Council of Ministers Secretary's letter No. 21092/5259 dated 12.02.1380 (01.05.2001).

- Administration shall be required to forward, at the end of each month, a statistical report of imports made under this paragraph to the Ministry of Commerce, according to the format drawn up by the Ministry.
2. Specific military goods as confirmed by the Minister of Defence & Armed Forces Logistics, as well as specific goods of the Atomic Energy Organization as confirmed by the Head of the Atomic Energy Organization.
 3. Goods accompanying the incoming passengers within the limits laid down in this ordinance, and as per the list proclaimed by the Ministry of Commerce.
 4. Goods imported through mail within such limits as may be specified in this ordinance.
 5. Commercial and manufacturing samples within such limits as may be specified in this ordinance.
 6. Samples of goods which are imported to be displayed at all specialized international exhibitions.

Note 1. Goods donated according to the provisions of paragraph 9 of Article 37 of Customs Affairs Law shall be subject to the inspection of the Ministry of Commerce, only to ascertain their conformity to the relevant law, provided that they do not have a commercial attribute (with the exception of goods donated by foreign governments, persons, and institutions as well as international organizations to foreign refugees and victims of unexpected disasters in Iran)*. However, in compliance with the provisions of the note of paragraph 20 of Article 37 of the aforesaid law, such goods shall not be subject to import licensing as provided for by the Government.

Note 2. Import licensing and order registration by the Ministry of Commerce shall be sufficient to clear the goods, without any need for a separate clearance permit from the same Ministry. However, requirements such as sanitary certificate from the Ministry of Health Treatment & Medical Education or the Veterinary Organization, phytosanitary certificate from the Plant Protection Organization, the standards certificate from the Institute of Standards & Industrial Research, etc. are legally compulsory, and not subject to the provisions of Note 1 of Article 8 of the Law. To endorse the product quality, such certification shall require the inspection of goods in the origin, or after they enter customs.

Note 3. In respect of goods imported by workers and Iranians employed in foreign countries, the procedure for order registration shall be specifically determined by consultation between the Ministry of Commerce and the Ministry of Labour & Social Affairs.

Article 6

In cases where mandatory product standards have been established for imports and proclaimed through the Ministry of Commerce, as well as in the case of other standards and criteria provided for in Article 3 of this ordinance, importers shall be required to assert them in purchase contracts and import registration papers, and to instruct the supplier to ensure that goods dispatched comply with the prescribed standards. Moreover, importers must make payments conditional on inspection certificate testifying that goods conform to the standards and norms shown on the transaction documents. The Ministry of Commerce and the bank are required to refrain from statistical registration as well as issuance of import permit and order registration of those imported goods whose invoice and other order registration papers do not comply with the aforesaid standards and criteria as the case may require.

Article 7

Regulations and guidelines of the country's banking system concerning merchandise imports and exports, as well as regulations and guidelines of the High Council for Co-ordination of National

* The parenthetic phrase in this Note has been inserted in accordance with the Council of Ministers' decree No H17483 T/57716 dated 27.03.1376 (16.06.1997).

Transportation, the High Council of Insurance, and conditions for issuing the certificates referred to in Article 6 above, which are issued by the responsible ministries and organizations within the context of their functions and powers, and released through the Ministry of Commerce within three days, shall be a part of the merchandise import and export criteria, and must be mandatorily observed in respect of all importable and exportable goods.

Article 8

- A. Legally prohibited goods are those the importation or exportation of which has been prohibited by laws.
- B. Goods prohibited by the government include all items which have been proclaimed as non-permissible according to the table appended to the Export-Import Regulations, or other resolutions passed by the government.

Article 9

Any commercial transaction with the usurper regime of Qods is prohibited.

Article 10*

For the purpose of Article 3 of the Law, the criteria for determining the commercial attribute of imports, and the manner in which the Commercial Card is issued, extended, cancelled, or waived are declared as follows:

- 1. Criteria for determining the commercial attribute of goods.

Goods which are imported or exported for sale at the discretion of the Customs Administration, shall be considered commercial irrespective of whether they are sold in the original form, or after having undergone productive processing, separation and packaging.

Note. Following cases shall not be viewed as commercial:

- (i) Commercial and production-related samples, and samples for inspection and testing in such quantity as can be reasonably regarded by Customs as a sample.
- (ii) Machinery, equipment, components and parts required by the productive units who do not hold a commercial card but import by the approval of the Ministry of Commerce to meet their requirements as necessary.
- (iii) Import and export of goods by executive organs who act in compliance with their duties, and for the purpose of achieving the objectives of their organization, and meeting their needs with the notification of the Ministry of Commerce . In specific cases which the Ministry of Commerce regards the imports as having commercial attribute , it will inform the Council of Ministers accordingly**.
- (iv) Export of goods by novice exporters, for a maximum period of 6 months from the inception of their business, subject to licensing by the Ministry of Commerce .
- (v) Appliances and supplies required by research, scientific, medical, educational, and laboratory units; catalogues, brochures, and booklets containing technical and commercial specification of goods; technical blueprints; samples of no inherent value; and goods required by contractors and consultants, at the discretion of the Ministry of Commerce.

* The provisions of this Article have been amended in accordance with the Council of Ministers' decree No 21092T/59174 dated 13.03.2001.

** Has been amended in accordance with the letter No 21092/5259 dated 01.05.2001.

2. The manner in which the Commercial Card shall be issued*:

The Commercial Card shall be issued by the branches of the Iran Chamber of Commerce, Industries & Mines in Tehran or the provinces to the applicants who meet the following conditions. The card shall be valid for 1 to 5 years, according to the application, upon the approval of the Ministry of Commerce.

Note. All cooperative companies shall obtain their Commercial Cards exclusively from the Chamber of Cooperation of the Islamic Republic of Iran.

2.1. Iranian natural persons

2.1.1. To be passed 21 years of age.

2.1.2. To hold a certificate of completion of, or exemption from, the military service for men.

2.1.3. To have a background of 3 years in commercial or productive activities as confirmed by two persons holding Commercial Card, or to produce university education credentials, or to hold a production license issued by a ministry dealing with production affairs.

2.1.4. To possess a place of business, whether owned or leased, suitable for the particular line of activity.

2.1.5. To hold legal books, and business registration form.

2.1.6. To maintain a checking account at one of the domestic banks.

2.1.7. Not to have an employment connection with the state ministries, organizations**.

2.1.8. Not to be an involuntary, or fraudulent bankrupt.

2.1.9. Not to have an effective penal conviction.

2.2. Non-Iranian natural persons

2.2.1. To meet all conditions required from Iranian persons, excluding the certificate of completion of, or exemption from the military service.

2.2.2. To hold valid work and residence permits.

2.2.3. Reciprocal treatment of Iranians residing in the foreigner's country of allegiance. In particular cases where the issuance of a Commercial Card regardless of the reciprocity of the applicant's country of allegiance is deemed necessary by the Ministry of Commerce, the Ministry may authorize the Chamber to issue a Commercial Card to this category of applicants, without making it conditional on reciprocal treatment.

2.3. Juridical persons (whether incorporated and registered in Iran, or incorporated abroad and then registered in Iran).

2.3.1. The managing director and chairman of the board of directors of the company shall be required to satisfy the conditions set forth in paragraphs 2.1.1, 2.1.2, 2.1.7, 2.1.8, 2.1.9, 2.2.2 and 2.2.3.

2.3.2. The management of cooperative companies, state enterprises, and companies covered by the Industrial Protection Law shall not be subject to the limitations referred to in paragraph 2.1.7.

2.3.3. Managers of state enterprises, companies owned by the revolutionary organs, and those covered by the Industrial Protection Law who have been appointed by state organizations or the relevant organs, shall be exempted from producing the certificate referred to in paragraph 2.1.9.

2.3.4. The company must also satisfy the requirements set forth in paragraphs 2.1.4, 2.1.5, 2.1.6, and 2.1.8.

3. How to extend a Commercial Card. To extend the validity of a Commercial Card, the holder, or his

* The provisions of this paragraph have been amended in accordance with the Council of Ministers' decree No H28844T/18893 dated 27.07.2002.

** Amended in accordance with the letter No 21092/5259 dated 01.05.2001 of the Council of Ministers' Secretary.

representative, shall be required to apply to the Chamber of Commerce, Industries & Mines, or of Cooperation as appropriate, submitting the following documentation:

- 3.1. A certificate from the relevant tax department showing that the holder has secured the approval regarding payment of the finalized tax liability for the most recent tax year.
 - 3.2. In cases where the holder of the card is a juridical person, a notice published announcing changes, if any, in the company's management as well as other changes. The holder should then refer to the Ministry of Commerce to have the extension approved. The card shall be valid as of the extension date.
4. Exemption from the Commercial Card
- 4.1. Cooperative companies formed by the inhabitants of frontier zones, in respect of imports required by households residing in frontier zones, as per the relevant list and within the limits specified therein regarding the number, quantity and value of such imports. Export of goods in return for imports.
 - 4.2. Iranian sailors employed on vessels commuting between Iranian shores and other countries, in respect of imports required by their families, within the limits specified regarding the number, quantity and value.
 - 4.3. Peddlers [hawkers], for the importation of importable goods required in their province, or the neighbouring provinces, provided that they hold a peddling card, and an import permit from their local Department of Commerce in the respective city or province.
 - 4.4. Iranian workers employed abroad, provided that they hold an employment record from the Ministry of Labour & Social Affairs, as per the relevant list, and within the limits contained therein regarding the number, quantity and value of such imports.
 - 4.5. Goods imported or exported not to be sold, as confirmed by the Customs Administration.
5. Dispute settlement between the applicant of a Commercial Card and the Chamber of Commerce, Industries & Mines, or of Cooperation:
- If any dispute arises between the applicant of a Commercial Card, and the Chamber of Commerce, Industries & Mines or of Cooperation, either one of the parties may refer it to the Ministry of Commerce for final decision, while stating the reasons in support of the claim.
6. If , after the issuance of the Commercial Card the Ministry of Commerce becomes aware, beyond doubt, that the holder failed to satisfy one or several of the conditions, or that he has been disqualified of one or more of the conditions since the issuance of the Card, it may directly act to cancel the Card, and notify the Chamber of Commerce, Industries & Mines, or of Cooperation as relevant. However, if either one of the Chambers happens to learn of such a case, it must advise the Ministry of Commerce to cancel the Card.

Article 11*

Goods the CBT of which is increased in accordance with the table appended to this ordinance or by specific government resolutions and goods which are announced prohibited or the entry condition of which becomes subject to more restriction, may be cleared according to regulation applicable before the prohibition or the change in entry condition, provided that they satisfy one of the following conditions:

1. The order for goods should have been registered with the Ministry of Commerce and the goods should exist at the Customs and entered into the Customs books before becoming subject to prohibition or change in the entry conditions and/or increase in the Commercial Benefit Tax.
2. The documentary credit for the goods must have been opened prior to becoming prohibited by the government or subject to restricted entry condition or increase in CBT. Also, the bill of lading must have been issued prior to the original expiry date of the credit. Credits which are extended after the

* This Article has been amended in accordance with the decree No H27482T/37502 dated 09.11.2002.

- entry condition is altered or the CBT is increased, shall not be subject to this paragraph.
3. The import order for the goods should have been registered at an authorized bank through documentary bill, and the acceptance by the importer written before the goods became prohibited, or subjected to restricted entry condition or increase in CBT. In addition, the first bill of lading should have been issued prior to the expiry of the order registration. The goods should have been imported into the country within the time limits specified in paragraph 4 of this Article.
 4. In the case of imports without transfer of foreign exchange (without the banking system being obligated to pay), for which the order registration with the Ministry of Commerce has taken place before the prohibition or change in the entry conditions and/or increase in the Commercial Benefit Tax, and the first bill of lading has been issued prior to the prohibition or change in the entry conditions and/or increase in the Commercial Benefit Tax, the following time limits on entry into the country shall apply:
 - a) If shipped by air, a maximum period of 10 days from the issuance of the first airway bill.
 - b) If shipped by sea or land or combined sea and land, the entry time limit from the issuance of the first bill of lading shall be as follows:
 - (1) In the case of goods purchased and shipped from the Persian Gulf region and neighbouring countries, 20 days.
 - (2) In the case of goods imported from other countries, by land 40 days; by sea or sea and land, 55 days.
 5. In the case of goods imported against exports and outside the banking system, the order registration at the Ministry of Commerce has taken place before the prohibition or change in the entry conditions and/or increase in the Commercial Benefit Tax and the exportation effected prior to the order registration, providing that the first bill of lading is issued before the prohibition or change in the entry conditions and/or increase in the Commercial Benefit Tax and the goods enter the country within the time limits set out under paragraph (4) of this Article.
- Note 1. Exceptional cases, excluding those relating to the change in the Commercial Benefit Tax, shall be subject to the approval of the Committee referred to in Article 1.
- Note 2. If there is a decrease in the Commercial Benefit Tax, then the reduced rate shall form the basis of the calculation.
- Note 3. Goods imported within the respective quotas by the cooperative companies formed by the inhabitants residing in the frontier zones or by peddlers (hawkers) for which the foreign exchange quota is specified and notified annually by the Ministry of Commerce, shall not be subject to prohibition or restriction and/or increase in the Commercial Benefit Tax, providing that the respective bill of lading is issued before the prohibition or restriction and/or increase in the Commercial Benefit Tax and that the goods enter the Customs within the time limits set out in paragraphs a) and b) above.
- Note 4. Goods for which documentary credit has been opened or goods that have entered the Customs or for which the first bill of lading has been issued before the promulgation of this resolution in the Official Gazette and which meet the conditions set out under Article (11) of resolution number 37502/T27484H dated 19.08.1381 (10 November 2002), shall continue to be subject to the aforesaid resolution.

Article 12

Shipment of the country's export goods by foreign means of transportation is permissible, and requires no license from the High Council for the Coordination of National Transportation, or the Ministry of Roads & Transportation.

Note. The Ministry of Roads & Transportation (the High Council for the Coordination of National

Transportation) shall devise incentives, using economic methods, to encourage Iranian means of transportation to haul export goods.

Article 13

In compliance with the priority given to Iranian means of transportation (whether sea, air, road, or railway transport) for hauling imported goods, the High Council for the Coordination of National Transportation shall approve the relevant guidelines taking account of the following points, and shall communicate them to all concerned organs for enforcement:

1. To design appropriate procedures in order to reduce the administrative red tape, and employ economic means, with a view to attracting merchandise owners to make greater use of the Iranian fleet.
2. To provide facilities for the Iranian means of transportation.

Article 14*

For the purpose of executing Article 7 of the Law on Export-Import Regulations, it shall be the duty of the Ports and Shipping Organization, and the Civil Aviation Organization to allocate, in coordination with Customs Administration, specific premises for temporary storage of goods needed to repair and equip commercial marine and aircraft fleet. Once every three months, the Customs Administration shall convey to the Ministry of Commerce the list of goods which have been delivered to these premises.

Article 15**

Citizens of all border districts of the country's provinces, except those inhabiting in the central city of the border townships shall be subject to the border exchange facilities by obtaining a border exchange card.

Note 1. The townships of Lamerd, Dashtistan, Mehr and Bayram district of Lar township as well as the central districts of the provinces of Sistan & Baluchistan, Hurmuzgan, Bushehr, and Khuzistan are subject to this Article***.

Note 2. The border exchange card shall be issued to the head of the household by the local Department of Commerce, or in its absence, by the local subgovernorship. The card shall be issued in the month of Esfand of each year through the month of Farvardin in the following year, and be valid for a period of one year. The extension for a subsequent year of the border card shall be subject to the completion of formalities laid down in this Article.

Note 3. If the size of any family holding a border exchange card increases to more than 6 as a result of a new birth, the newly born shall not be subject to the facilities of the border exchange.

* The provision of this Article have been amended in accordance with the Council of Ministers' decree No H21092 T/59174 dated 23.12.1379 (13.03.2001).

** The provisions of Articles 15, 16 and 17 have been amended in accordance with the Council of Ministers' decrees: No H17792T/28932 dated 27/7/1998, H20181T/41335 dated 12.11.1998, H21620T/27078 dated 01.03.2000, H21446T/836 dated 31.07.1999 and H23215T/50705 dated 29.01.2001.

*** The provisions of this Note have been amended in accordance with the Council of Ministers' decree No H27911T/52282 dated 21.01.2003.

Article 16

Holders of the border exchange card may join the local cooperative company formed by frontier zone inhabitants, by submitting their card to the said company. Upon the receipt of the cards, the cooperative company shall seal them on the place specified for the purpose. The company shall make a list of sealed cards, and have it certified by the local Department of Commerce, or the subgovernor's office. By producing the list, the cooperative company can conduct border transactions equivalent to the total quotas of its members, within the framework of the relevant regulations. Households whose cards have not been sealed by the cooperative company, or who decline to subscribe to the cooperative, or their place of residence lacks such a company, may individually conduct border exchange transactions within the bounds of their quotas, and without the right to deputize a proxy.

Note 1. The value ceiling of goods importable by households residing in border areas and their cooperative companies shall be three hundred million dollars (\$ 300 000 000) on annual basis . The allocation of quotas out of this amount to individual provinces eligible for border exchange facilities, shall be made by the Committee indicated in Note 1 of Article 17 of this ordinance.

Note 2. Similar to other juridical persons, cooperative companies of border inhabitants may engage in the exportation and importation of goods within the purview of general export-import regulations, and regardless of border exchange regulations. Trade activities indicated in this Note shall be in addition to the ceiling specified in Note 1 of this Article.

Note 3. The Ministry of Cooperation shall be required to supervise border cooperative companies in such a manner that their activities do not obstruct productive employment in the relevant provinces.

Note 4. Under the guidance and supervision of the Ministry of Cooperation, and with due regard to Article 25 of the law concerning the cooperative sector of the Islamic Republic of Iran's economy, a part of the profits derived from the export-import activities of border cooperative companies shall be invested to create and develop units that generate jobs in the geographical bounds of the localities where these companies are based*.

Article 17**

Holders of the border exchange card, or their cooperative company are authorized to export all permissible goods, and those allowed for export under a "general approval", up to an annual value ceiling of Rls. 44,000,000 (fourty four million) per person, with due regard to other regulations. In return, they may import permissible goods up to the same ceiling, without licenses provided for in the tables of the Export-Import Regulations.

Note 1. The list containing types and quantity of goods importable by border inhabitants, and the amount of customs exemptions, and their subsequent changes, shall be prepared by a committee set up under the supervision of the Ministry of Commerce, and made up of the Ministry of Cooperation and Ministry of Interior. The list shall be promulgated after being approved by the majority of Ministers who are members of the Economic Commission of the Council of Ministers, with due regard to Article 19 of the internal by-laws of the aforesaid Council.

* The provisions of this Note have been abrogated by vote No. 232 dated 13.09.2003 of the General Board of the Court of Administrative Justice.

** The provision of this Article have been amended in accordance with the Council of Ministers' decree No H27124T/28113 dated 02.09.2002.

Note 2. Exchange security in respect of exports made by holders of the border exchange card, or their cooperative company shall be deposited with customs. Deadline for the entry of imports shall be 8 months from the date the exchange security has been deposited. In cases where the imports are not entered within the prescribed period of time, the Customs Administration shall be required to notify the Central Bank of the Islamic Republic of Iran, of the non-fulfillment of the obligation, with a view to taking legal action***.

Note 3. The exchange of goods by holders of the border exchange card, or their cooperative company shall be subject to the following conditions:

1. Goods imported should not be manufactured or produced in countries with which transaction is prohibited.
2. The exportation and importation of all goods shall be subject to the observance of human, animal, and plant health regulations, as well as those concerning the atomic energy.

List of goods importable by holders of the border exchange card, or the cooperative companies of border inhabitants, the entry conditions and the amount of customs exemption, subject of Note 1 of Article 17 above (the resolution No. 71704/T 20525 K dated 03.03.99 (11.12.77) passed by the Council of Ministers and its subsequent amendments of No H22766 T/7801 dated 11.04.1379 and No H24523 T/6919 dated 22.02.1380).

1. Rice, 50 kg per person/year, with 55% exemption from commercial benefit tax.
2. Edible vegetable oil (solid and liquid), with due attention to the consumption deadline and the relevant quality standard, 15 kg per person/year, with 35% exemption from commercial benefit tax.
3. Sugar (lump and granulated), totally 20 kg, per person/year, with 38% exemption from commercial benefit tax.
4. Tamarind, 5 kg per person/year, for eligible coastal localities only, with 50% exemption from customs duty and commercial benefit tax.
5. Spices (including turmeric, black paper, ginger, cardamom, clove, and cinnamon), totally 3 kg per person/year, with 50% exemption from customs duty and commercial benefit tax.
6. Manual, and fully industrial sewing machine, one piece per 50 persons/year, with 50% exemption from customs duty and commercial benefit tax.
7. Tea flask, one per 5 persons/year, with 30% exemption from customs duty and commercial benefit tax.
8. Glass for tea flask, one piece per 5 persons/year, with 30% exemption from customs duty and commercial benefit tax.
9. Mantle lantern, one per 5 persons/year, with 20% exemption from customs duty and commercial benefit tax.
10. Wind-proof lantern, one per 5 persons/year, with 50% exemption from customs duty and commercial benefit tax.
11. Squared wood for eligible coastal localities only, without any restrictions.
12. Teak wood for launch building, without any restriction.
13. Engines, or parts thereof, used for freight and fishing boats or launches, without any restrictions.
14. Special nails used for launch building, without any restriction.

*** The provisions of this Note have been nullified by resolution of 18.03.2002 of the High Council of Exports.

15. Carpentry equipment and tools, or parts thereof, used for launch building, without any restriction.
16. Shark oil for use in launches, without any restrictions.
17. Yarn for weaving fishing net, for annual consumption of persons engaged in fishing.
18. Loom for weaving fishing net, for annual consumption of fishermen.
19. Gregor wire for building fishing cages, without any restriction.
20. Fishing hooks for annual consumption of fishermen, with due regard to the criteria of the Fisheries Organization.
21. Electricity generators up to 20 kW, one generator per 20 persons/year, with 25% exemption from customs duty and commercial benefit tax.
22. Environment-friendly compressors for refrigerator and cooler, 1 piece per 10 persons/year, with 30% exemption from customs duty and commercial benefit tax.
23. Agricultural machinery, without any restriction.
24. Water desalination units, without any restriction.
25. Agricultural water motors (without pump), or detached parts thereof, without any restriction.
26. Spare parts for agricultural machinery, without any restriction.
27. Air conditioners, for the Southern provinces, and Lamerd in Fars province only, 1 unit per household/year, with 30% exemption from customs duty and commercial benefit tax.
28. Various kinds of seeds of tomato, eggplant, cucumber, onion, cabbage, and pepper, without any restriction.
29. Various kinds of plant pesticides, approved by the Plant Protection Organization, without any restriction.
30. Wool shearing machines, without any restriction.
31. Board of yew wood, without restriction.
32. Various kinds of tailors' scissors, pruning shears and wool shears without any restriction.
33. Mowing yarn, without any restriction.
34. Parts for light- and heavy-duty vehicles and road building machinery (other than parts for Paykan), without any restriction.
35. Cutting tools without any restriction.
36. Jute fabric, 100 meters per household/year.
37. Kitchen knives, 6 pieces per household/year.
38. Hand-operated and electric shaving machines, one piece per household/year.
39. Turkmen scarves, 3 pieces per household/year.
40. Powder for photocopying machines, without any restriction.
41. Raw cow hide, without any restriction.
42. Desk-model calculators, one per household/year.
43. Compasses and surveying levels, without any restriction.
44. Unwrought glass for spectacles, one piece per household/year.
45. Spectacle frames, one piece per household.
46. Various kinds of black seamless pipe, without any restriction.

In implementing the executive ordinance of the law Streamlining the Border Trade, the above list has been now replaced by a list of 65 items as shown in the table below.

Export – Import Regulation Act

PROPOSED LIST OF GOODS IMPORTABLE BY THE INHABITANTS OF THE BORDER ZONES

Food items: 100% discount

Non-food items: 50% discount

Serial	Goods	Quantity
1	Rice	50 kgs per person/year (excluding Gilan & Mazandaran provinces)
2	Lump & granulated sugar	15 kgs per person/year
3	Tea	1 kg per person/year (excluding Gilan province)
4	Liquid & solid vegetable oil excluding olive oil	10 kgs per person/year
5	Tamarind	5 kgs per person/year
6	Spices of various kinds	3 kgs per person/year
7	Tires of various kinds	2 pieces per every 10 persons/year
8	Sewing machine, domestic, manual, embroidery, industrial	1 piece per every 50 persons/year
9	Tea glasses & saucers	1 set per person/year
10	Bicycle	1 piece per every 30 persons/year
11	Milking machine	1 piece per every 50 persons/year
12	Photocopying machine	1 piece per every 50 persons/year
13	Spoons & forks	1 set per person
14	Mowing yarn	10 kgs per household/year
15	Cutting tools	Up to the value of Rls. 1 million per household /year
16	Vacuum cleaner	1 piece per every 50 persons/year
17	Kitchen knife	4 pieces per household/year
18	Fruit juice extractor	1 piece per every 10 households/year
19	Jute fabric	5 meters per household/year
20	Gas coolers of various kinds	1 piece per every 5 households/year
21	Water treatment and desalination units	1 unit per household/year
22	Tea flask and its glass	1 piece per household/year
23	Agricultural machinery & implements	1 piece per every 10 households/year
24	Spare parts for agricultural machinery & implements	Up to the value of Rls. 2 million per household/year
25	Agricultural water lifting engine (without pump)	1 piece per every 10 households/year
26	Sprayer	1 piece per every 10 persons/year
27	Yarn for weaving fishing net	50 kgs per household/year
28	Fishing net weaving loom	1 piece per every 10 persons/year
29	Metal wire for making fishing cage	100 kgs per household/year
30	Fishing hooks	50 kgs per household/year
31	Spare parts for vehicles & road building machinery (excluding those domestically manufactured)	Up to the value of Rls. 2 million per household/year
32	Manual-electric shavers	1 piece per household/year
33	Emergency lamps	1 piece per household/year
34	Electricity generators up to 20 kW	1 piece per every 20 persons/year
35	Engines for cargo and fishing boats	1 piece per every 20 persons/year
36	Spare parts for boat engines	Up to the value of Rls. 2 million per household/year
37	Special nails used in making cargo launches	5 kgs per household/year
38	Carpentry tools for making launches	1 piece per every 20 persons/year
39	Wool shearing machines	1 piece per household/year
40	Various kinds of tailors' scissors, pruning shears and wool shears	1 piece per household/year
41	Pocket and desk-top calculators	1 piece per household/year
42	Spectacle frames	1 piece per household/year
43	Churning machines (manual & electric)	1 piece per household/year
44	Food packaging machines	1 piece per every 50 persons/year

Export – Import Regulation Act

45	Machines for manufacturing disposable containers	1 piece per every 50 persons/year
46	Various kinds of energy saving light bulbs (under 25 Watts)	5 pieces per person/year
47	Various kinds of seeds of tomato, eggplant, cucumber, onion, cabbage and pepper	5 kgs per household/year
48	Tropical fruits, including mango, pineapple and bananas	10 kgs per person/year
49	Electric iron	1 piece per every 10 households/year
50	Ceiling fan	1 piece per every 5 households/year
51	Boards of yew wood	10 m ³ per household/year
52	Various kinds of PC (full set, case, monitor, keyboard, speaker)	1 piece per every 50 households/year
53	TV, 40 inch and higher (LCD, etc.)	1 set per every 5 households/year
54	Surveying levels	1 piece per every 5 households/year
55	Electric mixer	1 piece per every 5 households/year
56	Various kinds of radio-recorder & player	1 piece per every 5 households/year
57	Various kinds of transformers	1 piece per every 5 households/year
58	Various kind of ball bearings	3 kgs per household/year
59	Powder for printer and photocopying machines	Up to the value of Rls. 1.5 million per household/year
60	DVD sets, audio-video	1 set per every 5 households/year
61	Fabrics of various kinds	10 m per household/year
62	Head scarves of various kinds	2 pieces per household/year
63	Blanket	2 pieces per household/year
64	Rennet	1 kg per every 10 persons/year
65	Kerosene heater	1 piece per person/year

Article 18*

In order to benefit from privileges provided for under Article 10 of the law, the crew members and sailors of vessels commuting between the shores of the Islamic Republic of Iran and other countries must hold a valid identification card issued by the Ports & Shipping Organization. Those crew members and sailors holding such a card, shall be entitled to the same privileges that are extended to the cooperative companies of frontier zone inhabitants, or to the households residing in these zones, and may import and clear in proportion to the number of their dependants such goods as are importable by the said companies and households, while benefiting from the facilities foreseen in this respect, and with due regard to the relevant conditions.

Note. Every foregoing crew member and sailor while benefiting from the afore-mentioned privileges, may import goods four times a year, each time as much as Rls 44,000,000, from the list of importable items by the border inhabitants and clear them making use of the facilities foreseen in this respect**.

Article 19

Persons who have resided in the frontier districts of the country for three consecutive years, and qualify for the requirements set forth in Article 211 of the Civil Code in respect of dealing in the purchase

* The provisions of this Article have been amended in accordance with the decrees No H23716T/53817 dated 14.02.2001 and No H21092T/16910 dated 13.03.2001.

** The provisions of this Note have been amended in accordance with the Council of Ministers' decrees No H23716T/53817 dated 14.02.2001, No H24818T/16910 dated 07.08.2001 and H26477T/6646 dated 31.05.2002.

and sale of goods, may obtain a peddling card and engage in border exchange activities within the framework of the regulations laid down in Article 20 herein.

Note. The peddling card shall be issued by the local Department of Commerce and be valid for one year from the date of issuance.

Article 20

During the one-year validity period of the peddling card, the holders may export, without deputing a proxy, permissible goods, or those authorized for export under a "general approval", to the country or countries neighbouring their place of abode, with due regard to the relevant regulations. In return for goods so exported, they may import and clear for their own use, permissible or conditional goods from the same countries, or from Free Trade-Industrial Zones or Special Protected Zones by obtaining necessary license as set forth in the tables annexed to the Export-Import Regulations. Such imports shall be subject to the payment of customs duty and commercial benefit tax. The list of goods importable in this manner shall be prepared and promulgated by the Ministry of Commerce.

Article 21*

Iranian workers and nationals employed abroad who hold an employment certificate from the Labour Attache of the Islamic Republic of Iran in the country of their residence, or the Ministry of Labour & Social Affairs may import and clear industrial machinery, tools and primary materials with the exception of items contained in the following list, up to an annual value ceiling of Rls. twenty million (88,000,000), by securing a permit from the Labour Attache, or the Ministry of Labour & Social Affairs. These goods may be imported through all ports in the country, or through Free Trade-Industrial Zones, or Especial Protected Customs Zones, subject to the payment of the applicable customs duty and commercial benefit tax. Such imports may benefit from commercial benefit tax exemption of 40% in the case of machinery and 20% in the case of primary materials, and imported without remittance abroad of foreign exchange, presentation of Commercial Card, or import licensing set forth in the tables appended to the Export-Import Regulations, with due regard to other relevant regulations.

Presentation of the employment certificate and permit from the Labour Attache, or the Ministry of Labour & Social Affairs shall be sufficient for the clearance, and the presence in person of the holder of the said certificate shall not be necessarily required.

Note 1. Iranian workers and nationals employed abroad who are covered by this Article may depute the cooperative company of workers employed abroad or in its absence, other persons to carry out the importation on their behalf.

Note 2. Goods imported by the aforesaid workers and Iranian employed abroad, through other ports of entry, or in excess of the ceiling specified in this Article, shall be subject to the general regulations of the country.

Machinery, tools and primary materials unauthorized for importation by Iranian workers employed abroad :

1. Sheet-fed printing machine
2. Printing machines for plastics
3. Automatic ice-cream machines
4. Gold-foil printing machines for binding
5. Balancing machines, repair shop type

* The provisions of this Article have been amended in accordance with the Council of Ministers' decree No H26477T/6646 dated 31.05.2002.

6. Multitillers
7. Rototillers
8. Heat exchanger
9. Electric sewing machine, domestic type
10. Machines for making wooden doors
11. Wood turning machines
12. Miniloaders
13. Ditchers
14. Steam boilers, cast-iron boilers, heat exchangers, etc.
15. Drier for cereals, forage, and vegetables (stationary and mobile)
16. Slaughterhouse machinery for livestock and poultry
17. Machinery and equipment for preparing livestock and poultry feed
18. Poultry incubators and equipment
19. Forage harvesting machinery, including choppers, balers and mowers
20. Self-propelled forage choppers
21. Shakers, sorting and packaging equipment for fruits
22. Processing machines of various types
23. Motorpumps and electropumps of various types
24. Air compressors and vacuum pumps of various types
25. Pumps of various types
26. Viscometer
27. Autoclaves of various types
28. Percussion and hydraulic presses; shears and guillotines of various types
29. Briquetting presses; pipe and bar benders and shears for bars
30. Leather dressing and finishing machinery
31. Sandblasting and shotblasting machines
32. Sausage stuffing machinery
33. Industrial laundry machines of various types
34. Shrinkwrap equipment
35. Three-phase electromotors up to 30 hp
36. Dyeing equipment for cloth and yarn
37. Carpet producing machine
38. Cloth weaving machine, except for airjet and waterjet types
39. Various kinds of electromotors gearbox single and variable-speed
40. Truck-mounted cranes of various types
41. Industrial and constructional escalators and elevators of various types
42. Mobile cranes, less than 30 tonnes
43. Flour and cereals processing machinery
44. Freon compressors
45. Stone cutting machines
46. Seed planters and row seeders of various types
47. Rakes and cultivators
48. Sprayers of various types, (motorized knapsack, wheel-barrow, hand-borrow and tractor-mounted).
49. Furrowers
50. Potato planters and harvesters
51. Pistachio nut processing machines
52. Dikers
53. Trailors of various kinds
54. Flame torches
55. Disks of various types

56. Levelers
57. Post hole diggers
58. Threshers of various types
59. Rice polishing equipment
60. Universal lathes of various types
61. Plate grinders
62. Ripsaw
63. Various kinds of universal milling machines, horizontal or vertical
64. Radial drilling machines
65. Column-type drilling machines
66. Bench grinders, flat grinders and grinding wheels
67. Open-end and ring wrenches
68. Pliers, needle-nose pliers, phasemetres, screwdrivers, locking plier wrenches, and adjustable wrenches of various kinds
69. All kinds of faucets and fixtures
70. Various kinds of non-electrical lift trucks
71. Plastic injection machines of various kinds
72. Single-phase electromotors up to 4kw
73. Various kinds of tractors between 50 and 100 hp
74. Ploughs, including one-way and two-way ploughs
75. Radioactive materials

Article 22*

A frontier marketplace is an enclosed area located in the zero point of the border, and adjoins a customshouse authorized to carry out clearance formalities. The location of a marketplace may also be specified according to a memorandum of understanding concluded between the Islamic Republic of Iran and the neighbouring countries. In these marketplaces, citizens of the both sides of the frontier may offer to sell their products, with due regard to the observance of the Export-Import Regulations and criteria set forth in this Article as follows:

1. To establish customs at the entrance and exist of the marketplace is a necessary requirement. The customs shall be responsible for enforcing the Export-Import Regulations in the marketplace.
2. Export of goods from border marketplaces may be effected through an exchange obligation signed by the exporter and confirmed by the authority in charge of the marketplace, and shall require no foreign exchange obligation.
3. The entry into and clearance from border marketplaces, of goods may be effected by producing a sale invoice issued by the stands of the neighbouring country's marketplace, and shall not require other documents such as proforma invoice and bill of lading. Statistical registration at each marketplace shall be carried out by the representative of the Ministry of Commerce.
4. In cases where the goods imported into marketplaces are not supplied by the opposite marketplace, and a sale invoice cannot be produced, the price of imported goods shall be determined by the Customs Administration.
5. Trading quotas as well as their changes, and the list of goods exchangeable at each marketplace shall be prepared and promulgated by the Ministry of Commerce, taking account of the extent of activities, capabilities and needs of the border provinces, understandings concluded with the neighbouring country, and the Export-Import Regulations.

* The provisions of this Article have been amended according to the Council of Ministers decree No H21092 T59174 dated 23.12.1379 (13.03.2001).

Export – Import Regulation Act

6. The importation through border marketplaces of permissible goods using exchange deposit certificate under regulations relating to imports against exchange deposit certificate shall be permitted in addition to the ceiling set for marketplaces.
7. Regulations on "Imports prior to Exports" are repealed for application at the border marketplaces.
8. All natural persons residing in frontier zones as well as legal persons operating in the said zones shall be allowed to operate in the border marketplaces.
9. Trading at the marketplaces shall take permissible effect upon the establishment of the officers of the Ministry of Commerce, Ministry of Interior, Customs, and the law enforcement authorities, and the precise application of regulations relating to the kind and quantity of goods imported and exported, and the recovering of the government's rights.
10. All those authorized to carry out transactions at border marketplaces may in return for the exportation of goods to neighbouring country or countries , import and clear those items which importable through all ports of entry and Free Trade - Industrial Zones having paid their commercial benefit tax and the related customs duties . The issued documents which at certified at border customs are valid for the fulfilment of foreign exchange obligations , made at the time of exportation from border marketplaces . The Customs Administration of the Islamic Republic of Iran is required to provide the necessary facilities for the fulfilment of foreign exchange obligation made at the time of exportation from border marketplaces , in all border customshouses as well as Free Trade - Industrial zones in such a way that re-shipment of goods do not occur .

Note 1. The list of border marketplaces is as follows:

No.	Name of the Marketplace	Location	Province	The neighbouring country
1	Tamarchin	Piranshahr	W. Azerbaijan	Iraq
2	Qasemrash	Sardasht	W. Azerbaijan	Iraq
3	Sanam Bulaghi	Poldasht	W. Azerbaijan	Nakhjevan
4	Sarisu	Sarisu border	W. Azerbaijan	Turkey
5	Razi	Razi border	W. Azerbaijan	Turkey
6	Sero	Sero border	W. Azerbaijan	Turkey
7	Oshnavieh	Oshnavieh	W. Azerbaijan	Iraq
8	Kuzerash	Salmas	W. Azerbaijan	Turkey*
9	Julfa	Julfa border	E. Azerbaijan	Nakhjevan
10	Nurduz	Julfa	E. Azerbaijan	Armenia
11	Siranband	Baneh	Kurdistan	Iraq
12	Bashmag	Marivan	Kurdistan	Iraq
13	Saif	Saggez	Kurdistan	Iraq
14	Shushmi	Paveh	Kermanshah	Iraq
15	Sheikh Saleh	Javanroud	Kermanshah	Iraq
16	Parviz khan	Qasr Shirin	Kermanshah	Iraq
17	Tileh Kooh	Sarpol Zahab	Kermanshah	Iraq
18	Khosravi	Khosravi border	Kermanshah	Iraq
19	Bushehr Trade Center	Bushehr	Bushehr	Qatar
20	Kangan	Kangan	Bushehr	Neighbouring countries
21	Genaveh	Genaveh	Bushehr	Neighbouring countries
22	Milak	Zabol	Sistan and Baluchistan	Afghanistan
23	Mirjaveh	Mirjaveh	Sistan and Baluchistan	Pakistan
24	Kuhak	Saravan	Sistan and Baluchistan	Pakistan
25	Pishin	Iranshahr	Sistan and Baluchistan	Pakistan

* This marketplace was approved by resolution No. H2396T/64286 dated 24 January 2005.

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No.	Name of the Marketplace	Location	Province	The neighbouring country
26	Pesabandar	Pesabandar Port	Sistan and Baluchistan	Pakistan
27	Mil 46	Tulak	Sistan and Baluchistan	Afghanistan*
28	Jalgh	Jalgh	Sistan and Baluchistan	Pakistan**
29	Rimdan	Chabahar	Sistan and Baluchistan	Pakistan**
30	Gamshad	Zabol	Sistan and Baluchistan	Afghanistan**
31	Dogharoun	Dogharoun border	Khorasan Razavi	Afghanistan
32	Bajgiran	Bajgiran border	Khorasan Razavi	Turkmenistan
33	Sangan-e-khaf	Sangan-e-khaf	Khorasan Razavi	Afghanistan***
34	Mil 73	Birjand	S. Khorasan	Afghanistan
35	Dokuhaneh	Nehbandan	S. Khorasan	Afghanistan
36	Yazdan	Yazdan	S. Khorasan	Afghanistan
37	Mil 75	Birjand	Khorasan	Afghanistan
38	Parsesu	Parsesu	N. Khorasan	Turkmenistan*
39	Pole	Inchebouroun	Golistan	Turkmenistan
40	Astara	Astara	Guilan	Azerbaijan Rep.
41	Bilehsavar	Bilehsavar	Ardebil	Azerbaijan Rep.
42	Parsabad	Parsabad	Ardebil	Azerbaijan Rep.
43	Guermi	Guermi	Ardebil	Azerbaijan Rep.
44	Abadan	Abadan	Khouzestan	-
45	Khoramshahr	Khoramshahr	Khouzestan	-
46	Bandar Jask	Bandar Jask	Hormouzgan	Neighbouring countries
47	Hormouz	Hormouz	Island	Neighbouring countries
48	Tiab Area	Tiab	Hormouzgan	Neighbouring countries
49	Bandar Kong	Bandar Kong	Kong	Neighbouring countries
50	Makran	Makran	Hormouzgan	Neighbouring countries****
51	Aboumousa	Aboumousa	Hormouzgan	Neighbouring countries*****
52	Syrik	Minab	Hormouzgan	Neighbouring countries*****
53	Bandar Lengeh	Bandar	Hormouzgan	Neighbouring countries*****
54	Shiv (Parsian)	Parsian	Hormouzgan	Neighbouring countries*****
55	Kargan (Minab)	Minab	Hormouzgan	Neighbouring countries*****
56	Mehran	Mehran	Ilam	Iraq
57	Dehlouran	Dehlouran	Ilam	Iraq*

Note 2. Proposals for the creation of new joint marketplaces shall require, apart from the existing conditions, the provision of resources needed for customs facilities to be put in place at the site of the joint marketplace.

Note 3. All similar activities, such as security marketplaces or those under any other name and title shall be subject to the regulations and criteria set forth in this Article in terms of the volume and the method of merchandise exchange, and the kind of goods traded.

* This marketplace was approved by resolution No. H2396T/64286 dated 24 January 2005.

** This marketplace was approved by resolution No. H26790T/16532 dated 28 July 2002.

*** This marketplace was approved by resolution No. H32472T/28496 dated 1 August 2005.

**** This marketplace was approved by resolution No. 34367/70819 dated 24 January 2006.

***** This marketplace was approved by resolution No. 39246/202950 dated 31/2/2007.

Article 23

The provincial Governorate-General shall be responsible for creating administrative and infrastructural facilities, quarters required by customs to install its personnel and other investments on the Iranian side of the marketplace. However, in setting up the marketplace on the zero point of the frontier, maintaining public order and monitoring the movement of individuals, due coordination shall be established with the Border Guard authorities.

Note. The manner in which people are to conduct activities and move about in the marketplace, shall be regulated by the provincial governor's office, through issuance of permit.

Article 24*

Temporary Admission

The pre-exportation imports of primary materials and goods to be incorporated in producing, processing, finishing and packaging export goods as referred to in Article 12 of the Law shall be subject to the following provisions:

1. Conditions for import licensing

- 1.1. Permission for temporary admission covered by this Article shall only be granted to the factories, companies and productive units (whether guild or industrial) that hold a valid production permit. Trading units and cooperatives may benefit from the provisions of this Article only if they have concluded a contract with the productive units holding a valid permit.
- 1.2. The maximum quantity of primary materials and goods to be imported shall be equal to the nominal annual capacity of the unit manufacturing or producing the goods.
- 1.3. Exporters who engage in temporary admission of primary materials, parts, and other production-related supplies are required to export finished goods equivalent at least to 125% of the value of goods admitted temporarily. If after the fulfillment of the said obligation, a fraction of the imported goods and parts is allocated to be used in goods for domestic market, that fraction shall be considered as outright imports and be subject to the payment of customs duty, commercial benefit tax, other levies, and the relevant "difference", calculated on the basis of rates prevailing at the time when the declaration for temporary admission is being converted into declaration for outright imports.

Note. It shall be the duty of the Customs Administration to publicly proclaim the multipliers that it applies, or obtains from the productive ministries.

- 1.4. Permission for temporary admission of packaging requisites needed by manufacturing units involved in exports shall be granted at the discretion of the Customs Administration. If it necessitates the Consent of the relevant Ministry or organ engaged in the export of such materials as well as the Export Promotion Center shall be sought**.
2. The moratorium to export goods made of the primary materials, and intermediate and complementary goods referred to in this Article, as well as goods processed or packaged using the goods under this Article shall be one year from the entry date of materials. In the case of goods requiring longer period of time, the aforesaid moratorium shall be extendable for one year, at the discretion and by the approval of the Customs Administration.

Note. It shall be the duty of the Customs Administration to prepare, at the end of each month, a list of imported primary materials to be sent to the Ministry of Commerce and the relevant

* The provisions of this Article have been amended in accordance with the decree No H21092T/59174 dated 13.03.2001.

** The provisions of this paragraph have been amended in accordance with the Council of Ministers' decree No H25747T/3486 dated 31.05.2002.

productive Ministry for consideration and supervision. The list shall contain the following information: number of the order, date of the permit, specification and address of the applicant, description of the goods, quantity of the goods, CIF value of the goods in dollars, the equivalent Rls. value, and the type of security and letter of guarantee obtained.

3. To allow the temporary admission of goods covered by this Article, the Customs Administration shall obtain valid security or promissory note as hereunder set forth, in compliance with the provisions of Customs Affairs Law and the executive ordinance thereof.
 - 3.1. From state factories, companies and productive units promissory note or statement of obligation in writing, as may be determined by the Customs Administration of Iran.
 - 3.2. From private and non-governmental factories, companies and productive units as well as well-reputed exporters a statement of obligation in writing or promissory note or bank letter of guarantee equivant to 100% of the customs duties, as may be determind by the Customs Administration of Iran*.
 - 3.3. From merchants and guild members, promissory note or bank letter of guarantee equivant to 100% of the customs duties, as may be determind by the Customs Administration of Iran**.
- Note 1.** The lodging of above security shall not impede the provisions of the Customs Affairs Law from being enforced in the case of imports which are entered benefiting from this Article, but not exported within the prescribed moratorium or extension thereof.
- Note 2.** It shall be the duty of the Customs Administration to provide utmost facilities for well-reputed exporters. The directive relating to this section shall be prepared and publicly announced by the Customs Administration.
4. The selfsame primary materials and goods imported through temporary admission may be returned. To determine the identity of materials and goods to be returned to those of temporary admission shall rest in the Customs Administration.

Article 25

Drawback procedures

If the Customs Administration has adequate information on the quantity of primary materials, components, parts, packaging materials, and other foreign inputs that have been incorporated in the manufacture, preparation and packaging of export goods, it shall calculate the amount of refund based on the prevailing CIF price of identical or similar primary materials as well as on the percentage of customs duty, commercial benefit tax, and other dues applied at the relevant date. In cases where the Customs Administration lacks necessary information regarding the quantity of materials used, it shall inquire it from the relevant productive ministry, to calculate the refundable drawback. The Customs Administration shall be required to advise the relevant organizations and businessmen, through appropriate means, of the multipliers it has used or obtained through the productive ministries. It shall be also required to compile such multipliers to be made available to applicants.

Should the exporter contest the views expressed by the Customs Administration or the productive ministry, he may directly appeal to the Committee indicated in note 1 of Article 14 of the Law, that convenes under the supervision of the Export Promotion Centre of Iran.

Note 1. Goods only finished, processed or packaged but not manufactured in Iran shall also be subject to this Article.

Note 2. The obligations indicated in Article 12 of the Law in respect of the quantity or number of temporary admissions, shall be calculated on the basis of the multipliers referred to in this Article.

* The provisions of this paragraph have been amended in accordance with the Council of Ministers' decree No H25747T/3486 dated 20.04.2002.

** The provisions of this paragraph have been amended in accordance with the Council of Ministers decree No H25747T/58821 dated 01.03.2002.

Article 26

Downstream products of petroleum including crude oil, furnace oil, kerosene, diesel fuel and gasoline shall be subject to specific regulations in respect of foreign exchange bond or obligation. The export of other products derived from petroleum, and all other goods shall be exempted from lodging foreign exchange repatriation bond .

Article 27*

List and entry condition of goods importable against export exchange

In addition to the goods which, according to the current regulations, are permitted to be imported by the productive and trading units using export exchange, the Ministry of Commerce shall be authorized to add, in coordination with the Central Bank of the I.R. of Iran, other items to the list and promulgate it.

Note 1. The entry of goods contained in the above list shall be compulsorily subject to the observance of the import conditions, and all human, plant, and animal health criteria based on the tables of the Export-Import Regulations as well as other laws prevailing in the country.

Note 2. The Exchange Deposit Certificate may be transferred to other importers through the stock exchange, for importation of above items.

Note 3. The exchange earned from the export of services (techno-engineering, hotel management, commercial services, transit transport, services of Iranian laborers and employees abroad, and other services as determined by the Ministry of Commerce in coordination with other organs), shall be considered as deriving from exports. All benefits and incentives provided for the export of goods shall also identically apply to the export of services.

Note 4. Primary materials, parts, equipment, and machinery required by productive units may be imported in return for the export of their own products. These units may settle respective exchange obligation equivalent to the value of goods imported (as per the customs "green sheet" certificate). If any dispute arises between the applicant and the Customs Administration as to the productive nature of the exporting unit, and the export goods, the relevant Ministry (issuing operation license) shall be the distinguishing authority.

Article 28**

The Ministry of Commerce in cooperation with the Ministry of Economic Affairs & Finance shall be required to complete the consolidation with the Commercial Benefit Tax of the "difference" collected by the Organization for the Protection of Consumers & Producers with customs dues etc., indicated in Article 15 of the Law, on the basis of approximate amounts in Rials which were applicable in 1999 (1378). The consolidated commercial benefit tax rates shall be communicated to the Customs Administration for application. Until such time as the consolidated rates of commercial benefit tax are

* 1. The provisions of this Article have been amended in accordance with the Council of Ministers' decree No H21092T/59174 dated 23.12.1379 (13.03.2001).

- All exporters are authorized to import all permissible goods within the amount of foreign exchange derived from exports, as evidenced by the export certificate.

2. Currently, all goods Listed in the tables attached to this ordinance may be imported against foreign exchange derived from exports, providing that the entry conditions are complied with.

** The provisions of this Article have been amended according to the law amending a number of Articles of the law concerning the Third Development Plan and the manner in which duties and other levies are established and collected from producers of goods, providers of services and imported goods, as per the resolution No 29331 dated 02.11.1382 (21.01.2004) of the Islamic Consultative Assembly.

communicated, the sums applicable shall be collected at the previous rates.

Note. The Ministry of Roads & Transportation is hereby authorized to clear free of commercial benefit tax aircraft spare parts, special repair equipment and tools and aerial navigation apparatus.

Article 29 *

Effective date of changes in commercial benefit tax

Goods existing in customs when changes to commercial benefit tax are communicated to the Customs Administration, shall be subject to these changes.

Article 30

Review of import price

If, in the course of order registration, the verification of import prices becomes necessary, the applicant of price review may consult experts or refer to customs records as provided for in Customs Affairs Law and the executive ordinance thereof.

Article 31**

Passengers of Iranian or foreign nationality arriving in the country from abroad, or from Free Trade-Industrial Zones may import and clear, besides travel requisites and used personal effects which are exempted from customs duty and commercial benefit tax if deemed non-commercial, goods up to a value ceiling of \$ 80 once per year free of customs duty and commercial benefit tax. Goods in excess of the said ceiling shall be subject to customs duty and double commercial benefit tax, provided that the goods so imported are not religiously or legally prohibited, or imported for commercial purposes.

Note 1. Personal effects shall be judged by the Customs Administration of Iran.

Note 2. Goods that are not eligible for clearance as per the list proclaimed by the Ministry of Commerce as travellers' goods according to Note 1 of Article 17 of the Law on Export-Import Regulations, shall not be subject to the facilities of this Article.

Article 32

Goods accompanying outgoing passengers

In addition to personal effects, the outgoing passengers of Iranian or foreign nationality may take Iranian goods without any restriction, plus foreign products up to a value ceiling specified in the ordinance concerning the incoming passengers, provided that neither of the two categories possesses a commercial attribute.

Note 1. The egress of antiques and hand-written books are prohibited.

Note 2. Each passenger may take with him one piece of hand-woven carpet or two pieces of rugs

* The provisions of this Article have been amended in accordance with the Council of Ministers' decree No H27484T/37502 dated 08.11.2002.

** The provisions of this Article have been amended in accordance with the decree No H21092T/59174 dated 13.03.2001.

measuring totally 12 square meters*.

Note 3. Foreigners who were officially employed in Iran, or pursued their education in Iranian universities or seminaries may take a normal quantity of their household furniture on the completion of their work or education, without having to produce a license or commercial card.

Article 33**

The Ministry of Commerce (the Standing Committee for Pricing of Export Goods) shall be required to set and revise prices of the export goods on the basis of the approximate selling prices in the international markets.

These prices shall be communicated to the Customs Administration to be used for statistical purposes and the amount of the exchange obligation of exporters, when goods leave the country.

Article 34

Dispatch of samples

Domestically-produced or foreign goods may be dispatched abroad as commercial samples or for the purpose of being tested or repaired. Such goods shall be exempted from the production of commercial card or export license, provided that they are not in commercial lots, or religiously or legally banned from being exported, or identified as antique items. Goods in excess of the above quantity may be sent abroad subject to obtaining appropriate license and with due regard to the relevant regulations. If the exit, in this manner, of certain goods develop into a commercial trade, the Ministry of Commerce may send their list to the Customs Administration to prevent them from being dispatched.

Article 35***

Holding Domestic and Foreign International Exhibitions and the Exit and Entry of Goods

A. Holding exhibitions inside and outside the country

Holding exhibitions in the name of the Islamic Republic of Iran outside the country and international exhibitions inside the country to introduce and display Iranian and foreign goods and products shall be subject to the permission of the Ministry of Commerce. Holding military exhibitions

* According to the circular directive No. 100/5280 dated 01.08.2002 issued by the Minister of Commerce, based on the Council of Ministers' resolution No T80698 H19476 dated 18.03.1998, the regulations concerning goods accompanying passengers have been amended to read as follows:

1. Outgoing passengers may take hand-woven carpets not exceeding 20 square meters without any limitation on the number of pieces constituting the said area.
2. Passengers bound for UAE and other Persian Gulf littoral states may take hand-woven carpets within the ceiling specified in paragraph (1) above.

Note: In order to avoid subsequent problems, the egress of hand-woven carpets accompanying passengers bound for the pilgrimage destination countries including Iraq, Syria and Saudi Arabia shall continue to be prohibited.

3. Apart from the aerial borders, hand-woven carpets accompanying passengers may be taken out through land and sea borders as well.

** The provisions of this Article have been amended in accordance with the decree No H21092T/59174 dated 13.03.2001.

*** The provisions of this Article have been amended in accordance with the decree No H21092T/59174 dated 13.03.2001.

shall be subject to the permission of the Ministry of Defence and Armed Forces Logistics.

B. Entry of exhibition goods

1. Temporary admission of all exhibition goods of participants in the domestic international exhibitions shall be permissible subject to the confirmation of the Ministry of Commerce and the observance of relating regulations. The guarantee of the relevant embassies on behalf of the participants shall be acceptable instead of cash deposit.
2. The Ministry of Commerce may issue clearance permit to a limited and specified number of goods displayed at Tehran International Trade Exhibition or international exhibitions, whether trade or specialized, held inside the country by the said Ministry or by virtue of its permission.

C. Exit of exhibition goods

Goods dispatched abroad by permission of the Export Promotion Centre of Iran in a reasonable quantity to be displayed at foreign exhibitions may be taken out of the country without a Commercial Card, export license or lodging exchange bond, subject to the observance of other regulations.

Article 36

Exportation of books, publications, films, tapes, paintings and other cultural and artistic works

Exportation of books, publications, films and tapes not banned from domestic circulation is permissible. The exportation of paintings and other cultural works is permitted subject to licensing by the Ministry of Culture & Islamic Guidance.

Article 37

Export of goods by mail

Dispatching, in non-commercial quantities, of goods by mail, except items banned for religious or legal reasons, is permissible and exempt from the production of a Commercial Card or license. There is no limitation as to the value of such exports, provided that other regulations in this respect are observed. In the event that the exit, in this manner, of some goods becomes a commercial exercise, the Ministry of Commerce may send their list to the Customs Administration to prevent them from being exported.

Note. The maximum value of foreign goods sent through mail is \$80 per person.

Article 38*

Outright imports without transfer of foreign exchange

1. Spare parts, cutting tools, new and used moulds, samples of goods (for research and copying purposes) for productive, educational or research units as well as medicine samples (pharmaceutical products, primary materials, associated materials) and their packaging materials, medical, laboratory, and sanitary equipment and supplies, baby milk and formula, books, publications, laboratory equipment,

* 1. The provisions of this Article have been amended in accordance with the decree No H21092T/59174 dated 13.03.2001.
2. In accordance with Article 16 of the law on the regulations facilitating the renovation of the country's industries and Article 113 as amended of the Third Economic, Social and Cultural Development Plan of the I.R. of Iran, some facilities have been provided for machinery, productive equipment, spare parts, primary materials, intermediate goods and industrial tools needed by industries and mineral units to be imported without transferring foreign exchange.

- and scientific research necessities for medical science universities may be imported and cleared in the name of the respective productive units or educational or research or treatment institutes, providing that such items do not have a commercial attribute.
2. Goods supplied free of charge by the foreign seller to compensate for any short delivery, wastage, and disagreement of consignment with the order, may be imported and cleared subject to the discretion of the Customs Administration, and the approval of the Ministry of Commerce.
- Note 1.** Short delivery of CKD packs consigned to assembly factories, and discovered by the factories after the consignment has been cleared from customs, may be cleared subject to the discretion of the relevant productive Ministry and the approval of the Ministry of Commerce.
- Note 2.** Items which are imported by the productive units and found, after being cleared from customs, to be lacking in the quality specified in the order, may be cleared with the confirmation of the relevant productive Ministry and the Ministry of Commerce.
3. In cases where the buyer obtains a discount from the seller, goods consigned in consideration of the discount may be imported and cleared at the discretion of the Customs Administration and subject to the approval of the Ministry of Commerce, with due regard to the connection between the consignment and the original imports.
 4. Catalogues, brochures, calendars, booklets, compact discs, diskettes, tapes, microfilms, and other media containing technical and commercial specifications of goods, shipping documents, technical blueprints, and samples of no substantive value (including textiles display samples, etc.) may be cleared free of commercial benefit tax, and without licenses set forth in the table annexed to this ordinance.
 5. Goods required by contractors and consultants may be imported and cleared subject to the confirmation of the relating governmental organization and the approval of the Ministry of Commerce.
 6. Temporary or outright admission and clearance of books, publications, compact discs, diskettes, tapes, microfilms, and other media containing scientific and cultural materials, as well as other products of the printing, reproduction and copying industry on condition that they are those which come under prohibited goods may be effected with the approval of the Ministry of Culture & Higher Education or the Ministry of Health & Medical Education as relevant in the case of the scientific and technical fields, and the approval of the Ministry of Culture and Islamic Guidance in respect of other fields, without a need for any other permit*.
 7. Components, parts, equipment and necessities required by the production line of domestic producing units, and dispatched by the foreign seller free of charge in the name of the producing unit under the sale contract, may be cleared at the discretion of the relevant productive Ministry, and with the approval of the Ministry of Commerce.
 8. Components, parts, and necessities required by authorized agents for the repair, maintenance and after sale service of foreign appliances existing in the country may be cleared by obtaining necessary permits.
 9. Entry and clearance of any permissible goods as declared by the Ministry of Commerce may simply be the registration fee as well as any other legal duties before clearance of the items and it does not necessitate the remittance abroad of foreign exchange nor the procurement of any other permit.

Article 39*

Entry of goods through mail

Imports, excluding religiously or legally banned items, through mail may be cleared up to a value of \$ 50 per person, free of customs duty and commercial benefit tax, and without a Commercial Card, or

* The provisions of this Article have been amended in accordance with the decree No H25747T/3486 dated 20.04.2002.

* The provisions of this paragraph have been amended in accordance with the decree No H27163T/29863 dated 13.09.2002.

licenses set forth in the tables of Export-Import Regulation, provided that such goods do not have any commercial attribute. Should the entry of goods in this manner become a commercial practice or cause other problems for the country, the Ministry of Commerce in consultation with the Ministry of Post, Telegraph & Telephone may prepare the list of such goods and communicate it to the Customs Administration with a view to preventing clearance.

Note. Goods under Article 38 (without transfer of foreign exchange) may also be imported through mail.

Article 40

Validity period of orders registered by the Ministry of Commerce, and the maximum validity period of documentary credit and documentary bill

The validity period of import orders registered at the Ministry of Commerce, shall be determined and proclaimed by this Ministry. The validity period of documentary credit and documentary bill shall be determined and proclaimed by the Central Bank. The validity periods which are determined and declared by the Ministry of Commerce and the Central Bank at the beginning of each year, shall be binding on all relevant organizations. Specific cases shall be agreed upon by the parties.

Note 1. In the case of goods which become prohibited or subject to a new entry condition, the extension of validity period of documentary credit and order registration shall depend on the approval of the Ministry of Commerce.

Note 2. The maximum period from the date of order registration at the bank, for the shipment of merchandise imported by documentary bill, shall be determined by the Central Bank.

Article 41**

Establishment of letter of credit at the bank

Importation of goods in a commercial nature shall be subject to the establishment of letter of credit at the bank.

Note. The following cases shall not be subject to the provisions of this Article:

1. Goods importable without the transfer of foreign exchange.
2. Goods importable through border marketplaces, within the framework of relating resolutions.
3. Goods required by households residing in frontier zones, and their cooperative companies; peddlers; sailors and vessel crews, as per the list set forth in this ordinance, and within the limits specified therein.
4. Other cases specified by laws and regulations.

Article 42

The entry of used goods

1. Used motor vehicles including roadbuilding machinery may be imported in conformity to the relevant law and the executive ordinance thereof.

** The provisions of this Article have been amended in accordance with the decree No H21092T/59174 dated 13.03.2001.

2. Second-hand equipment, appliances and machinery for use in production line may be imported subject to the confirmation by the relevant ministry dealing with production affairs.
3. In other cases, the importation of used goods shall be subject to the approval of the Committee referred to in Article 1 of this ordinance.

Note*. The Customs Administration shall be required to value used goods under this Article on the basis of similar new ones.

Article 43**

The manner in which goods that have been proclaimed as prohibited by resolutions of the Council of Ministers may be imported

1. Primary materials, components, replacement parts, and technical supplies needed by the country's industries, imported in the name of the productive units, at the request of the relevant productive ministry, and the discretion and approval of the committee indicated in Article 1, provided that such goods are not domestically-produced to such a level in terms of quality and quantity as to satisfy the industry's needs.
2. Goods in urgent demand by the Ministries and government organizations at the discretion and with the approval of the committee indicated in Article 1.
3. If covered by the prohibited tariff lines, used goods belonging to representative offices abroad of Ministries and state organizations that are being closed down, subject to the approval of the said Committee.
4. Sample of goods required by productive units and higher education and research institutes, in such quantities that can be regarded as sample, at the discretion of the Customs Administration of Iran.
5. Parts and accessories of importable goods classified under prohibited tariff lines, provided that the prohibited components and parts are entered together with, in the same number as, or in proportion to the original goods. In the case of productive units, the entry shall be permissible at the discretion and with the approval of the productive Ministry concerned.
6. Foodstuffs required by the foreign personnel employed by the contractors of the Ministries and governmental organizations, in a reasonable quantity corresponding to their consumption, with the approval of the Ministry of Commerce.

Article 44

The manner in which the funds indicated in Articles 19 and 20 of the Law are to be spent, shall be determined by the Council of Ministers on the recommendation of the Ministry of Commerce.

Article 45

In preparation for the enforcement of Article 22 of the Law, as of the beginning of the year 1994 (1373) the Chamber of Commerce, Industries & Mines, or of Cooperation, as relevant, shall be required to issue carpet identification certificate for carpets with a density of over 30 knots, to carpet exporters who apply for the certificate. The following points should be provided for in the certificate:

* This Note has been repealed according to the verdict No. (91) dated 14 May 2006 issued by the General Board of the Court of Administrative Justice.

** The provisions of this Article have been amended in accordance with the decree No H21092T/59174 dated 13.03.2001.

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1. Information concerning the particular piece of carpet, including the place and date of weaving, name of the design, quality of the warp, weft and pile, type of the knot, length, width, thickness, degree of the uniformity of the edges, fastness of the colour, in Farsi, Arabic, English, French and German.
2. A clear colour photograph of the carpet in question should be attached to the identification certificate.
3. Information indicated in paragraph 1 and the photograph in paragraph 2 should be sealed by the Chambers and made into an inseparable set, and delivered to the applicant.

Article 46*

The following resolutions are hereby affirmed:**

No	Number	Date	Subject
1	MN4/4-60	02.11.1886	Exemption from commercial benefit tax for goods imported by foreign participants in governmental exhibitions, deleting the name of the Center for Procurement and Distribution of Goods.
2	H810T/89010	02.12.1989	Entry of marked sheets and documents required by banks without transferring foreign exchange.
3	H143T/7064	27.06.1992	Strike the phrase “order registration and” from section 1 - Entry of parts for machinery and tools required by vessel manufacturing units without the payment of commercial benefit tax.
4	H/13936T/M/74-5493	29.10.1995	Clearing goods through the submission of minimum document pledged by the respective minister or the highest authority of an independent organization (for one month only).
5	H17703T/125421	19.03.1997	Permitting entry of goods without transferring foreign exchange for projects of government ministries, as compensation for injury
6	H17443T/50973	25.06.1997	Setting out conditions for the entry of goods from Turkmenistan to be offered at the joint border market place of Bajgiran. Only sections 2, 5 and 6 with the reduction of \$ 2.50 million to \$1.00 million.
7	H18439T/7473	01.08.1997	- Strike Article (3) - Exemption from commercial benefit tax of goods donated to the Foundation for Special Diseases.
8	H19261T/77137	20.02.1998	The entry of sport horses, horsemanship and polo tools and requisites shall be exempted from commercial benefit tax.
9	K19746T/12981	20.06.1998	The entry, from free zones into the mainland, of primary materials and CKD parts required by productive units.
10	H21132T/11273	28.05.1999	Permitting the transfer to other importers of import privilege against exports to the ICS countries.
11	H19966T/67027	06.06.1999	Permitting the entry of goods against foreign exchange deriving from the employment of Iranians residing abroad.
12	H20626T/11980	17.06.2000	Exempting from commercial benefit tax imported items required by Mashhad Metro.
13	H22314T/15031	17.06.2000	Exempting from commercial benefit tax imported items required by Tehran Metro.
14	H25705T/43016	19.01.2002	Reinstating the Committee of Four and its functions, and inserting the name of HE Dr. Ibrahim Sheibani, the Governor of the Central Bank of the I.R. of Iran.

* Remark: the affirmed resolutions shall be enforceable if they are not in disagreement with the subsequent laws and resolutions.

** Affirmed in accordance with the Council of Ministers’ decree No H30348T/71028 dated 15.03.2004.

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No	Number	Date	Subject
15	H26572T/10083	14.06.2002	Clearing specimen motor vehicles displayed at trade exhibitions by foreign participants, maximum of five vehicles of various models, providing that no more than one year has elapsed from the date of their manufacture.
16	H26775T/18470	15.07.2002	Exempting from commercial benefit tax of goods donated to the Football Federation
17	H26164T/16919	24.09.2002	Permitting domestic manufacturers to import a maximum number of five motor vehicles of each model.
18	H27256T/30566	11.10.2002	Special facilities extended to goods to be imported and displayed at Turkmenistan showroom in the holy city of Masshad.
19	H27723T/45243	21.12.2002	Setting out conditions for the entry of domestically produced motor vehicles which have been previously exported.
20	H28115T/58299	22.02.2003	Permitting the entry of movable chassis to be used in the manufacture of fire-fighting vehicles without the condition of having official representative.
21	H23410T/65777	14.03.2003	Exempting from commercial benefit tax items required for the repair of vessels.
22	H28307T/63738	18.03.2003	Permitting various citrus fruits to be imported.
23	H28817T/18758	03.06.2003	The ordinance on the technical criteria of vehicle imports.
24	H28860T/15570	01.07.2003	The executive ordinance on the egress of cultural and artistic products.
25	K28985T/28580	16.09.2003	Preferential reduction in motor vehicle commercial benefit tax, in case of discarding worn-out vehicles.
26	H29059T/816911	21.10.2003	Setting out conditions for the issuance of licence in cases where specific countries are subject to trade sanctions.
27	H27845T/43247	24.10.2003	Delegating authority to the Article one committee for the purpose of determining commercial benefit tax on the goods which have been registered for importation prior to the end of the first half of the year 1380, but their CBT has been changed in the same year.
28	H30798T/61044	13.02.2004	Clearance of Moroccan made goods to be exhibited at Tehran Exclusive Fair.

Note 1: Resolutions issued in the years 1383 - 1386 (excluding those which expire at the end of the aforesaid years) shall remain valid.

Note 2: Other resolutions concerning merchandise import and export conditions, rebates or exemptions from customs duty and commercial benefit tax, including prohibitions based on the law or otherwise not indicated in this Article are hereby repealed.

This ordinance shall take effect from the date of its promulgation in the Official Journal of the Islamic Republic of Iran.

Article 47*

The following cases shall be exempted from lodging exchange repatriation bond :

1. Goods of reasonable quantity dispatched to be displayed in foreign exhibitions, at the discretion of the Ministry of Commerce.
2. Exporters exporting through valid irrevocable documentary credit.
3. Goods donated by Ministries, state institutions, and the Red Crescent Society of the Islamic Republic of Iran to other governments with the confirmation of the Minister or the highest authority

*This Article has been amended according to the resolution of the High Council of Exports dated 19 March 2002, to read as follows: The exportation of all goods and services is exempted from lodging exchange repatriation bond.

concerned. Goods donated by the Red Crescent Society to non-governmental public institutions in other countries shall also be subject to this section.

4. Exporters of industrial machinery, home appliances and motor vehicles up to 5% of the value of exported goods, with a view to meeting spare parts requirements as fulfillment of guarantee obligation. The exemption from lodging exchange repatriation bond in respect of these exporters shall be applicable only up to the time limit of the guarantee, and at the discretion of the Ministry of Industries.
5. Exporters of handicrafts excluding carpets.
6. Samples of goods dispatched for marketing and export promotion purposes, at the discretion of the Ministry of Commerce.
7. Exports of any kind of softwares, and electronic engineering services, where requested by the exporter.
8. Dispatch abroad of books, films, audiovisual tapes, exposed slides, promotional and non-promotional materials (including scientific, promotional, cultural, educational materials, and brochures for introducing activities and products) in a non-commercial nature, by executive organs and government institutions, on the recommendation of the highest authority concerned, and in the case of the private sector organizations and institutions on the recommendation of the Ministry of Culture and Islamic Guidance.
9. Goods donated to Muslims abroad by Imam Khomeini (may his soul rest in peace) Relief Committee under the supervision of the Ministry of Foreign Affairs.

Articles 11 and 17 excerpted from the Plant Protection Law enacted in 1967

Article 11:

The importation into the country of seeds, bulbs, cuttings, budwoods, roots, fruits, seedlings and in general any kind of plants or parts thereof requires prior permit from the Ministry of Agriculture. Persons who may import the aforesaid goods without obtaining a permit are advised to return them abroad within a maximum period of one month, otherwise such goods shall be destroyed at the Customs in the presence of the representative of the Plant Protection Organization.

Article 9 of the Executive Ordinance of the Plant Protection Law

Article 9:

With a view to prevent the entry and spread of dangerous plant pests and diseases, the Plant Protection Organization shall refrain from issuing permits for the following items:

1. Cotton (seeds, lint, carded cotton and all various parts of this plant).
2. Potato of various kinds.
3. Beet seed of various kinds.
4. Paddy.
5. Seedlings, cuttings and budwood of citrus trees.
6. Seedlings, cuttings and budwoods of various fruit trees.
7. Seedlings, cuttings and fruits of olive.
8. Grape vine seedlings and cuttings.
9. Sugar cane cuttings.
10. Seedlings of various conifers.
11. Seedlings of banana, mango and avocado.
12. Strawberry plants.
13. Seeds of jute, lettuce, sorghum, beans, soya-beans and alfalfa.
14. Seeds of tobacco.
15. Various kinds of insects, fungi and harmful bacteria.
16. Various kinds of fruits including citrus.

Note:

Should the importation of any one of the above items become necessary, action should be taken to obtain a license with due regard to the Notes of this Article.

Article 16 excerpted from the Law on Foodstuff, Beverages, Cosmetics and Hygienic Material enacted in 1967

As of the date on which this law is enacted, the clearance from the customs of foodstuff or hygienic or cosmetic materials imported in any form or quality for commercial or promotional purposes shall require import license from the Ministry of Health, Treatment and Medical Education in addition to the observance of general regulations and submission of health and usability certificate from the country of origin. In order to obtain the said license, the importer shall be required to submit to the Ministry of

Health the product formula and to identify the substances which are added to the product for its preservation.

**Article 7 excerpted from the
Veterinary Law enacted in 1971**

Article 7:

The importation and exportation of live animals of any kind, hatching eggs, animal semen, raw animal products, medicines, vaccines, serum, biological substances, disinfectants, veterinary poisons, concentrated feed, animal feed complementaries and medicines required to manufacture above materials are subject to the approval of the Ministry of Agriculture and Natural Resources.

GENERAL RULES FOR THE INTERPRETATION OF THE HARMONIZED SYSTEM

Classification of goods in the nomenclature shall be governed by the following principles:

- 1) The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions:
- 2) (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.
(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3.
- 3) When by application of Rule 2 (b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows:
(a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.
(b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3 (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.
(c) When goods cannot be classified by reference to 3 (a) or 3 (b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.
- 4) Goods which cannot be classified in accordance with the above Rules shall be classified under the heading appropriate the goods to which they are most akin.
- 5) In addition to the foregoing provisions, the following Rules shall apply in respect of the goods referred to therein :
(a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shapes or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This Rule does not, however, apply to containers which give the whole its essential character;
(b) Subject to the provisions of Rule 5 (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.
- 6) For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, mutatis mutandis, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.

Note On Import Duties

The import duties shown in the respective column are made up of basic duty (B.D.) and Commercial Benefit Tax (C.B.T.).

According to Article (2) of the law amending a number of Articles of the law concerning the Third Economic, Social and Cultural Development Plan of the I.R. of Iran, the customs duty, taxes, order registration fee, and other levies applicable to imports have been consolidated to constitute the “Import Duties” which is set at an ad valorem rate of 4%. By definition, the sum of such unified items plus the Commercial Benefit Tax, which is determined by the Council of Ministers, is known as Import Duties.

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