

# A directive for applications to register a branch or representative of foreign companies

Dear applicant:

Please read this text completely and carefully.

How to provide and submit an application to register a branch or representative in Iran ?

To submit an application refer to Internet Address :

<http://irsherkat.ssaa.ir> .

## Keywords and expressions:

GOCR: "General Office for Companies Registration " in Iran

OCR: "The Office for Companies Registration"

Law : the Act " Permission to register a branch or representative of foreign companies " , approved in 12<sup>th</sup> Nov 1997.

Executive by law : A regulation to clarify the Law to be executed transparently both for applicant and registrar , approved in 3<sup>rd</sup> May 1999 .

CRCS: "Companies Registration Comprehensive System" is a software that contains two parts. One is a web site to admit applications to incorporate new companies , "the minutes of changes " of registered companies ,and "the branches and representatives incorporation and next changes" . The second part is a local system in OCRs across Iran that helps experts to examine the applications and to issue the notices of incorporation and changes.

Majlis: " Islamic Consultative assembly " or Parliament is the legislator power for lawmaking.

inclusive number for foreigner : or "shomare faragir atba khareji " in Persian words , can be requested, followed and acquired from <http://e4.tax.gov.ir/Pages/action/show/13> .

this number is needed to insert in an electronic form in "CRCS".

Entity: A natural person ( individual) or legal person ( company , institution , etc.)

**A Note for GOCR :** Up to 2007 , the name of GOCR was :”General Office for registration the Companies and Intellectual Properties “. After that two offices were separated and now the GOCR is for " General Office for Companies Registration . so we see the former name in text of law and By law".

## Which branches and representatives of foreign companies are permitted to register in Iran

Registering a branch or a representative of foreign company in Iran is possible if the mutual action could be performed for Iranian people in that foreign country.

## Which activities could be done by branches and representatives of foreign companies in Iran:

Please refer to [“Executive by law , Article 1 “](#) of the act “ permission to register a branch or representative of foreign companies ” to see a list of activities .

## The complete text of “regulation and law to register branches and representatives of foreign companies” in Iran

### 1- The Act “ permission to register a branch or representative of foreign companies “

(approved 12<sup>th</sup> NOV 1997 by “ Islamic Consultative assembly (Majlis))

**The single article:** Foreign companies ,registered legally in own country may submit application to register branch or representative “ under Iran legal framework “ in activities determined by “ Islamic Republic of Iran Government “ . This is permitted if this action could be done mutually for Iranian in that country.

Note: “ the executive by law “ for this act approved by “ the ministers board” by suggestion of “ the ministry of economic and finance “and by coordinating with affiliated organizations.

### 2- “The executive by law “ of the Act “ permission to register a branch or representative of foreign companies

( approved in 3<sup>rd</sup> May 1999 )

**Article one :** foreign companies registered legally in own countries may submit application to register a branch or representative for following activities on regulation and under this “ executive bay law “ and other affiliated acts, it is possible if this action could be done mutually for Iranian people:

a- Giving " after -sales services " for Goods or any services.

- b- To implement the contents of contracts enacted between Iranian and foreign companies.
- c- To study and preplanning for investment in Iran.
- d- To cooperate with Iranian technical and engineering companies to work in third states.
- e- To extend non – oil exportation from Islamic Republic of Iran .
- f- To give technical and engineering services and to transfer technical and technological knowledge.
- g- To perform activities like transportation, Goods auditing , banking , marketing and other services that could be permitted by qualified organizations in Iran.

**Article two:** the branch of a foreign company is under the rule of it's main company and performs directly the main company tasks. The branch activities performing in Iran is under the name and the responsibility of the main company.

**Article 3:** foreign companies applications to register a branch in Iran may submit with following information and documents to “ GOCR “ :

- a- The article of association, incorporation notice and the last notice of changes registered in proper organization.
- b- The last “financial report “confirmed by company.
- c- A justified report including company activity issues , transparent reasons and the necessity of registering a branch in Iran. The activity issues , authority limitations , the address, the needed Iranian and foreign human resources and the approaches to provide finance ( Iranian and foreign currency) to manage branch affaires.

**Article 4:** A representative of a foreign company is an individual or a legal entity that performs some parts of main company in Iran. The representative of a foreign company is responsible to activities which performs behalf the main company in Iran.

**Article 5 :** Iranian Individuals or legal entities as applicant to register a foreign company representative must submit the Persian translation of documents , the origin documents and the following information with written application to “GOCR”

- a- An image showing the contracts contents of article 4 of this by law.
- b- Applicant Identification documents for individuals : the image of ID card and the legal address and for legal entities: the article of association , the incorporation notice and the last notice of changes registered in proper organization.
- c- A history of the activity mentioned as an item in the letter of representative contract .
- d- The article of association , the incorporation notice and the last notice of changes of main company registered by proper organization.
- e- A report of foreign company activities , transparent reasons and the necessity to incorporate the representative .
- f- The last financial report confirmed by foreign company of representative side.
- g- The letter of affiliated ministry ( in Iran)

**Article 6 :** cancelling permission by affiliated organization , the entities obliged to close branch or representative after “ GOCR “ on time .

**Note:** not renewing permission , company must be closed and settled in not more than 6 months.

**Article 7 :** the active foreign companies branches , registered in Iran , are obliged to submit the annually report of main company including audited financial reports by that country auditors.

**Article 8 :** the individuals and legal entities inclusive in this " by law " are obliged to submit the activity report of the branch or representative in Iran to affiliated organization besides audited financial documents in not more than 4 months of the end of financial year . the mentioned auditor may be the organization of accounting and the accounting institutions permitted by affiliated organization whose partners are confirmed by the supervision department of accounting organization, while not announced the by law for Note 4 of the Act "using professional services by qualified accountants as authorized accountant" approved in 1993 .

**Article 9:**The managers of registered branch or representative must be resident in Iran.

**Article 10:**In order to take advantages of this " by law "contents and for ongoing activities by branches or representatives before indispensability ,the foreign companies are obliged to submit the information and the documents mentioned in article 3 and 5 of this " by law " to affiliated organization and comply their status with it .

### **3- Required documents and forms to register a branch or representative of a foreign company**

**Note: In case of difference between "Inclusive number for foreigner" and what the electronic form shows in " CRCS ", please refer to "Tax Organization " to resolve the problem.**

#### **3-1 Required documents and forms to register a branch of a foreign company**

- a- Filling and submitting electronic forms in "CRCS" via internet ,applicant must insert "Inclusive number of foreigner " in proper form .This number may be requested, followed and acquired in link : <http://e4.tax.gov.ir/Pages/action/show/13> . A printed document showing the request for "inclusive number of foreigner " from that link must be sent with other document physically to GORC.**
- b- A request letter written by main company .**
- c- Article of association , incorporation notice , the last registered changes , the letter of authority for person(s) as the agent(s) behalf the foreign company. The original mentioned documents must be confirmed by embassy , representative or consular department of Iran in that country and a copy of documents translated by authorized translator confirmed by the technical department of translators affairs. This department is under judiciary power.**
- d- A justified report by branch managers including following information :**
  - Company information including activity issues.**
  - Transparent reasons and the necessities of incorporation the branch in Iran.**
  - A clarification of Type and authorities limitations and the legal address of the branch.**
  - An estimation of needed Iranian and foreigner human resources.**
  - The approaches to provide Iranian and foreign currency to manage branch affairs.**
- e- An obligation letter forcing the branch to close the branch in case of cancelling the permission by qualified organizations in a particular of time defined by GOCR , legally on article 6 of "by law "**
- f- confirmed Passport copy and it's translation in cases the foreign person is as the agent introducing by main companies.**
- g- giving documents like the case of registering a company in " GOCR", In cases that Iranian individuals or legal entities are supposed to be the branch manager(s).**

### **3-2 required documents and forms to register representative of a foreign company**

- a- Filling and submitting electronic forms in "CRCS" via internet ,applicant must insert "Inclusive number of foreigner " in proper form .This number may be requested, followed and acquired in link : <http://e4.tax.gov.ir/Pages/action/show/13>
- b- A request letter written by main company.
- c- Article of association , incorporation notice , the last registered changes , the contract letter for person(s) as the agent(s) behalf the foreign company. These original documents must be confirmed by embassy of Iran or representative or consular department of Iran in that country and a copy of documents translated by authorized translator permitted by the department of Deeds and the department of authorized ( technical ) translators. This departments are under judiciary power.
- d- A justified report by the representative in Iran including following information :
  - Company information including activity issues.
  - Transparent reasons and the necessities of incorporation the representative in Iran.
  - A clarification of Type and authorities limitations and the legal address of the branch.
  - An estimation of needed Iranian and foreigner human resources.
  - The approaches to provide Iranian and foreign currency to manage representative affairs.
- e- An obligation letter forcing the representative to perform to cancel the permission and close the representative in a particular time defined by GOCR under legal practices , article 6 of "by law "
- f- confirmed Passport copy and it's translation in cases the foreign person is as the agent introducing by main companies.
- g- giving documents like the case of registering a company in " GOCR", In cases that Iranian individuals or legal entities are supposed to be the representative manager(s).
- h- A report of representative activity :

The agent of foreign company must submit the activity report and the accounted finance documents not more than 4 months after the end of finance year( Article 8 of " executive by laws " of the act " permission to register branch and representative of foreign company"

**Islamic Republic of Iran**

**The State Organization for registration Deeds and Properties**

**The Office of Company Registration**

**Application to register branch/representative of foreign company**

I ....., the signer under the authorization letter/attorney letter , as the major agent of the company ..... In Iran , request to register branch /representative for that company. So I declare:

- 1- The full name of the company : .....
- 2- The type of company and partners name, in cases the company type is partnership or joint venture : .....
- 3- The Main and true address of company : .....
- 4- The nationality of the company : .....
- 5- The capital value , the currency , name and value of the main company currency and updated estimated in Rials : .....
- 6- The place of the registrar of the main company on own rules of that country : .....
- 7- The date of the main company registration: .....
- 8- The name of qualified department , registered the company: .....
- 9- The industrial , trade or financial activity that the company intends to perform in Iran:
- 10- The place of branch / representative of foreign company in Iran: .....
- 11- The name and the address of the manager / agent of the company in Iran : .....
- 12- The name and the address of person(s) in Iran qualified to receive notifications sent to company:.....
- 13- The number and the date of authorization letter or contraction letter showing person(s) owning the right to sign behalf the company : .....
- 14- A copy of the article of association and a copy of authorization letter of the major agent /representative in Iran and a copy of the last company balance sheet , all adjusted under the article 7 of " the executive by law " of company registration Act and annexed to application to submit to GOCR.

Date(Iranian Calender) :

Name of manager or the agent of foreign company:

Signature:

# Obligation Letter

I, ..... as the full authorized agent of branch / representative of the foreign company :  
..... oblige to close the branch or representative of the company and perform to  
settlement tasks in particular time disposed by GOCR on Note and Article 6 of " executive by law" of  
the Act " permission to register branch or representative of foreign companies " approved on 31th  
of march 1979 by "the ministry board". GOCR can close the branch or representative on law and  
regulation if I neglect to close the branch or representative in time required by GOCR.

Name ,sign of branch manager/ full authorized representative agent