



Karimi & Associates
Law Firm

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Arvand Free Trade Zone

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According to the legally accepted definition, the free trade zones and special economic zones are those parts of the Iranian territory that are managed according to the special laws and bylaws and are excluded from the laws of the governing motherland.

Free Zone law

- Law on the Administration of Free Trade-Industrial Zones of the Islamic Republic of Iran on August 29, 1993.
- Approved by the Expediency Council on November 12, 1996
- Amended by the Expediency Council on July 21, 1999

Arvand free zone- Supporting Iran and Iraq's oil fields- is located in the north west of Persian Gulf with an area of 37400 hectares at the confluence of two rivers of Karun and Arvand. It shares borders with Iraq and Kuwait.



سازمان منطقه آزاد اروند
Arvand Trade-Industrial Free Zone



India to develop trade and investment in Arvand Free Zone

Speaking at a meeting with trade officials in Arvand Free Zone, Saurabh Kumar (India ambassador in Iran) emphasized the development of trade and economic relations between the two countries, adding "Iran's trade volume with India has risen from \$70 million to \$227 million."

He added Arvand Free Zone (Abadan and Khorramshahr districts) is a valuable area for investment, as it plays an important role in the production and export of petrochemicals.

"India has been making significant progress in technology and IT," he noted, adding "we are expected to contribute to the economy of Arvand Free Zone."

Locational Features

- In the neighborhood of Iraq and possibility of transit and exportation of goods through the border crossing of Shalamchah, Khorramshahr Railway, Basra and Arvand River waterway and Khorramshahr port
- Access to the Persian Gulf and open sea through Arvand River
- Connection to country's road transport network
- Connection to the rail network across the country through Railway station of Khorramshahr
- Easy and cheap access to energy resources
- Khorramshahr port one of the most important container port and the port of Abadan
- International airport with domestic and international flights
- Connection to the National Power Grid
- Benefiting from plenty of freshwater and extensive lands in the region
- Abundant resources of oil and Abadan refinery to invest in oil, gas and petrochemical industry



Visa Waiver and

Increased Market Potential

New market potentials are being created in Arvand Free Zone just after implementing the visa waiver policy. The visa waiver scheme enacted in December 2017 by Arvand Free Zone, Khuzestan Province, has led to a surge of tourists from the neighboring Iraq. The visa rule applies to all free zones, but has had little impact on tourist numbers in other zones. "Arvand Free Zone has gone against the common trend and draws between 3,000 and 5,000 Iraqis every day," Iraq Masjedi, Iran's ambassador to Iraq, said. "Some 1,000 to 1,500 travelers pass through the zone with a visa to other parts of the country," said by officials. To make more precise plans for the zone's tourism, questionnaires have been prepared and are given to travelers upon entry to determine their nationality and motivation for making the trip. It is being said that majority of foreign nationals travel to visit their relatives, for leisure or shopping which is a key motive, according to the official, thanks to better prices.

The number of health tourists from Iraq has also increased since the enactment of the law. "General and specialized medical services are available in the zone, which is very economical for the citizens of the neighboring country," Nematzadeh said. Affordable goods and services in the AFZ benefit tourists and have a positive impact on Arvand Free Zone's economy.

This reaction of Iraqi people to visa waiver could be assumed as a sign of new opportunity to do business and investment in Arvand Free Zone in order to fulfill the requirements of new visitors who mostly travel for recreational and shopping purposes.

Legal Advantages

- Importing raw materials, component and machinery without custom duties
- Exporting product without paying custom duties
- Importing manufactured product to AFZ from homeland with added value without paying for custom duties
- Special rules for workforce employment in AFZ
- Specific rules for insurance and social security in AFZ
- 20- Years tax exemption for all economic activities
- Possibility of foreign investment with 100% share
- Complete freedom of entry& exit of underlying capital and profit resulted from economic activities
- Freedom of transferring currency abroad without any restriction

Construction and installation of solar power generation system

Majid Rahimi, Director of Urban and rural infrastructure development of Arvand Free Zone Organization announced the presentation of a plan to construct and install solar power generation system in order to strengthen the economy for the susceptible Society of Abadan and Khorramshahr.

The plan for setting up solar power plants was formed according to the climatic and geographical situation and capacity of Abadan and Khorramshahr.

Main fields of investment

Main domains of investment in Arvand Free Trade Zones are refinery industries & offshore, tourism industry, fishery industries and agricultural processing, logistics and downstream oil and petrochemical industries, trade services, heavy industries (steel production, rolling mill lines, etc.), marine installation industries

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