



The Investment Law No (13) of 2006

In the name of the people The Presidency Council

Pursuant to what was approved by the Council of Representatives and endorsed by the Presidency Council and based on the provisions of paragraph (First) of Article (61) and paragraph (Third) of Article (73) of the Constitution, the following law is promulgated:

No (13) of 2006 The Investment Law Chapter One

Definitions

Article (1)

The following terms, wherever mentioned in this Law, shall have the following specific meanings unless the context indicates otherwise:

- A. The Council: The Council of Ministers
- B. National Commission for Investment: The Commission established in accordance with this law responsible for drawing up the national policy and laying out its guidelines and monitoring the implementation of these guidelines and instructions in investment. It shall specialize in investment projects of a federal nature exclusively.
- C. Region's Commission: The investment commission of the region responsible for granting investment licenses in the region.
- D. Governorate Commission: The investment commission of the governorate not organized in a region responsible for investment planning and granting investment licenses in the governorate.
- E. The Commission: The National Commission for Investment or the Region's Commission or the Governorate Commission as the case.
- F. Chairman of the Commission: The Chairman of the National Commission for Investment.
- G. The Project: The economic activity subject to the provisions of this law.
- H. The Assets :The tools, apparatuses, equipments,

machineries, requirements, gear, transportation means and office furniture specified for exclusive use in the project, and the furniture, furnishings and the requirements of the hotels, tourist cities, hospitals, schools and colleges

I. The Foreign Investor: Is the investor who does not hold the Iraqi nationality in the case of a real person, and is registered in a foreign country in the case of a juridical or legal person .

J. The Iraqi Investor: Is the investor who holds Iraqi Nationality in case of a real person and is registered in Iraq in the case of a juridical or legal person.

K. Taxes and Fees: All types of taxes and fees levied in accordance with the applicable laws.

L. The designed production capacity: Is the production capacity designed within a specific unit of time (hour, unit, day ... etc) in accordance to what is fixed in the documents incoming with the machines of the supplier.

M. Investment Portfolio: A collection of investments in shares and bonds.

N. Investment: Is the investment of capital in any economic or service activity or project that results in a legitimate benefit for the country.

Goals and Means

Article 2

This law aims at the following:

- First: To promote investment and transfer modern technologies in order to contribute to the process of developing and enhancing Iraq, and expanding and diversifying its production and service base.
- Second: To encourage the Iraqi and foreign private sector to invest in Iraq by providing the required facilities for establishing investment projects and enhancing its competitive capacities in the local and foreign markets for projects included in this law.
- Third: To develop human resources based on market demands and provide work opportunities for the Iraqis.
- Fourth: To protect the rights and properties of investors.
- Fifth: To expand exports and improve the balance of payments and the balance of trade of Iraq.

Article 3

The following means shall be adopted to realize the objectives of this law: First: To grant projects covered by the provisions of this law the necessary privileges and guarantees for its continuation and

development by providing support in a way that enhances the competitive capacities of these projects in the local and foreign markets.

Second: To grant projects that obtained an investment license from the Commission, additional facilities and exemptions from taxes and fees in accordance with the stipulations of this law.

Chapter Two The National Commission for Investment and the Investment Commissions in the Regions and Governorates

Article 4

First: A Commission shall be established and called the "The National Commission for Investment". It shall enjoy a juridical personality and shall be represented by the Chairman of the Commission or the person authorized by him. It shall be responsible for drawing up the national policies for investment and drawing up its plans, regulations and guidelines as well as monitoring the implementation of these guidelines and instructions in investment. It shall specialize in strategic investment projects of a federal nature exclusively.

Second: The National Commission for Investment" shall be managed by a Board of Directors comprised of nine members who must be competent and specialized, and hold a college degree that suits the specialty of the Commission. They must not have been sentenced for a felony or misdemeanor of moral turpitude, or have declared their bankruptcy.

Third: A. Upon a request by the Prime Minister, the Council of Ministers shall nominate a Chairman of the Commission at a grade of Minister and a Deputy Chairman at a grade of Deputy-Minister for a period of five years and present them to the Council of Representative for approval.

B. The Prime Minister shall appoint four members for a period of five years at a grade of Director General.

C. The Prime Minister shall select three members from the private sector for five years after their nomination by Chairman of the Commission and specifying their compensations according to the bylaws.

D. At the conclusion of the membership of any member of the Commission referred to in Paragraph (A and B) of this Article in cases not involving dismissal and resignation, the Prime Minister shall assign them to any governmental entity at the same grade. Those mentioned in (A) of

this article shall be retired on pension when not assigned to a government position equivalent to their grade.

E. The Council of Representatives may directly dismiss the Chairman of the National Commission for Investment and his Deputy, or upon a request by the Prime Minister for compelling reasons.

F. The Council of Ministers may dismiss or replace any member of the Commission or replace him with others in case he does not adhere to the standards and regulations of the Commission.

G. The Board of Directors of the National Commission for Investment shall meet at the invitation of its Chairman. A bylaw issued by the Commission shall specify the quorum, decision taking, making recommendations and the course of work of the Commission and any other issue.

H. The National Commission for Investment shall be connected to the Prime Minister.

I. The salary scale and entitlements of the Commission's employees shall be determined by a decision of the Prime Minister based on a proposal from the Chairman of the National Commission for Investment.

Fourth: The Commission's headquarters shall be in Baghdad and it may appoint representatives in the regions and governorates.

Fifth: The National Commission for Investment shall draw up an overall national strategic policy for investment identifying the more important of the sectors and shall prepare a map of investment projects in Iraq in the light of the information it receives from the regions and governorates. It shall also prepare lists of investment opportunities in strategic and federal investment projects with initial information about these projects and making it available to those wishing to invest.

Article 5

First: The regions and governorates not organized in a region may form investment commissions in their areas. The latter shall enjoy the powers of granting the investment licenses, investment planning, promoting investment and opening branches in their areas within the provisions of this law in consultation with National Commission for Investment to guarantee the availability of the legal conditions.

Second: The Investment Commissions of the regions and governorates shall be composed of at least seven members including the chairman and the vice chairman of at least seven years of experience and competence and with a university degree appropriate to the specialization of the commission and not convicted in a felony or a misdemeanor involving turpitude or has declare his bankruptcy.

Third: The regions and governorates not organized

in a region shall establish a mechanism of forming the investment commission of the region and the governorate and removing the Commission's members in case he/she does not adhere to the standards and charters of the Commission in a way which is not in conflict with the provisions of this law.

Fourth: The Investment Commissions of the regions and governorate shall coordinate their work with the National Commission for Investment, and shall coordinate and consult with local governments regarding investment plans and facilities.

Fifth: The regions and governorates commissions shall draw up their investment plan in a way that does not contradict with the federal investment policy and shall prepare list of the investment opportunities in the areas that are subject thereto, with initial data about these projects and offer it to those wishing to invest.

Sixth: The region's Commission shall be connected to the Prime Minister of the region and is subject to the scrutiny of the region's Council.

The governorate commission shall be connected to the Governor and is subject to the scrutiny of the governorate council in way that does not contradict with the provisions of this law. Seventh: Regions and Governorates Commissions board of directors shall convene upon an invitation from their chairman. The quorum of convening and adopting resolutions and recommendations shall be determined by absolute majority. The conduct of work shall be organized by by-laws issued by the Commission.

Article 6

In addition to ordinary correspondence, the Commission may adopt electronic mail with the official entities connected with the work and activity of the Commission through local networks or the Internet according to guidelines set by the Commission.

Article 7

A. The Commission shall accept applications for investment license for projects with a minimum capital no less than the minimum determined by the Council of Ministers of the region's council of ministers as applicable, according to regulations issued by a proposal from the commission.

B. The Commission must obtain approval from the Council of Ministers before granting the license if the value of the investment project exceeds two hundred and fifty million dollars.

C. The Commission must address the applications for the investment license within a period of (45) forty five days from the date of submitting the

application.

D. The resolutions by the Commission that pertain to the investment project shall be binding for the purposes of this law.

Article 8

The Commission shall have an annual independent budget, with its resources comprised of the sums of money allocated to it from the General Budget of the state.

Article 9

The Commission aims to encourage investment by doing the following:

First: Reinforce confidence in the investment climate and identifying investment opportunity in it and promoting it.

Second: Simplifying the registration procedures and license for investment projects, and monitoring those that have already begun, and giving priority in processing at the official entities and completing the procedures for addressing the applications by investors obtaining the necessary permit for the investor and the project.

Third: Establishing the one stop shop at the National Investment Commission and the Region's and province's Commissions, that includes authorized representatives from the ministries, and members nominated by the region's and province's councils as applicable, as well as relevant entities, which shall be responsible for issuing licenses and obtaining the approval from the other entities according to the law.

Fourth: offer consultation, information, and data to investors and issuing special related bulletins.

Fifth: establish programs to promote investment throughout Iraq to attract investors and execute project.

Sixth: Facilitating the allocation of the required lands and leasing it in in order to establish the projects, for an amount determined by the Commission in coordination with the relevant entities.

Seventh: work towards establishing safe investment zone with the approval of the council of Ministers.

Eighth: support Iraqi investors by offering them easy loans and financial incentives in coordination with the Ministry of Finance and seeking assistance from the Institutions, provided that the investor receiving the loan will employ a number of unemployed Iraqis proportionate with the size of the loan.

Ninth: Any other duties related to the nature of work and mandated by the Council of Ministers.

Chapter Three

Benefits and Guarantees

Article 10

The Investor and regardless of his nationality shall enjoy all the benefits incentives and guarantees and shall be subject to the same commitments stipulated in this law . In the case of housing projects. Both the Iraqi and foreign Investor retain the land for an amount determined between him and the owner of the land without trading with the land according to rules set by the national Investment commission and with the approval of The council of ministers.

The commission will facilitate allocating the necessary land for the housing projects and provide ownership to the Iraqis after the completion of the project.

Article 11

The Investor shall enjoy the following benefits :

First: Transferring abroad the capital which he brought into Iraq and its revenue according to the provisions of this law and the regulation of The Central Bank of Iraq in convertible currency after meeting all its commitments and paying off all its debts to The Iraqi government and all other entities.

Second : The foreign Investor has the right to :

A. Trade in Iraq Stock Exchange in The shares and bonds listed in it.

B . Create investment portfolio in shares and bonds.

Third: renting the required lands for the project or surface contract for the duration of the investment project, provided that it does not exceed (50) renewable years with the approval of the commission, and whereby the nature of the project and its benefit to the national economy is taken into consideration.

Fourth: to insure the investment project with any national or foreign insurance company that sees fit.

Fifth: to open a bank account in the Iraqi or foreign currency or both at one of the banks in Iraq or abroad for the approved project.

Article 12

This law providing the following for the investor:

First: Priority in recruitment and employment shall be given to Iraqi workers. The right to employ and use non-Iraqi workers in case it is not possible to employ an Iraqi with the required qualifications and capable of performing the same task in

accordance with guidelines issued by the Commission.

Second: Granting the foreign investor and non-Iraqis working in the investment projects the right of residency in Iraq and facilitating his/her entry and exit to and from Iraq.

Third: Non-seizure or nationalization of the investment project covered by the provisions of this law in whole or in part, except for projects on which a final judicial judgment was issued.

Fourth: Non-Iraqi technicians and administration employees working in any project shall have the right to transfer their salaries and compensations outside Iraq in accordance with the law after paying their dues and debts to the Iraqi government and all other entities.

Article 13:

Any amendment to this Law shall not have any retroactive effect regarding the guarantees, exemptions, and rights recognized by this Law.

