

**Republic of Iraq
Presidency of Ministers' Council
National Investment Commission**



**The Investment Law No (13) of 2006 as amended
With Law No.2 of 2010
And the Law No. 50 of 2015**

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:

The Investment Law

Chapter One Definitions

Article 1:

1- The following statements for the purposes of this law intended meanings indicated opposite thereto:

First - The Council: The council of Ministers

Second-The Commission: The National Investment Commission, or the Region Commission, or the Province Commission as applicable.

Third- The Commission Chairman: The chairman of the National Investment Commission, or the Chairman of the Region Commission, or the Chairman of the Province Commission.

Fourth- The Region Commission: The Investment Commission in the Region that is responsible for investment planning and granting investment licenses in the region.

Fifth- The Province Commission: The Investment Commission in the Province that is not affiliated with a region and responsible for the investment planning and granting investment licenses in the province.

Sixth- Investment: Utilizing capital in any activity or economic project that yields benefit(s) to the national economy according to the provisions of this law.

Seventh- The Project: The economic activity covered by the provisions of this law.

Eighth- The Assets: Machinery, devices, equipments, engines, supplies, tools, means of transportation, raw materials, and office supplies and furniture, furnishings, supplies of hotels, tourist cities, health and educational institutions that will be used exclusively in the project.

Ninth- The Iraqi Investor: The person who hold the investment license, and holds Iraqi citizenship, if he is a natural or a legal person and registered in Iraq.

Tenth- The Foreign Investor: The person who hold the investment license; and is not an Iraqi citizen, if he is a natural or legal person and registered in a foreign country.

Eleventh- Investment Zones: zones proposed by the National Investment Commission with complementary economic activity in various sectors and approved by the Council of Ministers.

Twelfth- The Developer: Each natural or legal person holds an investment license for strategic projects in the sectors of construction of housing cities , and investment zones or any other development sector outside the basic design proposed by the commission and approved by the Council of ministers.

Thirteenth- The Secondary Developer: Each Natural or legal person, part of the ownership of the investment project transferred to him for the purpose of developing it among major housing urban projects, investment zones, and any other sector proposed by the commission and approved by the Council of Ministers in accordance with the basic design of the project.

Fourteenth- Design Capacity: The productivity designed within a specific time unit according to what is incorporated in the documents received along with the machinery from the supplier and the feasibility study for the project.

Fifteenth- Investment Portfolio: A number of investments in shares and bonds.

Sixteenth- The substitution: Substitute unexploited lands and facilities, with one that yield profits.

Aims 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

Article 4:

First. In accordance with this law, a commission called (The National Investment Commission) shall be formed, with a legal personality, and represented by the commission Chairman or whomever he authorized, and shall be responsible for establishing the national investment policy, establishing the guidelines for it, monitoring the implementation of these guidelines in the field of investment, and shall be specialized in the strategic investment projects on a federal level.

Second. The Commission will be directed by a Board Of Directors consisting of (11) Eleven experienced and specialized members, holding university degrees that are compatible with the Commission's field of work.

Third

A. The Council of Ministers, and per request from its president, nominates a Chairman for the Commission, at the rank of a Minister, and a deputy Chairman, at the rank of a Deputy Minister for a period of five years, and shall be presented to the Parliament for approval.

B. After nominating from the Commission Chairman, the Prime Minister shall select Five members representing the Public Sector from the relevant authorities whose official ranks are equal to Director General of part-time members in the Board of Directors of the Commission for a period of (5) Five Years without rewards.

C. The Prime Minister shall select (4) Four members from the Private Sector for Five Years, who have an investment project in Iraq and have not convicted of any felony or immoral offence or have declared bankruptcy, being nominated by the Chairman of the National Investment Commission without rewards.

D. It may extend the mandate of the Chairman and his deputy at the end of the period specified in paragraph (a) of this item for once, and no more than sixty days from the date of the end of the mandate.

E. The Council of Ministers has the right to depose the Chairman of the National Investment Commission and his deputy upon request from the Prime Minister, for due cause, and with a parliamentary approval.

F. The Council of Ministers has the right to depose any of the other members of the National Investment Commission or replace them, in the event they fail to adhere to the standards and bylaws of the Commission.

G. The Commission Board of Directors shall meet at the invitation of its President. A quorum shall be established and decisions and recommendations shall be made by an absolute majority vote, and the workflow shall be organized by the bylaws issued by the Commission.

H. The National Investment Commission shall report to the Prime Minister.

I. The salary and benefit structure of the Commission personnel shall be set based on a proposal by the Chairman of the National Investment Commission, and by a decision of the Prime Minister.

Fourth A- The National Investment Commission consist of the following Departments and Sections:

- Administration and Financial Department
- Legal Department
- Economic and Technical Department
- Relations and Media Department
- One Stop Shop and Investors Services Department
- Coordination with the Provinces Section
- Control and Internal Audit
- Information Technology Section
- Contracts Section
- Security Permits Section
- Chairman Office Section

B- Chairman of the National Investment Commission has the right to create Sections according to need and necessity, which are to be approved by Board of Directors of the Commission, and their functions are to be defined in accordance with rules of procedures of the Commission.

Fifth. The Headquarters of the Commission shall be in Baghdad. The Commission, has the right to appoint its representatives in the Regions and Provinces.

Sixth. The National Investment Commission shall establish a general national strategic policy for investment, and will determine the priority sectors. And will develop the investment projects map in Iraq in light of the information obtained from the Region and Province Investment Commission. It will also prepare lists of investment opportunities in the strategic and federal investment projects with preliminary information about these projects and providing it to those interested in investment.

Article 5

First: In the regions and governorates that are not affiliated with a region, Investment Commissions are to be formed, which have corporate personalities, and are represented by their heads or anyone authorized by the head, and are funded from the region or governorate budget, and have the authority to issue Investment Licenses, investment planning, and encouragement, and can open branches in the area where they have jurisdiction in coordination with the National Commission of Investment to ensure that the law is properly enforced.

Second A: Head of Province Commission shall be appointed in accordance with provisions of item Ninth /1 of Article 7 of the second amendment to the law of Provinces not affiliated with a region No. (21) of 2008, and be the head of the Board of Directors that would be with expertise and specialization, and should have functional experience of not less than (10) Ten Years after earning undergraduate university degree, and appointed as a Director General for Five years, renewable for one term only.

B- The head of the commission has a deputy to be appointed in the post of an assistant Director General with expertise and specialization, and has functional experience of not less than (10) Ten years after earning undergraduate university degree. Deputy is to be selected out of three nominees by the Governor, and the Provincial Council not affiliated with a region. The selected one is to be approved by the Governor to be a deputy Director General for (5) five renewable years. The Deputy's task is to assume the Chairman's position in the absence of the latter.

C- The Commission has a board of directors made up of (9) Nine members including the head of the commission and his deputy.

D- The Governor in the province not affiliated with a region and after a nomination from the head of the province commission shall choose (3) Three persons from the Province employees with experience in the relevant departments and whose administrative levels of no less than Director as a part-time members in the Board of Directors for (5) Five years without rewards.

E- The Governor in the Province not affiliated with a region and after a nomination from the head of the Province commission shall choose (4) Four persons in the Private Sector who have an investment project within Iraq, with expertise and specialization, earning an undergraduate university degree, and who have committed no felony or disgraceful offence, or declared their bankruptcy, as members in the Board of Directors for (5) Five years without rewards.

F- It is stipulated that Chairman Board of Directors of the Commission in the Region or the Province not affiliated with a region, his Deputy, and his members should not be members in the Governorate Council or his deputies or his assistants.

G- Head of the commission and his deputy are not entitled to combine between their posts and other job or any another official position, they have the right to return to their previous job after their tasks finished or could apply for retirement in accordance with the law.

Third: National Investment Commission determine the mechanism of forming the province

commission, including the standards of appointing Board of Directors members and depose them in case they do not adhere to the standards and charters of the commission.

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 correspondences, the Commission may adopt electronic correspondences with official entities, Iraqi and foreign investors 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 investment license requests for projects whose capital is not less than the minimum amount determined by the Council of Ministers or the Council of Ministers of region as the case, by a regulation issued based on a proposal by the Commission.
- B. The Commission must obtain the approval of the Council of Ministers before granting the license if the value of the investment project is more than two hundred and fifty million dollars.
- C. The Commission shall make its final decision concerning the requests of investment license within a period not exceeding (45) forty five days from the date of filing a request.
- D. The decisions of the Commission regarding the approved investments projects shall be obligatory for the purposes of this law.

Article 8

The Commission shall have an independent annual budget whose revenues shall be made up of its allocated amounts in the State General Budget.

Article 9

The Commission shall promote investment by working on the following:

First: Building confidence in the investment environment, identifying investment opportunities, and promoting and stimulating investment in them.

Second: Simplifying the procedures for registration, issuing of investment projects licenses, and following up on existing projects and giving them priority in processing with the official entities. Completing the procedures of answering investor requests and obtaining the required approvals for the investor and the project.

Third: Establishing One Stop Shop includes authorized representatives from the relevant government agencies responsible the recommendation to grant the Investment License after obtaining approval of the concerned authorities in accordance with the law.

Fourth: Providing advice, information, and data to investors and issuing special manuals in this regard.

Fifth: Setting forth and implementing programs to promote investment in different areas of Iraq in order to attract investors.

Sixth: Facilitating access to establish necessary projects as determined by the Commission in coordination with the relevant authorities, as follows:

- With charges for the residential projects that fall within the basic design.
- Free of charges for the residential projects that fall outside the basic design, but does not count the value of land within the value of the residential unit sold to the citizen.
- With charges for the rest of non-residential units.

Seventh: Establishing grand investment zones with the agreement of the Council of Ministers.

Eighth: Encouraging Iraqi and Foreign investors to participate with their Iraqis counter parts by providing of loans and financial facilities for them in coordination with Ministry of Finance and other financial institutions. However, loans and financial facilities are to be considered after 25% of the project has been completed, and soft loans are to be granted for residential projects and the final beneficiary to take into account the use of the hands of an Iraqi labor force proportionate with the size of loans.

Ninth: Any other tasks related to its work and assigned by the Council of Ministers.

Chapter Three

Privileges and Guarantees

Article 10

First: The Iraqi or Foreign investor enjoy the same privileges, facilities, and guarantees. They must adhere to the obligations stated in this law.

Second A-

1:The Iraqi or Foreign investor may own lands allocated for housing projects that belongs to the State and Public Sector. The Iraqi investor may buy lands which belong to Private or Mixed Sector to set up exclusively housing projects provided they do not conflict with the uses of the Basic Design.

2- The Iraqi investor may own lands allocated for industrial projects and belongs to the State and the Public Sector, he may contract a partnership with the Foreign Investor in funding or administration, the Iraqi or Foreign investor can buy the land belongs to the Private and Mixed Sector according to a regulation issued by the Commission.

B- The investment project contract shall be concluded with the sectored authority that organizing the activity or with the Commission granted the license, but the real estate contract shall be concluded with the owner authority.

C- A mark to prevent discretion is to be placed on the property deed until the Iraqi or Foreign investor completes the execution of his obligations, with a confirmation from the investment commission that issued the license.

D- The developer or the Iraqi or the Foreign investor commits to abide by the purpose for which the land or property ownership was given, and not to trade in it, otherwise, bears comparable wage for the period of exploitation.

E- If the Developer, or the Iraqi or Foreign Investor who was given ownership of a property as per this law, failed to fulfill their obligations within the period specified in the agreement, the Real Estate Registration Administration, based on a request from the said Commission, would revoke the registration and return the property to its former owner in return for paying back the sale price after collecting comparable wage for that period.

F- The Iraqi or Foreign investor commits to make residential units within a period specified in the agreement, and to sell or lease them to citizens as per the directives issued for that purpose, the Iraqi or Foreign investor can handle the rest of the non-residential project for the long as the license is valid as per the agreement terms made with the investor.

G- The developer may transfer part of the investment project after completion percentage of 40% of the project to the secondary developer, with consent from the Commission who granted the license, the secondary developer may not transfer the ownership of the investment project only after full completion of the project.

H- Secondary Developer enjoy the benefits of this law, and subject to its obligations from the date of obtaining the investment license of the transferee of the project.

Third- A : The Iraqi or Foreign investor has the right to rent and hire properties or long lease from the State or from the Private and Mixed Sectors for the purpose of establishing investment projects

in it for a period of not more than (50) Fifty years, renewability subject to the approval of the Commission which grants the license and the relevant authority provided that the nature of the project and its economic feasibility is taken into account. The industrial projects constructed in the industrial cities shall be owned with charges and according to instructions.

B- The Investment Commission which issues the license can make an agreement(s) with the Iraqi or Foreign investor to return the project to the State, the Region, or the Governorate not affiliated with a Region after the expiry of the license period and with the terms agreed upon in the agreement signed with the investor.

C- The investor can transfer the ownership of the investment project in whole or in part during the period of the license to any other investor after securing the approval of the Commission which grants the license provided that 40% of the project has been accomplished . the new investor replaces the old one in terms of rights and obligations stipulated by the law and the agreement .

D- The Commission which grants the license can make an agreement with the Iraqi or Foreign investor to own the investment project as land and building, or just a building, depending on whether the project for housing or other purposes, after the end of the license period without enjoying the privileges, facilities and guarantees stated in this law.

E- The investor may set up an industrial investment projects and private agricultural sector stores on agricultural lands and contracts inside and outside the limits of the basic design.

F- After Agreement with the concerned commission, the Developer or the Investor may extend services of infrastructure to the boundaries of the project according to the Agreement concluded with.

G- It may be invested in the stalled projects in all sectors of strategic and federal nature to rehabilitate and implement it in coordination with the relevant authorities to obtain an investment license from the National Investment Commission exclusively.

H- It may not be possible to refer the projects completed by the government that achieve economically feasible revenue (self-finance companies) to investment.

I-Local authorities are committed to extend infrastructure services to the boundaries of the investment projects.

J- It may not be allowed to invest in disputed territories in the Provinces of Kirkuk and Salahuddin until settlement is reached through the judicial authorities or by cancelling the dissolved Revolutionary Command Council resolutions.

Fourth- A: Ministries and Departments not associated with a ministry and the municipalities in the Province are committed to provide suitable Real Estate for establishing investment projects, and inform the National Investment Commission with its numbers, areas, ownership, kind, and uses through preparing a map updated annually.

B- In case the owners of the properties do not abide to implement the provisions of paragraph (A) of this item during the period of (60) days from the date of National Investment Commission's request, the Council of Ministers has the right to transfer the ownership of these properties to the National Investment Commission without revenue, and the Commission shall allocate it for investment projects.

Fifth- Properties to be allocated for the establishment of the investment project shall be exempted from the provisions of the laws and the following decisions:

a-The Law of Sale and lease of State Assets No. (21) for the year 2013, and sets bases for calculating the charges of sale and rent in accordance with regulation to be issued for this purpose.

b- The Law of Agricultural Lands Reform and Lease for agricultural companies and individuals No. (35) of 1983, and Reorganizing Agricultural Ownership No.(42) of 1987, and Reclamation Agricultural Lands Lease Law No. (79) of 1985.

c- Industrial Investment Law No. (20) of 1998 on retain the investor port of the land allocated for them under the provisions of the law.

d- Paragraph (Second) of Dissolved Revolutionary Command Council Resolution No. (850) on 5th July 1979 as amended with the Resolution No. (940) on 21nd December 1987.

e- Resolutions of Dissolved Revolutionary Command Council No. (581) on 5th May1981, (1187) on 18th September 1982, (222) on 26th February 1977, and (165) on 1st January 1994.

Article 11

The investor shall enjoy the following benefits:

First: The investor shall have the right to take out the capital he brought into Iraq and its proceeds in accordance with the provisions of this law and pursuant to the instructions of the Central Bank of Iraq in an exchangeable currency after paying all his taxes and debts to the Iraqi Government and all other authorities.

Second: The foreign investor shall have the right to:

A. Dealing in Iraq Stock Exchange with shares and bonds that are dealt in it, and acquiring membership of private stock and mixed companies, even when there are properties within the assets of said companies.

B. Form investment portfolios in shares and bonds.

C. The Foreign Investor can open a branch for his Foreign Company in Iraq in accordance with the Law.

D. Register the Patent of his investment project in accordance with the Law.

Third: Insuring the investment project with any foreign or national insurance company it deems suitable.

Fourth: Opening accounts in Iraqi or foreign currency or both at a bank inside or outside Iraq for the licensed project.

Article 12

This law shall guarantee the following for the investor:

First: 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: A- Lack of expropriation or Nationalization of the investment project except as becoming a final judicial decision.

B- Lack of expropriation of the investment project, but to the public interest in whole or in part and in a fair compensation.

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 affect regarding the guarantees, exemptions, and rights recognized by this Law.

Chapter Four

Investor Obligations

Article 14

The investor shall observe the following:

First: To notify the National Commission for Investment, the Region or Governorate Commission in writing immediately after the installation and equipping of the fixed assets for the purposes of the project and the date of the beginning of commercial activity.

Second: To keep proper records audited by a certified accountant in Iraq in accordance with the law.

Third: To provide an economic and technical feasibility study for the project and any information, data or documents required by the Commission or other competent authorities regarding the budget of the project and the progress made in its execution.

Fourth: To keep records of the project's duty-free imported materials in accordance with the provisions of this Law and specifying the depreciation periods of these materials.

Fifth: To protect the safety of the environment and to adhere to the valid quality control systems in Iraq and international regulations accredited in this field, also the laws related to security, health, public order and values of the Iraqi society.

Sixth: To adhere to the valid Iraqi laws regarding salaries, vacations, work hours and conditions and others as a minimum.

Seventh: Commitment to the correspondence of the work progress schedule submitted by the investor with reality provided that the time difference shall not exceed six months, and that the National Commission for Investment shall set forth punitive conditions in case of exceeding the six-month period and that the Commission shall have the right to withdraw the license.

Eighth: To train and rehabilitate its Iraqi employees as well as raising their efficiency, skill and capabilities. Priority in employment and recruitment shall be given to the Iraqis.

Chapter Five

Exemptions

Article 15

First A- The project that has obtained license from the Commission shall enjoy exemption from taxes and fees for a period of (10) Ten Years as of the date of commencing commercial operation for each stage of creation of the investment project, this does not include exemption from customs duties taking into account items (First and Second) of Article(17) of the Law.

B- Exempt housing investment project of sorting fees and Real Estate registration fees, including fee of repossession housing units for citizens (Judicial fees).

Second: The Council of Ministers shall have the right to propose draft laws to extend or grant exemptions in addition to the exemptions stipulated in paragraph (First) of this Article, or provide incentives, guarantees or other benefits to any project or sector or region and for the years and percentages it deems appropriate in accordance with the nature of the activity, its geographical location and its contribution to manpower employment and its effect on driving the economic development, and for considerations of national interest.

Third: The National Commission for Investment has the right to increase the years of tax and fees exemption in a way directly proportional to the increase in the Iraqi Investor share in the project to reach fifteen years if the Iraqi Investor share in the project was more than 50%.

Article 16

If the project is moved during the granted period of the exemption from a development area to another, the project shall receive, for the purposes of the exemption mentioned in paragraph (First) of Article (15) during the remaining term, the treatment of the projects in the development areas it is moving to, provided that the Commission is informed of such move.

Article 17

The project that obtains an investment license shall also enjoy the following:

First: Assets imported for the purposes of the investment project shall be exempted from taxes and custom duties, but to be brought into Iraq through establishment stages of the project, and before starting commercial operation of each stage in accordance with basic design of the project, and the length of time for its implementation.

Second: The imported assets required for the expansion, development or modernization of the project shall be exempted from fees in case they led to an increase in the designed capacity, provided they are brought in within three years from the date of notifying the Commission of the expansion or development. Expansion, for the purposes of this law, shall mean adding fixed capital assets aimed at increasing the designed capacity of the project in commodities or services or materials by a percentage exceeding (15%) fifteen percent. Development, for the purposes of

this law, shall mean replacing project machines with more developed ones, totally or partially or making a development on the standing devices and equipments of the project by adding new machines and devices or parts thereof with the aim of raising the productive efficiency or improving and developing the quality of the products and services.

Third: Spare parts imported for the purposes of the project shall be exempted from fees if the value of these parts does not exceeded (20%) twenty percent of the fixed assets value, provided that they are not be used for any other purpose.

Fourth: Hotels, tourist institutions, hospitals, health institutions, rehabilitation centers and educational and scientific organizations projects shall be granted additional exemptions from duties and taxes on their imports of furniture, furnishings and requisites for renewing and updating purposes at least once every four years, provided that these items are brought into Iraq or used in the project within (3) three years from the date of the approval decision of the Commission on the import lists and their quantities, and provided that these items are not used for purposes other than the imported purposes.

Fifth A: Exemption of imported raw materials for purposes of commercial operation of the project from taxes and customs duties that involve in manufacturing materials of ration card items, medicine, and construction (except the raw materials available and produced in Iraq) provided they are environmentally friendly.

B- Except what is mentioned in paragraph (A) of this item, exempt raw material imported for purposes of commercial operation of the project from taxes and custom duties according to proportions of contribution of local materials in manufacturing the product, and determined with standards laid down by the National Investment Commission in coordination with sector competent authorities.

Article 18

If it is found that the fixed assets exempted, in whole or in part, from taxes or fees were sold in violation of the provisions of this law or were used in anything other than the project or for purposes other than the authorized purposes, the investor must pay the taxes, fees, and fines incurred pursuant to the law.

Chapter Six

Procedures for Granting Investment and Project Establishment License

Article 19

First: The investor shall obtain the license in addition to obtain the rest of the licenses for the purpose of enjoying the privileges and exemptions provided by the Commission.

Second : The Commission shall grant the investment license to construct the project based on a request submitted by the investor. The request submitted by the investor shall include the following:

A- Application form prepared by the Commission

B- Project financing plan coupled with ensuring funding source from an accredited financial institution.

C- Projects performed by the investor or their partners inside or outside Iraq, and authorities supporting them in implementation.

D- Details of the project intended to invest in and its economic feasibility.

E- A timetable for completing the project.

Third: After receiving the investment license, the investor shall be granted a special identity card, he will enjoy of all privileges that regulated with instructions and regulations issued by the National Investment Commission, and approved by the Council of Ministers.

Article 20

First: The Commission must issue the investment license through establishing One Stop Shop which includes authorized representatives of ministries and relevant bodies.

Second:

A- The Commission through One Stop Shop shall coordinate with sectoral bodies by their authorized delegates referred to in item (First) above on obtaining its approval on the investment project, and such bodies will issue their approval or rejection or request to amend within (15) Fifteen days from the date of notification, the delegate of governmental authority shall adhere to obtain an answer during that period, the lack of response from the authority that requested its opinion shall be considered as approval, and in case of rejection it should be causative.

B- In case of passing of the period referred to in paragraph (A) in item (Second) above, or in case non-causative rejection, or arbitrary rejection, the One Stop Shop is entitled to submit its recommendation to grant the investment license to the Head of the concerned commission, or the Board of Directors as the case in order to issue in accordance with this law.

C- All governmental authorities commit to cooperate with the Commission after issuing the investment license to accomplish requirements of investment project commencement within a period of (30) Thirty days from the date of issuance.

Third: In case of disagreement between the National Commission for Investment decision and the other relevant entity regarding the granting of the license other than the Region's Commissions, the dispute shall be brought before the Prime Minister for settlement.

Fourth:

A- When the investment license request is denied, then the applier can request reconsideration from the head of the commission of the Region or governorate not affiliated with a region within (15) fifteen days from the date of notification of the rejection. The head of the addressed commission should make a decision about the request within (7) days from the date the plea was registered in his office.

B- The plea submitter can make an objection at the National Commission of Investment within (15) fifteen days from the date the rejection decision was issued. The Commission has to make a decision about the objection within (15) fifteen days from the date it was

- registered at the office of the head of the National Commission of Investment.
- C- If the National Commission of Investment refused the investment license request submitted to it, then the requester can ask the Commission to reconsider its decision within (15) fifteen days from the date the requester was notified of the refusal decision. The Commission has to make a decision about the reconsideration plea within (7) seven days from the date it was registered at the office of the commission head. The commission's decision can be objected to at the Council of Ministers within (15) fifteen days from the date of its notification.
 - D- In case the Commission which grants the investment license withdraws it for any reason, the investor can appeal before the Head of the concerned Commission within (15) Fifteen days from the date of registration the appeal, the Head of the Commission should take his decision within (15) Fifteen days from the date of complaint registration, the lack of response during this period considered as a rejection to the Complaint.
 - E- The appellant who his complaint has been rejected as a judgment or lack of response can complain before the Chairman of the National Investment Commission within (15) Fifteen days from the date of notification, and the Chairman should take his decision within (15) Fifteen days from the date of complaint registration at his office.
 - F- If the appeal rejected, or the period stipulated in item (E) has passed without considering the complaint, Investor(s) may appeal before the jurisdiction courts.

Chapter Seven

General Provisions

Article 21

The project capital subject to the provisions of this law shall be made up of the following:

First: Cash transferred to Iraq through financial banks and companies or any other legal means with the aim of investing it for the purposes of this law.

Second: The in-kind assets and incorporeal rights imported to Iraq or purchased from the local markets by the cash transferred into Iraq:

- A. In-kind assets related to the project.
- B. The machinery, tools, equipment, buildings, constructions, transportation means, furniture and offices appliances required for establishing the project.
- C. The incorporeal rights that include patents, registered trademarks, technical know-how, engineering services, administrative and marketing services and the similar.

Third: Profits, proceeds and reserves resulting from the capital invested in Iraq in the project if the capital of such a project was increased or was invested in another project covered by the provisions of this law.

Article 22

The foreign investor shall enjoy additional privileges in accordance with international agreements signed between Iraq and his country or multilateral international agreements which Iraq has joined.

Article 23

If the project ownership is transferred during the granted period of the exemption, it shall continue to enjoy granted exemption, facilities and guarantees until the end of that period, provided that the new investor continue to work on the project in the same specialization or in another, with the approval of the Commission. The new investor must take the place of the former investor in the rights and obligations consequent to the provisions of this law.

Article 24

First: The investor, with the approval of the Commission, may sell exempted fixed assets or relinquish it to another investor benefiting from the provisions of this law, provided that he uses them in his project.

Second: The investor, after informing the Commission, may sell the exempted fixed assets to any person or other project not subject to the provisions of this law after paying the outstanding fees and taxes.

Third: The investor, with the approval of the committee, may re-export the exempted fixed assets.

Article 25

In the event two or more companies or enterprises merge, the new company or entity resulting from the merger must set up separate accounts for each project before the merger in order to register and apply exemptions and facilitations stipulated in this law during the remaining period of the exemption.

Article 26

Any project approved in accordance with the provisions of the previous applicable laws shall continue to benefit from all exemptions granted to it pursuant to that law and until the expiration of the exemption period and under the same terms.

Article 27

First: Disputes arising from applying this law shall be subjected to Iraqi Law, the mandate of Iraqi Judiciary, and may agree with the investor to resort to Commercial Arbitration (National, or International) in accordance to an agreement concluded between the two parties determines Arbitration procedures, its authority, and law applicable.

Second: If a dispute between the partners occurs, the following procedures shall be followed:

a- If the work on the project has stopped for more than (3) Three months, a warning shall be directed to the investor to settle the dispute within (30) days from the date of the warning. If the investor does not response, he will bear a delay penalty proportionate with delay period, but the cumulative total of the penalty should not be more than 10% of the project cost.

b- The party breaching the obligations shall be excluded after the period specified in paragraph (A) of this item passed, and replaced with unprejudiced partner, or which is acceptable in rights and obligations after obtaining approval of the Commission that granted the license, without prejudice to the right of the Commission to withdraw the investment license after the period specified in paragraph (A) of this item.

Third: In case of the investment project has stopped because of a dispute between the investor and a third party, and after taking into account the time period set forth in paragraph (A) of this item, the Commission may take legal measures to liquidate the project, and notify the owner of the project of such action, the liquidation money shall be deposited in one of the banks after paying the assets due to the State or any other dues after final judgment of their entitlement is rendered. Also, the third party whether lender or financier, and before liquidation proceedings, the right to request the Commission that granted the license to replace the investor. Acceptance or rejection of the request returns to the Commission who grants the license.

Article 28

First: In case the investor violates any of the provisions of this law, the Commission shall take the following proceedings:

a- Warning the investor to remove the violation or commence in implementing the project within the period determined by the Commission.

b- When the investor does not remove the violation within the period prescribed by the Commission, a final warning shall be directed to the investor for a period of (30) Thirteen days from the date of warning. after that period has finished without response, a delay penalty shall be imposed which is in proportion with the amount of time disparity, but the cumulative total should not exceed 10% of the project cost.

c- When the investor described in paragraphs (a) and (b) of this item does not response, the Commission has the right to withdraw the investment license from the date of violation, and the Third party retains their right to claim compensation from the investor for damage caused as a result of the violation without prejudice to any other penalties.

Second: The Commission shall withdraw the investment license if the investor gives incorrect or misleading information, or use unlawful methods which may result in obtaining any privileges or benefit in accordance with provisions of this law.

Article 29

All areas of investments shall be subject to the provisions of this law except:

First: Investment in Oil and Gas extraction and production.

Second: Investment in banks and insurance companies sectors.

Article30

Cancelled

Article 31

The Council of Ministers shall have the right to:

First: Issue regulations to facilitate the implementation of the provisions of this law.

Second: Issue bylaws defining the Commission's formations, divisions, tasks, process of its work, its authorities, financial affairs, employee affairs and any others matters.

Article 32

The Commission may issue instructions to facilitate implementing regulations of the Council of Ministers in accordance with the provisions of this law.

Article 33

a- Provisions of this law shall apply on projects of mixed and /or private sectors on existing or operating projects at a request of its administration and approval of the commission without retroactive effect.

b- Partnership projects between the Private and Public sector shall include the public sector projects that contracted to operate or establish or rehabilitate it with the private and mixed sector under provisions of this law, after and before this law enter into force. That does not mean exemption from taxes and fees payable on those projects before the entry into force of this law.

c- Council of Ministers has the right to replace lands and facilities of the public sector in exchange for the construction of new facilities with modern production lines exception of relevant legislations in accordance with instructions issued by the Council of Ministers, that the ownership of the substituent land remains with the State.

Article 34

No text shall be valid which contradicts the provisions of this law.

Article 35

The (dissolved) CPA Order No. 39 of 2003 shall be revoked.

Article 36

The Arab Investment Law no (62) of 2002 issued by the dissolved Revolution Command Council shall be annulled.

Article 37

This Law shall enter into force from the date of its publication in the Official Gazette.

Justifying Reasons

For the purpose of driving the process of economic and social development and bringing technical and scientific experience and developing human resources, and for creating work opportunities for the Iraqis by encouraging investments and supporting the process of establishing investment projects in Iraq and their expansion and development at various economic levels and by granting privileges and exemptions for these projects, this law is legislated.