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Iraqi Legislation Guide
Amended Investment Law
With its Amendments
No (13) of 2006

قانون الإستثمار مع تعديلاته

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- Note: The masculine expression is true of the feminine one, the singular expression is true of the plural one and the person is true of the natural and legal person wherever stated in the official gazette of Iraq, unless there is a text or presumption indicating otherwise. Official (Publishing Law / Article 3 / First). The translator.

In the name of people Presidency council

In accordance with what have been decided by the parliament pursuant to the provision of Para (first) of article (61) of the constitution, and in view of passing the legal duration stipulated in Para (Fifth/a) of article (138) of constitution.

The following law has been issued:

**Law no (13) of 2006
Amended Investment Law ¹
Chapter one
Definitions**

Article 1

The following phrases, for the purpose of this law, shall mean the meanings shown opposite to them:²



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First: The council: the cabinet

Second: The commission: The national commission for the investment, the commission of region or the commission of the province as the case may be.

Third: the chairman of the commission: the chairman of the national commission for the investment, the chairman of the commission of region or the chairman of the commission of investment of the province.

Fourth: The commission of the region: The commission of the investment in the region that responsible for investment planning and granting the investment licenses in the region.

Fifth: The commission of the province: The commission of the investment in the province that not annexed to region which is responsible for investment planning and granting the licenses of investment in the province.

Sixth: Employing capital in any activity or economic project that benefits the national economy in accordance with the provisions of this law.

Seventh: The project: The economic activity that included in the provisions of this law.

Eighth: Assets: machines, devices, equipment, vehicles, tools, transportation, raw materials, supplies, office furniture for using exclusively in the project, furniture and supplies of hotels, tourist cities and health and educational institutions..

Ninth: the Iraqi investor: A person who has a license of investment, and who holds Iraqi nationality whether if he is natural personality or juristic personality registered in Iraq.



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Tenth: The foreign investor: the person who has an investment license and does not hold the Iraqi nationality whether if he is natural personality or juristic personality registered in foreign state.

Eleventh: Areas of investment: Areas proposed by the national investment commission which has integrated economic activity in various sectors after the approval of the council of ministers.

Twelfth: The developer: Any natural or legal person holds an investment license for strategic projects in the sectors of housing cities and investment areas, or any other developing sector out of the basic design, suggested by the commission and approved by the council of ministers.

Thirteenth: Secondary developer: Any natural or legal person to whom part of the ownership of the business is transferred for the purpose of developing it within the projects of major residential cities and investment areas or 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 production capacity designed within a specific time unit as documented in the documents contained with the machines received from the supplier and the economic feasibility of the project.

Fifteenth: Investment Portfolio: A group of investments in stocks and bonds.

Sixteenth: Replacement: Replacement of unused lands and facilities with economically feasible ones.



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Objectives and Means

Article 2

This law aims at the following:

- First: Encouraging investments and transfer of modern technologies to contribute to the development of Iraq and to expand its production and service base and diversifying it.
- Second: Encouraging the private Iraqi, foreign and mixed sectors to invest in Iraq by providing the necessary facilities to establish investment projects and enhancing the competitiveness of projects covered by the provisions of this law in the domestic and foreign markets.³
- Third: Developing human resources according to market requirements and providing job opportunities for Iraqis.
- Fourth: Protecting the rights and properties of investors.
- Fifth: Expanding exports and enhancing the balance of payments and the Iraqi trade balance.

Article 3

The following means shall be adopted to achieve the objectives of this project:

- First: Granting the projects covered by the provisions of this law the privileges and guarantees necessary for their investment and development through providing support in such a way as to enhance the competitiveness of such projects in the local and foreign markets.
- Second: Granting the projects that have been given an investment license by the commission additional facilities and exemptions from taxes and fees as provided in this law.



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Chapter Two The National Investment commission and the Investment commissions in the region and provinces

Article 4

- First: A commission called the National Investment commission shall be formed by virtue of this law. It shall have the juristic personality represented by the chairman of the commission or his representative. It shall be responsible for drawing up the national investment policy, laying criteria for it and monitoring its application, and shall be competent in strategic projects and projects of a federal nature.⁴
- Second: The National Investment commission shall be managed by a board of directors consisting of (11) eleven members with experience and competence holding initial university degrees commensurate with the competence of the commission.⁵
- Thirdly: a. The council of ministers shall nominate, at the request of its president, a chairman of the commission with the rank of minister and vice-chairman at the rank of undersecretary for a period of five years, and they shall be presented to the parliament for approval.
- b. The prime minister, by nomination of the chairman of the commission, shall elect five members, these members shall represent the public sector from the relevant bodies, provided that their rank are not less than a director general, and shall be part-time members of the board of directors of the commission for a period of (5) five years without remunerations.⁶
- c. The prime minister shall select four members of the private sector for a period of (5) years who have an investment project inside Iraq and are not convicted of a common felony or honour misdemeanour, or those who



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have been declared bankrupt after being nominated by the chairman of the national investment commission without remunerations.⁷

- d. The mandate of the chairman of the commission and his deputy may be extended at the end of the period specified in paragraph (a) of this item for one time, within a period not exceeding (60) days from the date of expiry of the mandate.⁸
- e. The council of ministers may dismiss the chairman of the national investment commission and his deputy at the request of the prime minister and for reasons of dismissal and by the approval of the parliament.⁹
- f. The council of ministers may dismiss any member of the national commission for investment or replace others in case of non-compliance with the standards and regulations of the commission.
- g. The board of directors of the national investment commission shall meet at the invitation of its chairman, and the quorum of the meeting and making the decisions and recommendations shall be determined by an absolute majority. The workflow shall be organized by a bylaw issued by the commission.
- h. The National investment commission will be linked to the Prime Minister.
- i. The system of salaries and dues of the employees of the commission shall be determined on the proposal of the chairman of the national investment commission and by a decision of the prime minister.

Fourth: a. The National Investment Commission shall consist of the following offices and departments:¹⁰

1. Administrative and Financial office
2. Legal office
3. Economic and technical office
4. Relations and Information office
5. One-stop service and investor Services office



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6. Coordination with the provinces department
7. Internal audit and censorship department
8. Department of Technology and Information
9. Contracts department
10. Security permits department
11. Chairman of the commission office

b. Chairman of the national investment commission may create departments as needed and necessary for them, and by the approval of the board of directors of the commission and determining its functions in accordance with the rules of procedure of the commission.

Fifth: The centre of the national investment commission shall be in Baghdad and it may appoint representatives in the region and the provinces.

Sixth: The national investment commission shall lay a general national strategy for investment and identify the most important sectors and prepare a map of investment projects in Iraq in the light of information obtained from the investment bodies in the region and the provinces, as well as lists of investment opportunities in strategic and federal investment projects with preliminary information about these projects and providing them to those willing to invest.

Article 5

First: Provinces and regions that are not annexed to a region may form investment commissions under their control shall be enjoyed the legal personality and represented by a chairman or his authorized representative, and shall be funded by the budget of the region or the province, and has the powers to grant investment licenses, investment planning, encouraging the investment and have the opening of branches in the areas under their jurisdiction in coordination



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with the national investment commission to ensure the good law enforcement.

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- Second: a. Head of the province shall be appointed in accordance with the provisions of item (ninth/1) of article (7) of 2008 of the second amendment law for the law of provinces not annexed to a region no. (21) of 2008, and shall be the chairman of the board of directors of the commission, provided that he is experienced and competent and has a functional experience of not less than (10) ten years, after obtaining a preliminary university degree, and shall be appointed with the title of general director for a period of (5) five years and extendable for once.¹²
- b. The chairman of the commission has a deputy appointed under the title of assistant general director, with experience and specialization, and has a functional experience not less than (10) ten years after obtaining a preliminary university degree. He shall be chosen from among three persons selected by the governor, and the provincial council shall select one of them in the province not annexed to a region, and shall be approved by the governor to be a deputy for a period of five (5) years renewable and replace the chairman of the commission in his absence.
- c. The commission shall have a board of directors consisting of (9) nine members, including the chairman and vice chairman.
- d. Three governorate employees who work in the relevant departments and their functional ranks are not less than a director shall be chosen by the governor in the provinces not annexed to a region, to be part-time members of the board of directors for a period of five (5) years without remunerations.
- e. The governor in the province which is not annexed to a region, and by the nomination of the head of the governorate, shall choose (4) four persons from the private sector, who have an investment project inside Iraq, and



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who have experience and specialization and holding an preliminary university degree, and are not convicted a common felony or honour misdemeanour, or who are no announced as bankrupt, to be members of the board of directors for (5) years without remunerations.

- f. The chairman of the board of directors of the commission in the region or in the governorate not annexed to the region, his deputy and his members must not be members of the provincial council, the governor, his deputies or his assistants.
- g. The chairman and vice-chairman of the commission shall not be allowed to combine his job with any other official job or post, and shall have the right to return to his former post after the end of his jobs or to be referred to retirement in accordance with the law.

Third: The National Investment Commission shall determine the mechanism for the formation of the province, including the criteria for appointing members board of directors and their dismissal in the event of non-compliance with the standards and instructions of the Commission. ¹³

Fourth: The regional and province commissions coordinate their work with the national investment commission, and coordinate with and consult local governments regarding investment plans and facilities

Fifth: The regional and provincial commissions shall lay their investment plans in a way that does not contradict the federal investment policy, and shall prepare lists of investment opportunities in the areas under their jurisdiction with preliminary information on these projects and shall provide them for those willing to invest.

Sixth: The region's commission shall be linked to the prime minister of the region and shall be subject to the supervision of the provincial council. The province's commission shall be linked to the governor and shall be subject to the



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supervision of the provincial council in a manner that does not contradict the provisions of this law.

Seventh: The board of directors of regional and governorate commissions shall meet at the invitation of its president, and shall determine the quorum of the meeting and making decisions and recommendations by an absolute majority and shall regulate the operation of a rule of procedures issued by the commission.

Article 6

The Commission shall adopt electronic correspondence in addition to the regular correspondence between it and the official authorities and foreign and Iraqi investors related to the work and activities of the commission through local networks or the international network in accordance with the regulations determined by the commission.¹⁴

Article 7

- a. The Commission shall accept applications for investment licenses for projects whose capital is not less than the minimum determined by the council of ministers or the council of ministers of the Region, as the case may be, by a system issued by commission's suggestion.
- b. The commission shall obtain the approval of the council of ministers before granting the license, if the amount of the investment project is more than two hundred and fifty million dollars.
- c. The commission must decide on applications for investment licenses within a period not exceeding (45) days from the date of submitting the application.
- d. The commission's decisions regarding approved investment projects shall be binding for the purposes of this Law.



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Article 8

The commission has an independent annual budget whose resources consist of the amounts that are subject to it from the general budget of the state.

Article 9

The commission aims to encourage investment by working on the following:

First: Enhancing confidence in the investment environment, identifying investment opportunities and encouraging and promoting investment in them.

Second: Simplifying the procedures of registration and license for investment projects, following-up existing projects, giving them priority in the achievement of official authorities and completing the procedures of answering investors' requests and obtain the necessary approvals for the investor and the project.

Third: Establishing a single window comprising authorized representatives of the relevant government agencies which shall recommend granting of the investment license after obtaining the approval of the concerned authorities in accordance with the law ¹⁵

Fourth: Providing advice and providing information and data to investors and issuing the relevant bulletins.

Fifth: Laying programs to promote investment in various regions of Iraq to attract investors and implementing them.

Sixth: Facilitating the earning of real estate required for the establishment of projects in the form determined by the commission in coordination with the relevant authorities as follows ¹⁶:

1. Allowance for residential projects that fall within the basic design.
2. Without allowance for residential projects that fall outside the basic design, provided that the value of land is not counted within the value of the residential unit sold to the citizen.



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3. Allowance for the rest of non-residential projects.

Seventh: Working on the establishment of large investment areas by the approval of the council of ministers.¹⁷

Eighth: Encouraging Iraqi and foreign investors to participate with the Iraqis by providing loans and financial facilities to them in coordination with the ministry of finance and other financial institutions, provided that the investor should complete 25% of the project and guarantee of the project's facilities, and simplified loans for the residential projects and the ultimate beneficiary, provided that using Iraqi working hands commensurate with the amount of the loan.¹⁸

Ninth: Any other tasks related to the nature of its work that commissioned by the council of ministers.

Chapter Three Advantages and Guarantees

Article 10

First: The Iraqi or foreign investor shall enjoy all the privileges, facilities and guarantees and shall be subject to the obligations stipulated in this Law.¹⁹

Second: a. 1. Lands assigned for residential projects belonging to the state and the public sector may be put in the possession of the Iraqi or foreign investor, and the Iraqi or foreign investor may purchase land belonging to the private or mixed sector for the establishment of



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- housing projects inclusively, provided that they do not conflict with the basic design uses.
2. The lands assigned to the industrial projects and belong to the state and the public sector may be put in the possession of the Iraqi or foreign investor. A partnership may be established with the foreign investor in financing or administration. The Iraqi investor may purchase the land belonging to the private or mixed sector according to a regulation issued by the commission.
 - b. The investment project contract shall be entered into with the sectorial body organizing the activity or with the commission granting the license, provided that the contract signed with the real estate is entered into with the proprietor.
 - c. A reference to non-disposal on the title of property shall be put, until the fulfilment of the Iraqi or foreign investor his obligations by the support of the investment commission granting the license.
 - d. The Iraqi or foreign developer or investor shall be bound by the purpose for which the property is owned, and by not speculating therein, otherwise he shall bear the analogous rental of the period of exploitation.
 - e. In the event that the developer or the Iraqi investor or the foreigner who owns the property under this Law fails to fulfil his obligations within the period specified in the agreement concluded, the real estate registration office shall, at the request of the commission, cancel the registration and return the property to its former owner in return for the return of the sale allowance to him after the payment of the analogous rental for that period.
 - f. The Iraqi or foreign investor shall commit to construct residential units during the period specified in the agreement and sell them or rent them to the citizens in accordance with instructions issued for this purpose. The Iraqi investor or foreigner may act with the rest of the non-



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- residential project throughout the license period in accordance with the terms of the agreement concluded with him.
- g. The developer shall transfer the ownership of part of the project after completion of 40% of the project to the secondary developer and with the approval of the licensing commission. The secondary developer must not transfer the ownership of the investment project until the completion of the entire project.
- h. The secondary developer shall enjoy the benefits of this law and shall be subject to its obligations from the date of his obtaining an investment license to the transferred part of the project.
- Third: a. The Iraqi or foreign investor has the right to rent or lease real estate or the (Musataha) (Is an real right that authorizes the owner to construct a building or other facilities other than plantation on the land of others under an agreement between him and the owner of the land. This agreement shall specify the rights of this concession and its obligations. The right of the "Musataha" must be registered in the real estate registration office. The translator) from the state or the private and mixed sectors for the purpose of establishing investment projects of more than (50) fifty years renewable with the approval of the commission granting the license and the relevant party after taking into account the nature of the project and economic feasibility of it, except industrial projects built in the industrial cities that shall be put into possession under the allowance and instructions.
- b. The Investment commission granting the investment may enter into agreement with the Iraqi or foreign investor to return the project to the state or territory or province not annexed to a region after the end of the license period and under the conditions contained in the agreement with him.
- c. The investor may transfer the ownership of the investment project in whole or in part within a period of license duration to any other investor after obtaining the approval of the commission granting the license on



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the condition of completion of 40% of the project and, the new investor shall replace the former one in the rights and obligations ensuing from it in accordance with the law and the agreement concluded with him.

- d. The granting commission may agree with the Iraqi or foreign investor whether the investment project shall remain the property of the investor as land and construction or construction only according to whether the project is residential or non-residential respectively and the successively after the end of the license period, without enjoying the benefits and facilities and guarantees provided in this law.
- e. Investor may set up industrial investment projects and warehouses for the agricultural sector on agricultural lands and agricultural contracts within and outside the boundaries of the basic design.
- f. The developer or investor may, in agreement with the concerned commission, deliver infrastructure services to the project boundaries in accordance with the agreement entered into with him.
- g - Investing in suspended projects in all sectors of the strategic and federal nature may be rehabilitated and implemented in coordination with the relevant authorities to obtain the investment license from the national investment commission exclusively.
- h. Projects implemented by the government that generate economically viable revenues (self-financing companies) may not be referred to investment.
- i. Local authorities are committed to delivering external infrastructure services to the borders of investment projects.
- J. It is not permissible to invest in disputed territories in the provinces of Kirkuk and Salah al-Din until the issue is resolved by the judicial authorities or revoking the decisions of the dissolved revolutionary command council.

Fourth: a. The ministries and entities not affiliated with the ministry and municipalities in the province shall commit to provide suitable



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properties for the establishment of investment projects on it, and inform the national investment commission about their figures, areas, properties, categories and uses through the preparation of a map to be updated annually.

- b. In the case of non-compliance of the owners of real estate to implement the provisions of paragraph (a) of this item within a period of (60) days from the date of the request of the national investment commission, the council of ministers may transfer the ownership of lands to the commission without allowance and the commission allocated for investment projects.

Fifth: The properties allocated for the establishment of investment projects are excluded from the provisions of the following laws and resolutions:

- a. Law of selling and renting state funds No. (21) of 2013, and to be set the basis for the calculation of sales and rent allowances according to a regulation issued for this purpose.
- b. Tenancy Law for agricultural reform lands for agricultural companies and individuals No. (35) of 1983, restructuring agricultural property Law No. (42) of 1987 and the Law of Renting reclaimed agricultural Lands No. (79) of 1985.
- c. Industrial investment law No. (20) of 1998 regarding the investor's retention of the plot of land allocated to him under provisions of this law.
- d. Paragraph (Second) of the revolution command council (dissolved) decree no. (850) on 05/07/1979 amended by resolution No. (940) in 21/12/1987 .
- e. Decisions of the Revolution Command Council (dissolved) no. (581) in 1981/5/5 and (1187) in 18/9/1982 and (222) in 26/2/1977 and (165) in 1/1/1994.



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Article 11

The investor shall enjoy the following benefits:

First: Taking out the capital that he has entered into Iraq and its revenues in accordance with the provisions of this law and the instructions of the Central Bank of Iraq and in a exchangeable currency, after paying its obligations and debts to the Iraqi government and all other entities .

Second: The foreign investor may:

- a. Trading in the Iraq stock exchange with shares and bonds listed therein, and acquiring membership in private and mixed stock companies, and this does not preclude the existence of real estate within the assets of the said companies. ²⁰
- b. Establishment of investment portfolios in shares and bonds .
- c. Opening a branch of his foreign company in Iraq according to the law. ²¹
- d. Registration of the patent for his investment project in accordance with the law. ²²

Third: ²³

Fourth: Insurance of the investment project in any national or foreign insurance company deemed appropriate.

Fifth: Opening accounts in Iraqi or foreign currency or both at one of the banks in Iraq or outside the licensed project.

Article 12

This law guarantees the investor the following:

First: The investor has the right to employ non-Iraqi workers in the event that it is not possible to employ an Iraqi who has the necessary qualifications and is capable of performing the same task in accordance with the regulations issued by the commission.



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Second: Granting the foreign investor and workers in investment projects of non-Iraqis the right to reside in Iraq and facilitate entry and exit from and to Iraq.

Third: ⁽²⁴⁾

- a. No expropriation or nationalization of the investment project, except by a final judicial ruling.
- b. The ownership of the investment project must not be expropriated except for the public interest in whole or in part and with a fair compensation.

Fourth: The non-Iraqi technical and administrative personnel in the project may transfer their salaries and compensations outside Iraq in accordance with the law after fulfilling their obligations and debts to the Iraqi government and all other parties.

Article 13

Any amendment to this Law shall not have any retroactive effect prejudice the guarantees, exemptions and rights prescribed thereunder.

Chapter Four Investor Obligations

Article 14

The investor shall abide by the following:

First: Notification of the national investment commission, the regional commission or provincial commission as the case may be in writing immediately after the completion of the installing and providing the assets for the purposes of the project and the date of commencement of the business.



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- Second: keeping the fundamental accounts audited by a certified legal accountant in Iraq in accordance with the law.
- Third: Submitting the economic and technical feasibility study for the project and any information, data or documents required by the commission or other competent authorities in relation to the budget of the project and the progress achieved in its completion.
- Fourth: Keeping records of the materials imported for the project and exempted from fees in accordance with the provisions of this law, and specifying the exhaustion dates of these materials.
- Fifth: Maintaining the integrity of the environment and the commitment to the quality control systems in force in Iraq and the global systems adopted in this area and laws related to security, health, public order and the values of Iraqi society.
- Sixth: Abiding by the Iraqi laws in force in the fields of salaries, vacations, hours, working conditions and others as a minimum.
- Seventh: Committing to match the schedule of progress of the work provided by the investor with the sites, provided that the time difference is not more than six months and the national investment commission to lay penalty conditions in case of exceeding the period of six months, and the commission may withdraw the license.
- Eighth: Training and rehabilitation of Iraqi employees, increasing their competence, raising their skills and abilities, and priority should be given to employing and recruiting Iraqi workers.



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Chapter Five Exemptions

Article 15

- First: a. The project obtaining the investment license from the investment commission shall enjoy exemption from taxes and fees for (10) ten years from the date of commencement of commercial operation for each stage of the establishment of the project, this shall not include exemption from customs, taking into account the items (first and second) of article (17) of the Law. ²⁵
- b. Exemption of the residential investment project from the fees of the real estate partition and registration fees including the fees for the transfer of residential units to citizens (legal fees).
- Second: The Council of ministers may propose draft laws to extend or grant exemptions in addition to the exemptions stipulated in item (1) of this article or provide incentives, guarantees or other advantages to any project, sector or area and the periods and percentages it deems appropriate according to the nature of the activity, In the employment of labour and in the promotion of economic development, in accordance with the national interest.
- Third: The National commission for investment may increase the number of years of exemption from taxes and fees directly proportional to the increase in the proportion of participation of the Iraqi investor in the project to (15) fifty five years if the proportion of the partnership of the Iraqi investor in the project more than 50%



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Article 16

If the project is transferred during the period of exemption granted from a development zone to another development zone, the project shall, for the purposes of exemption provided for in item (1) of article (15) during the remaining period, be treated the same treatment as the transferred development area, Provided to inform the National Investment commission.

Article 17

The project that has an investment license also enjoys the following:

First: Exempting the assets imported for the purposes of the investment project from taxes and customs fees, provided that to be entered into Iraq during the stages of the establishment of the project and before starting commercial operation of each stage of its stages according to the basic design of the project and the duration of its implementation. ²⁶

Second: The imported assets required to expand, develop or update the project shall be exempted from fees if this increases the design capacity, provided that it is introduced within three (3) years from the date of notifying commission of expansion or development. The expansion is intended for the purpose of this law to add fixed capital assets in order to increase the design capacity of the project of goods, services or materials by more than (15%). As for the development intended for the purpose of this law is to replace advanced machines with project machines partially or wholly, or developing the devices and equipment existing in the project by adding new machines or devices or parts thereof in order to raise production efficiency or improve and develop the type of products and services.

Third: Spare parts imported for the purposes of the project shall be exempted from fees, provided that the value of these pieces does not exceed (20%) twenty per cent of the amount of the purchase of the assets, provided that the investor does not dispose of them other than purposes they imported for.



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Fourth: Projects of hotels, tourist institutions, hospitals, health institutions, rehabilitation centres, educational and scientific institutions shall be granted additional exemptions from the importation of furniture, and supplies for the purposes of modernization and renewal every four (4) years at least, provided that they are introduced into Iraq or used in the project within (3) years from the date of the commission's decision to approve the import lists and quantities, provided that they are not used for other than purposes imported for them.

Fifth ²⁷: a. Exempting the imported raw materials for the purposes of commercial operation of the project from taxes, customs, and the intervening in the manufacture of items of ration card, medicines and construction (except for the raw materials available and produced in Iraq), provided that they are environmentally friendly.

b. Except as provided in paragraph (a) of this item, the raw materials shall be exempted imported for the commercial operation of the project of taxes and customs duties according to the contribution of local materials in the manufacture of the product, provided that to be determined by the controls set by the national investment commission in coordination with the sectorial authorities.

Article 18

If it is found that the exempted-from-taxes-and-fees assets of the project, all or some of them, have been sold contrary to the provisions of this law, or used illegally, or used in other than the authorized purposes, the investor must pay the taxes, fees and fines ensued in accordance with the law.



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Chapter Six Procedure of granting investment licenses and establishing projects

Article 19

First: The investor shall obtain the license in addition to obtaining the rest of the licenses for the purpose of enjoying the benefits and exemptions offered by the commission.

Second: The commission shall grant the investment license for the establishment of the project at the request of the investor. The application submitted by the investor shall include the following: ²⁸

- a. The application form prepared by the commission.
- b. The project financing plan, together with the guarantee of the financing by an approved financial institution.
- c. Projects carried out by the investor or his partners in or outside Iraq and the supporting bodies in their implementation.
- d. Details of the project to be invested and economic feasibility.
- e. A timetable for completion of the project.

Third: Granting the investor after obtaining the investment license an identity for investors under which he shall enjoy the privileges, and they shall be regulated by the instructions and controls issued by the national investment commission and approved by the council of ministers. ²⁹

Article 20

First: The commission shall issue the investment license through the establishment of a single window comprising authorized delegates from the ministries and related parties. ³⁰



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- Second: a. The commission shall, through the single window, approaching the sectorial entities through their authorized delegates referred to in item (1) regarding obtaining their approval of the investment project. These entities must issue their decision to approve the investment project. Those parties must issue their decision to approve, reject or request amendment within fifteen (15) days from the date of notification thereof. The representative of the governmental bodies shall be commit to obtain the answer during that period. The non-response by the party required give the opinion during the above period shall be deemed as approval. In case of rejection, it must be reasoned
- b. The single window may, in the event of the passage of the period referred to in paragraph (a) of item (ii) above or in the case of non-causeless rejection or arbitrary rejection by the sectorial authorities, submit its recommendation to grant the investment license to the chairman of the concerned commission or the board of directors as the case may be, with a view to issuing it in accordance with this law.³¹
- c. All government entities shall abide by the issuance of the investment license in cooperation with the commission to fulfil the requirements of starting the investment project within thirty (30) days from the date of its issue.
- Third: In the case of disagreement between the decision of the national investment commission and the other relevant entity on the granting of a license to establish other than the commission of the regions, disagreement shall raise to the prime minister to decide no it.
- Fourth:³²
- a. Upon rejection of the application for foundation, the applicant may request the head of the regional or non-governorate commission to review it within fifteen (15) days from the date of notification of the rejection decision. The head of the concerned commission shall decide the application within (7) days from the date of registration In his office.



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- b. The applicant may object to the national investment commission within fifteen (15) days from the date of issue of the rejection decision. The commission must decide on the objection within fifteen (15) days from the date of its registration in the office of the chairman of the national investment commission.
- c. If the national investment commission rejects the application for incorporation submitted to it, then the applicant may request the commission to review it within (15) fifteen days from the date of notification of the rejection decision. The Commission shall decide on the application within seven (7) days from the date of its registration in the office of the Chairman of the commission, and its decision can be challenged by the council of ministers within (15) fifteen days from the date of notification.
- d. The investor may lodge a complaint with the chairman of the commission concerned within fifteen (15) days from date of notification thereof. The chairman of the commission must decide on it within fifteen (15) days from the date of registering the grievance with the commission. The non-response during this period considered as a refusal to appeal.³²
- e. The complainant, whose grievance has been rejected inclusively or actually may lodge a grievance with the chairman of the national investment commission within fifteen (15) days from the date of notification of the rejection decision. The chairman of the commission shall decide on the grievance within fifteen (15) days from the date of registering the grievance in his office.
- f. If the appeal has been rejected or the period stipulated in item (e) has expired of this article without considering the complaint, applicant may appeal before the competent courts.



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Chapter Seven

General Provisions

Article 21

The capital of the project covered by the provisions of this law shall consist of the following:

- First: Cash transferred to Iraq through banks and financial companies or any other legal method for investment for the purposes of this law.
- Second: Funds in kind and moral rights supplied to Iraq or purchased from the local markets by cash transferred to Iraq are:
- a. In- kind funds related to the project.
 - b. Machinery, equipment, buildings, construction, means of transport, furniture and office supplies required for the establishment of the project.
 - c. Moral rights which include patents, registered technical well-known trademarks, engineering, administrative, marketing services and the like.
- Third: The profits, revenues and reserves resulting from capital investment in Iraq in the project if the capital of this project is increased or if it is invested in another project covered by the provisions of this law.

Article 22

Foreign investors shall enjoy additional privileges in accordance with international agreements between Iraq and his state, or multilateral international agreements to which Iraq has acceded.



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Article 23

If the ownership of the project is transferred during the period of exemption granted to it, the project shall continue to enjoy the exemptions, facilities and guarantees granted until the expiry of that period, provided that the new investor continues to work in the project in the same field or in another field after the approval of the commission, and replaces the previous investor in the rights and obligations arising under the provisions of this law.

Article 24

First: The investor may, with the approval of the commission, sell or waive the exempted assets to another investor benefiting from the provisions of this law, provided that he shall use them in his project.

Second: The investor may, after notifying the commission, sell the exempted assets to any other person or project not covered by the provisions of this law after paying the fees and taxes due thereon.

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

Article 25

If two or more companies or enterprises merge, the new company or entity resulting from this merger shall be bound by establishing separate accounts for each project prior to the merger, for registering and applying the exemptions and facilities provided for in this law during the remaining period of the exemption.



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Article 26

Any project approved under the provisions of the preceding laws shall continue to benefit from the exemptions granted to it under that Law until the expiry of the exemption period and its conditions.

Article 27

First: Disputes resulting from the application of this law shall be subject to Iraqi law and the jurisdiction of the Iraqi judiciary. It may be agreed with the investor to resort to commercial arbitration (national or international) pursuant to an agreement concluded between the two parties, according to which the arbitration proceedings and the applicable law shall be determined.³⁴

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

- a. If the project is suspended for a period of more than 30 (three) months, then the investor shall be notified of settlement of the dispute within thirty (30) days from the date of the notification, and in case of non-response, the delayed investor shall be bearded with a delay penalty commensurate with the delay period, provided that the cumulative shall not exceed (10%) ten per cent of the cost of the project.
- b. The party that breached his obligations shall be excluded after the period specified in paragraph (a) of this item and the non-breaching partner or the person who is satisfied by him shall replace him in rights and obligations after obtaining the approval of the granting authority and without prejudice to the right of the commission to withdraw the investment license after the stipulated period in paragraph (a) of this item.



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Third: In the case of suspension of work in the investment project due to the dispute between the investor and third parties, and after taking into account the period stipulated in paragraph (a) of this item, the commission may take the legal procedures to liquidate the project with notifying the project owner and depositing the amount of liquidation in a bank after the fulfillment of the right of the state or any rights of others is fixed by a court ruling to entitle them. Moreover, the third party, if he is the lender or the financier, has the right before the commencement of the liquidation proceedings by requiring the commission to grant the license to replace the investor, the question of whether or not to accept such application shall be due to the granting commission.

Article 28

First: In case the investor violating the provisions of this law, the commission may take the following actions: ³⁵

- a. Notifying the investor to remove the violation or start the implementation of the project during the period determined by the commission.
- b. If the investor fails to remove the violation during the period specified by the commission, a final warning shall be given to the investor for (30) thirty days from the date of the warning. By the end of the period, a delay penalty shall be imposed commensurate with the amount of time variance, provided that the cumulative total shall not exceed 10% of the cost of the project.
- c. When the investor stipulated in paragraphs (a) and (b) of this item fails to comply with the provisions, the commission may withdraw the investment license of the project from the date of the violation; with others retain the right to claim compensation against the investor for the damage caused by the violation without prejudice to any penalties other.



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Second: The commission shall withdraw the investment license if the investor gives incorrect or misleading information or illegal methods resulting in obtaining any privilege or benefit in accordance with the provisions of this law.

Article 29

All areas of investment shall be subject to the provisions of this Law except as follows:

First: Investment in the extraction and production of oil and gas.

Second: Investment in the banking and insurance companies.

Article 30

Council of Ministers may:

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

Second: Issuing internal regulations that define the commission's formations, divisions, functions and workflow, the powers, financial affairs, personnel and any other matters.

Article 31

The commission may issue instructions to facilitate regulations issued by the council of ministers in accordance with the provisions of this law.

Article 32

- a. The provisions of this law shall apply to the mixed and private sector projects and the sectors existing and treated at the request of its administrations and the approval of the commission without retroactive effect.³⁶
- b. Public-private partnership projects, including private and mixed-sector projects, shall be included the provisions of this law before and after the entry into force



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of this law, provided that such exemption shall not result in any taxes and fees due before its entry into force.

- c. The council of ministers may replace the lands and establishments belonging to the public sector in exchange for the establishment of new facilities with modern production lines, to be as exception from the relevant legislations in accordance with instructions issued by the council of minister, provided that the ownership of the replaced land remains with the state.

Article 33

Any provision incompatible with the provisions of this law shall not be enforced.

Article 34

Coalition Provisional Authority (CPA) (dissolved) Order No. (39) Of 2003 shall be repealed.

Article 35

The Arab investment law issued by the dissolved revolutionary command council (dissolved) No. 62 of 2002 shall be repealed.

Article 36

This law shall be effective once it is published in the gazette.



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Footnotes

- 1 This law was published in the Iraqi Gazette, issue No. (4031) dated 17/1/2007, amended by the first amendment law of investment law No. (2) Of 2010, published in the Iraqi Gazette, issue No. (4143) dated 28 /2 /2010 amended by the second amendment law of investment law no. (50) 2015, published in the Iraqi Gazette, issue No. (4393) dated 4 /1 /2016.
- 2 The text of article (1) of the investment law no. (13) Of 2006 has been abolished and replaced by the above text under article (1) of the second amendment law of investment law no. (50) Of 2015.
- 3 The text of article (Second) of article (2) of this Law has been abolished and replaced by the above text under item (Second) of article (2) of the second amendment law of investment law no. (50) Of 2015.
4. The text of item (First) of article (4) of this law has been abolished and replaced by the above text under the item (First) of article (3) of the second amendment law of investment law no. (50) Of 2015.
- 5 The text of item (Second) of article (4) of this Law has been abolished and replaced by the above text under item (Second) of article (3) of the second amendment law of investment law no. (50) Of 2015
- 6, 7, 8, 9. The texts of the paragraphs (b), (c), (d) and (e) of item (Third) of this law have been abolished and replaced by the texts of the paragraphs (b), (c), (d) and (e) under the Item (Third) of article (3) of the second amendment law of the investment law.
10. The item (Fourth) has been added to article (4) of the law under the item (Fourth) of article (3) of the second amendment Law of the Investment Law.
11. The text of the item (First) of article (5) of this law has been abolished and replaced by the above text under the item (First) of article (1) of the first amendment law of investment law no. (2) Of 2010.
12. The text of the item (Second) of article (5) of this Law has been abolished and repealed by the above text under item (Second) of article (4) of the second amendment law of investment law no. (50) Of 2015.
13. The text of the item (Third) of article (5) of this Law has been abolished and replaced by the above text under item (Third) of article (4) of the second amendment law of investment law no. (50) Of 2015.



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14. The text of article (6) of this Law has been abolished and replaced by the above text under article (5) of the second amendment law of investment law no. (50) Of 2015.
- 15 16, 17, and 18 The texts of items (Third), (Sixth), (Seventh) and (Eighth) of article (9) of this Law have been abolished and replaced by the text above under the texts of the items (Third), (Sixth), (Seventh) and (Eighth) of article (6) of the second amendment law of investment law No. (50) of 2015.
19. The text of article (10) of this Law has been abolished and replaced by the text above under article (7) of the second amendment law of investment law no. (50) Of 2015.
20. The text of paragraph (a) of item (Second) of article (11) of this Law is has been abolished and replaced by the above text under article (3) of the first amendment law of investment law No. (2) Of 2010 .
- 21, 22 Paragraphs (c) and (d) have added to the item (Second) of article (11) under article (8) of the second amendment law of investment law No. (50) Of 2015.
23. The text of the item (Third) of article (11) of the investment law no. (13) Of 2006 has been deleted under item (Second) of article (8) of the second amendment law of the investment law No. (50) Of 2015.
24. The text of the item (Third) of article (12) of this Law has been abolished and replaced by the above text under article (9) of the second amendment law of investment law no. (50) Of 2010 .
25. The text of the item (First) of the article (15) of this law has been abolished and replaced by the above text under article (10) of second amendment law of investment law.
26. The text of the item (First) of article (17) of this Law has been abolished and replaced by the above text under item (First) of article (11) of the second amendment law No. (50) of 2015 .
27. Item (Fifth) has been added to article (17) of this Law under item (Second) of article (11) of the second amendment law of investment law no. (50) Of 2015.
28. The text of the item (Second) of article (19) of this Law has been abolished and replaced by the above text under item (Second) of article (12) of the second amendment law of investment law no. (50) Of 2015.
29. Item (Third) has been added to article (19) of this Law under item (Second) of article (12) of the second amendment law of investment law no. (50) Of 2015.
- 30, 31. Item (First) and (Second) of article (20) of the law have been amended and replaced by the above text under item (First) and (Second) of article (13) of the second amendment law of investment law No. (50) Of 2015.



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- 32 Item (Fourth) of article (20) of this Law has been abolished and replaced by the above text under item (Fourth) of article (4) of the first amendment of the investment law no. (2) For the year 2010.
- 33 Paragraphs (d), (e) and (f) have been added to item (Fourth) of article (20) under item (Second) of article (13) of the second amendment law of investment law No. (50) Of 2015.
34. Article (27) of this law has been abolished and replaced by the above text under article (14) of the second amendment law of investment law No. (50) Of 2015.
35. Article (28) of this law has been abolished and replaced by the above text under article (15) of the second amendment law of investment law no. (50) Of 2015.
36. The text of article (32) of this Law has been abolished and replaced by the above text under article (16) of the second amendment law of investment law no. (50) Of 2015.