

July 2025

ELITE PARS

Law Firm



Introduction

Established in 2019, Elite Pars is a boutique law firm with professional lawyers and legal minds as its core team. Lawyers at Elite Pars render legal advice on a wide range of matters in parallel to dealing with various local, regional and international arbitration and litigation cases.

Elite Pars draws strength from its diversity. We recruit from a wide variety of backgrounds, seeking out the best and those with the highest potential and we invest in their development. Our profound knowledge of assorted legal areas, enables us to efficiently guide our clients through the most complex matters they are facing. Furthermore, our practical experience provides us with insights that help us assist our clients in achieving their legal goals.

In case you have any queries regarding this document or would like to inquire as to how we could serve you best, please feel free to contact our partners Dr. Navid Sato and/or Dr. Nima Nasrollahi via n.sato@elitepars.com and/ or n.nasrollahi@elitepars.com.

LEGAL UPDATE: JULY 2025

STREAMLINING INVESTMENT IN IRAN: A NEW ERA OF SIMPLIFIED BUSINESS LICENSING

Iran is on the verge of a transformative shift in its approach to attracting investment, as outlined at the Ministry of Economic Affairs and Finance (MEAF).

The traditional process of obtaining business permits, often perceived as complex, time-consuming, and discouraging for investors, is undergoing a significant overhaul. The introduction of “unnamed investment packages” marks a pivotal change, designed to eliminate bureaucratic hurdles and expedite private sector participation in infrastructure projects. These packages, prepared at the provincial level, include pre-approved land, permits, and inter-agency coordination, allowing investors to focus solely on financing and executing projects.

Within the next two weeks, these investment opportunities will be available through the National Permits Portal (NPP), offered in a competitive and transparent manner, ensuring accessibility and efficiency.

This initiative builds on years of regulatory reforms aimed at simplifying Iran’s licensing system. Since the 2008 enactment of the Law on the Implementation of the Policies of Article 44 of the Constitution, which established a committee to streamline economic activity permits, significant progress has been made. Reforms intensified after the revision of the law.

This plan standardized processes for approximately 4,700 permit types, reducing issuance times for trade permits to three to seven days and eliminating outdated barriers, such as prolonged exams for permits like customs brokerage. The NPP, now connected to over 96% of the country’s permits, has transformed a previously paper-based system into a transparent, electronic process, significantly reducing delays and administrative friction.

By pre-approving investment packages and standardizing permit issuance, Iran is fostering a more investor-friendly environment. These reforms not only facilitate market entry but also address long-standing issues of regulatory inconsistency and inefficiency, paving the way for increased private sector investment and economic growth.

DEEPENING TIES: IRAN AND RUSSIA RESHAPING TRADE AND ENERGY COOPERATION

Iran and Russia's trade and economic ties are becoming stronger than ever, to the extent that some say the two nations are entering a “golden era of cooperation”. The foundation of this enhanced cooperation is the recently adopted treaty of long-term strategic partnership between the two regional allies and the subsequently established Joint Economic Committee. Through this agreement, the two partners aim to focus on facilitating cross-border financial services, economic exchange in infrastructure development in the gas and oil sector, and completing the International North-South Transport Corridor (INSTC).

The first focus area involves integrating Iran's Shetab card network with Russia's Mir Pay banking system. Russian citizens can already make purchase at Iran's retail shops through the Mir Pay application. Linking the banking system, however, can significantly reduce payment difficulties in mutual trade, benefiting both the macro and micro level transactions.

The second area deals with Russian investment in economic infrastructure development projects, particularly in upstream oil and gas. Russia's investment in Iran's gas fields can play a vital role in maintaining Iran's energy stability, while Russia's gas export to Iran can help diversifying its shrinking energy market. Currently, Russia is constructing a gas pipeline with the potential to deliver 2 billion cubic meters, increasing to 55 billion cubic meters annually to Iran.

The further development of the INSTC is another strategic aim of this cooperation. This multi-modal transportation route, connecting India, Iran, Azerbaijan, Central Asia, and Europe, is already operational in its eastern route, and Russia has allocated \$10 billion to achieve the full capacity of 15 million tons of cargo transit, with an emphasis on completing the Rasht-Astara Railway. As an example, Iran has imported non-oil goods valued at \$1.3 billion from Russia through the INSTC last year.

In conclusion, the deepening economic and strategic partnership between Iran and Russia could assist both countries in enhancing their

geopolitical leverage internationally and boosting their economies domestically.

A MAJOR DEVELOPMENT IN FINANCING: MITIGATING RISK AND BOOSTING MARKET LIQUIDITY

The executive regulation of Article 23 of the Production and Infrastructure Financing Act organized to enhance initiative methods of financing based on the pre-sale of goods and services and credit purchases, is being enacted. This regulation, as one of the pivotal policies of the original act, is going to realize a new shift regarding financial support for producers, market cash boost, and risk reduction.

In retrospect, this regulation, utilizing financial instruments such as electronic bill of exchange, credit certificate securities (GAM), and domestic documentary credit payment commitment instruments, provides a transparent and secure framework for pre-sale transactions.

The pre-sale contracts recommended by this regulation should be structured as tripartite agreements between the buyer, the seller, and the accepting institution. In this regard, the buyer may fulfill the payment either in a lump sum, in installments, or via credit instruments. Also, the seller is obliged to deliver the goods or services within the stipulated timeframe, and any breach shall result in penalties for delay or termination of the contract. The role of the accepting institution, as a supervisory body, includes verifying the eligibility of the parties, examining the conformity of documents, and managing escrow accounts.



It is important to note that the National Financing Council would form electronic platforms to enhance transparency and facilitate the execution of contracts. Through the implementation of this regulation and the use of credit instruments, producers can gain faster access to financial resources. Additionally, through the facilitation of financing by the modern system, registration of contracts, and regulation of accepting institutions, the risk of financial crime will be reduced.

ESTABLISHING THE NEW RAILWAY: A MAJOR SUCCESS IN IRAN-CHINA ALIGNMENT UNDER THE BELT AND ROAD INITIATIVE

The One Belt, One Road Initiative, officially known as the Belt and Road Initiative (BRI), is a development strategy adopted by the Chinese government to connect Asia, Africa, and Europe. The core goal of this initiative is to invest in infrastructure such as railways, roads, ports, and energy pipelines across countries along the economic belt, with the aim of facilitating unimpeded trade.

The new China-Iran railway corridor is one of the major achievements of this initiative. It is also part of the broader, still-developing East-West Corridor, which aims to link China with Iran, the Persian Gulf, Africa, and Europe. This project is rooted in the 25-year Comprehensive Strategic Partnership Agreement between Iran and China, signed in March 2021.

On May 25, 2025, the first freight train from China arrived at Aprin Dry Port, an inland intermodal terminal in Iran directly connected

by road and rail to a seaport. This marked the official launch of a direct rail link between the two countries. This new logistical artery has significantly reduced transit times from 30–40 days by sea to roughly 15 days by land, leading to a corresponding decrease in transportation costs.

In addition to its commercial advantages, the railway corridor carries important geopolitical and security benefits. Given that Iran's maritime trade routes are highly vulnerable to U.S. and EU sanctions and military patrols, this overland route offers a strategic way to circumvent Western pressure. However, it is important to note that the transport of oil from Iran to China still poses logistical challenges, as rail is not well-suited to carrying large volumes of crude.

Furthermore, this infrastructure enables Central Asian countries, including Kazakhstan, Uzbekistan, and Turkmenistan to access Iranian ports on international waters. Reflecting this shared interest, Iran, China, Kazakhstan, Uzbekistan, Turkmenistan, and Turkey have focused their efforts on building a transcontinental railway network.

In sum, development of new trade routes like this may contribute to shifting the global order from a unipolar to a multipolar structure, diluting the impact of unilateral sanctions aimed at isolating Iran and other Asian countries. This corridor not only strengthens Iran's integration into the BRI, but also reinforces its regional connectivity and boosts its ability to engage economically with Eurasian partners.



Dr. Navid Rahbar Sato

Managing Partner

Dr. Navid Rahbar Sato is a founding partner and the managing director of Elite Pars Law Firm. He is a qualified international and domestic lawyer in the Iranian market with a primary focus on cross border transactions and oil and gas law. With several years of experience, he has extensive comprehension of the national, regional and international commercial legal systems. He also handles litigation and arbitration cases where he sets out the legal strategies and heads the team in the process. He particularly advises clients on energy law, foreign direct investment, incorporation, mergers and acquisitions as well as import and export regulations in the region including sanctions' compliance matters.

Navid holds an SJD from Washington College of Law and is a Vanderbilt LL. M. graduate of NYU School of Law and an International Trade Law LLM graduate of the American University of Washington D.C. He is an assistant professor at Shahid Beheshti University of Tehran. Navid speaks fluent Farsi and English, as well as basic French and Japanese.

Email: n.sato@elitepars.com



Dr. Nima Nasrollahi Shahri

Partner

Dr. Nima Nasrollahi Shahri is a founding partner at Elite Pars Law Firm and heads the energy, investment law and arbitration practices of the firm. He is a seasoned lawyer in the field of oil and gas and renewable energies and has advised major international oil companies with respect to their participation in Iranian oil and gas projects. He holds a PhD in International Investment Law and has completed the LL. M. program of University of Dundee in Petroleum Law and Policy. He has a long list of Persian and English publications and is currently the director of oil and gas law LL. M. program at the

University of Science and Culture in Tehran where he is now supervising several dissertation theses, mostly related to the same field as well as commercial arbitration. Nima regularly does pro bono educational activities. He speaks Farsi, fluent English and intermediate French and Arabic.

Email: n.nasrollahi@elitepars.com



CONTACT US:

Tel. +98 21 22 01 6586

Fax. +98 21 22 01 8928

Email: Info@elitepars.com

www.elitepars.com

ADDRESS:

Second floor, 42 Soltani (Sayeh) St. Nelson
Mandela Ave. Tehran. 1967733818