

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: SEPTEMBER 2025

IRAN–AZERBAIJAN COOPERATION ADVANCES IN TRANSPORT, TRADE, AND ENERGY

In September 2025, Iran and Azerbaijan reported notable progress in their economic and transport partnership. Both sides emphasized that over the past year, significant steps have been taken in banking facilitation, logistics integration, and the launch of direct flights between Tabriz and Baku, reflecting a broader effort to deepen regional connectivity.

Particular attention was given to the development of the North–South and East–West transit corridors. Iran has set a target of reaching an annual cargo transit of 15 million tons in the North–South route. A trilateral meeting with Russia is scheduled next month to review ongoing projects, harmonize policies, and finalize agreements aimed at strengthening these corridors. To address operational bottlenecks, a joint working group on transport and customs procedures will be established, with recommendations to be adopted at the trilateral session.

Progress was also reported on the Kalaleh–Aghband border bridge and terminal, which are expected to be operational before the Persian New Year. These facilities are intended to provide a more reliable gateway for freight movement and cross-border trade.

Energy cooperation remains a parallel priority. Discussions covered joint oil block development, extensions of gas swap arrangements with Nakhchivan, and the facilitation of Russian gas transit to Iran via

Azerbaijan. Plans to strengthen electricity interconnections between the three countries were also underlined as part of a strategy to improve grid stability and energy security.

The Azerbaijani delegation is scheduled to visit Shahid Rajaei Port, with a view to exploring potential cooperation and the signing of a memorandum of understanding. In parallel, both sides are advancing negotiations on a preferential trade agreement, which could raise bilateral trade volumes from USD 650 million to USD 1 billion annually.

By aligning efforts across infrastructure, transit, energy, and trade, the two countries are laying the groundwork for sustained economic growth and a more integrated regional framework of cooperation.

IRAN–ARMENIA TRADE RELATIONS EXPAND

In September 2025, Iran and Armenia reported substantial growth in their bilateral trade, reaching approximately USD 900 million, with a target of USD 3 billion in the coming years. Both sides highlighted that progress has been driven by key initiatives in infrastructure, energy, and regulatory alignment.

The Agarak–Kajaran railway project, part of the North–South Transport Corridor, aims to connect Iran and Armenia to the Caucasus and the Black Sea region, enhancing regional connectivity and freight movement. Energy cooperation remains a priority, with Iran serving as a primary electricity supplier to Armenia, while new agreements are being

discussed to further strengthen energy exchange.

Expanding trade also requires coordinated legal and regulatory frameworks, including alignment in customs tariffs, investment rules, technical standards, and joint venture arrangements. Foreign investors involved in logistics, infrastructure, or energy projects are expected to closely monitor these evolving legal landscapes.

By integrating infrastructure development, energy cooperation, and legal facilitation, Iran and Armenia are laying the groundwork for deeper economic ties and sustained regional partnership.

IRAN ADVANCES OVERLAND TRADE ROUTES TO CHINA AND CENTRAL ASIA

In September 2025, Iran advanced a strategic plan to diversify trade and transit routes, aiming to reduce reliance on maritime shipping and establish itself as a central land bridge connecting Central Asia to the Persian Gulf.

Key cooperation initiatives include partnerships with Turkmenistan, Tajikistan, and Uzbekistan to simplify customs procedures, lower transit costs, and establish direct railway connections. The proposed Iran–Kazakhstan–China land route is emerging as a faster and more cost-effective alternative to maritime transport, potentially forming a new “Overland Silk Road Corridor.”

Legal considerations remain crucial for international businesses in transport, logistics, and insurance, with attention

focused on regional transit agreements, bilateral tariff reductions, and foreign investment regulations in Iran’s transport infrastructure.

Through the integration of overland connectivity, regional partnerships, and regulatory facilitation, Iran is positioning itself as a strategic hub for trade between Central Asia, China, and the Persian Gulf, creating new opportunities for international investors and regional economic growth.

LAUNCH OF THE SECOND COMMERCIAL FOREIGN EXCHANGE HALL AT IRAN'S FOREIGN EXCHANGE AND GOLD TRADING CENTER

Following official correspondence between the Central Bank of Iran and the President of the Iran Chamber of Commerce, the second commercial foreign exchange hall was officially launched at the Iran Foreign Exchange and Gold Trading Center. This initiative marks a significant shift in the country's foreign exchange policy. Its implementation is based on Paragraph 2 of Article 8 of the executive to Note 6 of Clause (H) of Article 2 of the Law against Smuggling of Goods and Currency.

The precise roles and functions of the second hall are to create a transparent and supervised platform for registering foreign exchange transactions, facilitating the fulfillment of exporters' foreign exchange obligations through structured mechanisms, and supplying the foreign exchange needed for essential imports.



Foreign exchange obligations mean that exporters are required to repatriate a portion of the value of their export permits into the official economic cycle. There are several mechanisms for repatriating foreign exchange, including selling in the organized foreign exchange market (NIMA), selling in the foreign exchange halls, transferring to others for imports, or using it for imports by the exporter themselves.

Exporters subject to Paragraph 2 of Article 8 of the mentioned executive by law are obliged to repatriate the equivalent of 90% of the value of their export permit into the official economic cycle. The second hall provides innovative mechanisms to facilitate the fulfillment of this legal requirement. Within this framework, two main methods for conducting transactions have been envisaged: the direct method and the guaranteed method. In the direct method, the transaction process is based on a direct agreement between the exporter and the importer, with the bank acting as the supervisor and registrar of the transaction. This method offers high speed and flexibility. In the guaranteed method, the exporter's foreign exchange is held in trust accounts at the bank, and the transfer process is carried out with more precise supervision. Although more time-consuming, this method guarantees transaction security for both parties.

The target groups for this plan include exporters of agricultural products, knowledge-based companies, and commodity groups except for oil, gas, petrochemicals, copper, and steel. However, a significant restriction has been applied to copper

exports. Based on the Central Bank's decision, foreign exchange proceeds from the export of this commodity can only be offered at the rate set by the Trading Center (approximately 70,000 Iranian tomans), and copper exporters cannot use free rates in the second hall. This policy has been adopted to prevent severe fluctuations in the foreign exchange rate caused by the export of basic commodities and to maintain balance in the domestic market.

The Central Bank has emphasized that supplying the foreign exchange required for importing some of the country's essential goods will only be possible through this hall. This indicates the highly targeted nature of this new mechanism. The implementation of this plan will be carried out through the country's banking network, and its executive directive has been communicated to all agent banks. Banks will act as intermediaries and the connecting link between exporters, importers, and the Central Bank in this mechanism.

The launch of the second commercial foreign exchange hall can be considered a major step towards formalizing and structuring a part of the foreign exchange market that was previously active as the "private individuals foreign exchange market". The success of this plan depends on factors such as its acceptance by economic actors, the determination of realistic exchange rates, and the transparent announcement of the list of eligible imported goods. If implemented correctly, this new mechanism can significantly contribute to greater stability in the foreign exchange market while increasing



export incentives, especially in non-oil sectors, and mark a new chapter in the country's foreign exchange policy.



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.
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Dr. Nima Nasrollahi Shahri

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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.

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