

April 2023

# ELITE PARS

Law Firm

Legal Update Prepared for  
Elite Pars Clients



## 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](mailto:n.sato@elitepars.com) and/or [n.nasrollahi@elitepars.com](mailto:n.nasrollahi@elitepars.com).

## LEGAL UPDATE: APRIL 2023

### **IRAN AND SAUDI ARABIA AGREE TO REESTABLISH DIPLOMATIC TIES; CLEAR PATH AHEAD FOR ECONOMIC COOPERATION**

Following years of tension that contributed to numerous conflicts throughout the Middle East, Iran and Saudi Arabia have made the decision to bring an end to their diplomatic disagreement and resume their respective diplomatic missions.

Chinese President Xi Jinping played a role in facilitating an unexpected agreement, which the United States was not directly involved in. In 2016, Saudi Arabia severed its ties with Iran following an incident where protesters stormed its embassy in Tehran.

On April 6, the Foreign Minister of Iran, Hossein Amir-Abdollahian, and Saudi Arabia's Foreign Minister, Prince Faisal bin Farhan Al Saud, held a formal meeting in Beijing, China. This marked the first gathering of the top diplomats from these two regional powers in more than seven years and was aimed at restoring their diplomatic relationship.

Officials from Saudi Arabia recently made a trip to Iran in order to engage in talks regarding reopening their embassy in Tehran, as well as their consulate in Mashhad. In addition, a technical delegation from Iran visited Saudi Arabia during the same week to make preparations for the reopening of Iran's embassy in Riyadh.

Saudi Arabia's Finance Minister, Mohammed Al-Jadaan, recently stated that his country is prepared to begin investing in Iran in the near

future. Al-Jadaan emphasized the long-standing relationship between the two nations. He added that as long as both parties adhere to agreements that respect each other's sovereignty and do not interfere in one another's affairs, there should be no impediments to cross-investments and normalization of relations. The countries have also agreed to revive previous cooperation accords, including a "Security Cooperation Agreement" from 2001 and a "General Agreement for Cooperation" from 1998, which cover various areas such as trade, economy, sports, technology, science, culture, and youth.

According to recent reports, Saudia, the national flag carrier airline of Saudi Arabia, is preparing to commence scheduled flights to Tehran and Mashhad in Iran in the near future.

### **ARMENIA HOSTS FIRST TRILATERAL MEETING WITH IRANIAN AND INDIAN OFFICIALS**

The recent trilateral meeting held in Yerevan between Armenia, Iran, and India aimed at exploring the potential for economic cooperation and regional communication channels. Among the issues discussed, the three countries focused on the prospect of boosting trade, especially by creating a new trade route that would connect the Persian Gulf to the Black Sea.

This proposed trade route would provide a direct corridor for Indian goods to be transported to Europe, which would avoid the longer route through the Suez Canal and

reduce transport time and costs. The Persian Gulf-Black Sea corridor could also provide an alternative route for other countries in the region to trade with Europe, circumventing the traditional route through the Mediterranean Sea.

India's interest in this trade route is not only driven by the desire to reduce transportation costs but also by geopolitical considerations. As India seeks to diversify its sources of trade and investment, it is looking for new opportunities to engage with countries in the region, and Armenia presents itself as an attractive partner. India's engagement with Armenia could help it mitigate the impact of the ongoing tension between Russia and the West, which has led to the imposition of sanctions on Russia and affected India's relations with the West.

For Armenia, the proposed trade route offers a way to reduce its dependence on Russia as a trading partner and explore new avenues for economic growth. Armenia is currently a member of the Eurasian Economic Union, which is led by Russia, but its membership has not brought the expected economic benefits, and it is looking to diversify its trade partnerships.

Iran's interest in the project is rooted in its desire to connect with countries in the region and develop new trade routes. Iran has been exploring new opportunities for economic cooperation with Armenia, which has helped to reduce its isolation caused by the sanctions imposed by the US and the European Union. By collaborating with India and Armenia on

the proposed trade route, Iran could leverage its strategic location and benefit from the increased trade and investment flows.

### **IMPORTATION OF USED CARS**

In recent decades, Iran has had a protective policy towards its internal auto industry. Accordingly, various limitations have been placed against importation of foreign cars. This policy has had its ups and downs but recently it has become stricter, as the concerns over currency exchange balance have increased. This protective policy has always had its fierce critics who believe, such a prolonged protection has not helped the Iranian auto industry to become more competitive and it has forced the consumers to pay unreasonably high prices for low quality cars.

After JCPOA was signed (and even before that), the Iranian government shifted towards a policy of joint venture agreements with foreign auto producers in order for the relevant know-how to be transferred to Iranian producers and in order to diversify the auto market. However, with JCPOA in shatters, most foreign producers left the Iranian market.

In a last-ditch effort, in recent months, the Ministry of Industry with authorization from the Parliament has liberalized the importation of used cars, including passenger automobiles, SUVs, vans, trucks, etc. The reasoning behind this policy was that, as used cars are cheaper it takes less foreign currency to import them and the auto market could be diversified at a lower cost. The importers of used cars do not need to observe the



restrictions regarding transfer of know-how and any real person, even without a commercial card, may import a used car. The imported cars should not be older than 5 years and they should observe the quality and environmental standards set by the authorities.



## **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](mailto: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](mailto:n.nasrollahi@elitepars.com)**



No. 42, Soltani (Sayeh) St. Nelson  
Mandela Ave. Tehran, Iran.  
Postal Code: 1967733818.  
Telephone: +98 21 22016586



CONTACT US:

Tel. +98 21 22 01 6586

Fax. +98 21 22 01 8928

Email: [Info@elitepars.com](mailto:Info@elitepars.com)

[www.elitepars.com](http://www.elitepars.com)

ADDRESS:

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