

World Currencies

Currency Pair	Value	Change
EUR-USD	1.1013	+0.0036(0.33%)
GBP-USD	1.5346	+0.0036(0.24%)
USD-JPY	120.6300	-0.5000(0.41%)
AUD-USD	0.7094	+0.0020(0.28%)
USD-CAD	1.3178	+0.0006(0.05%)
USD-CHF	0.9898	+0.0003(0.03%)
EUR-GBP	0.71746	+0.00047(0.07%)
EUR-JPY	132.85	-0.12(0.09%)

Foreign Exchange Rates

Currency	IRR Market	IRR Official
US Dollar (USD)	33,890(0)	29,960
Euro (EUR)	38,650(0)	32,731
British Pound (GBP)	53,400(0)	45,722
100 Japanese Yen (JPY)	29,000(0)	24,828
Emirati Dirham (AED)	9,540(0)	8,158
Turkish Lira (TRY)	12,300(0)	10,245
Chinese Yuan (CNY)	5,590(0)	4,712
Canadian Dollar (CAD)	26,700(0)	22,682
Australian Dollar (AUD)	25,150(0)	21,297
Swiss Franc (CHF)	35,700(0)	30,144

Iranian Gold Coins

Denomination	Price (IRR)	Change
Bahar Azadi	9,410,000	0(0)
Emami	9,420,000	0(0)
Half Azadi	4,740,000	0(0)
Quarter Azadi	2,520,000	0(0)

Libor

Borrowing period	Latest	Week Ago	52-WK High	52-WK Low
Overnight	0.13200	0.13200	0.13750	0.08520
6 Month	0.54890	0.52840	0.55450	0.32465
1 Year	0.86290	0.83415	0.87080	0.55380
Euro Overnight	-0.18000	-0.18286	0.10000	-0.18286
Pound Overnight	0.48250	0.48250	0.48375	0.45313
Yen Spot/Next	0.03357	0.02929	0.05429	0.00929

Interest Rates

***	Yield	1 Day	1 Month	1 Year
United States Government Treasuries				
6 month	0.21%	-	+14	+16
2 year	0.75%	-	+9	+25
10 year	2.17%	-	+14	-13
30 year	2.96%	-	+9	-11
United Kingdom Government Gilt				
2 year	0.62%	0	+6	-1
5 year	1.28%	+1	+9	-23
10 year	1.93%	+1	+14	-32
30 year	2.64%	+0	+15	-34
German Government Bunds				
2 year	-0.33%	0	-7	-28
5 year	-0.08%	0	-7	-22
10 year	0.53%	0	-6	-31
30 year	1.26%	0	-6	-48
Japanese Government Bonds				
2 year	0.00%	+0	-1	-2
5 year	0.03%	+0	-2	-8
10 year	0.30%	+1	-5	-16
30 year	1.34%	+0	-5	-30
10-Year Government Bond Yields				
Europe				
France	0.87%	0	-11	-36
Italy	1.48%	0	-25	-99
Switzerland	-0.31%	0	-15	-74
Spain	1.64%	0	-25	-52
Netherlands	0.69%	+0	-9	-32
Portugal	2.48%	0	+11	-83
Greece	7.66%	+0	-35	-17
Americas				
Canada	1.52%	-2	+10	-52
Mexico	3.62%	+3	-20	+24
Brazil	5.77%	-1	-20	+179
Asia				
Australia	2.61%	+3	+1	-72
Hong Kong	1.47%	+7	-2	-33
Singapore	2.41%	+5	-12	+13
South Korea	2.11%	+4	+6	-57
India	7.63%	+1	+10	-65

LATEST NEWS



Mizan Takeover by Saderat

Central Bank of Iran confirmed in an official statement the takeover of the insolvent Mizan Credit Institution by Bank Saderat, according to akhbarbank.com. The private lender has vowed to reimburse depositors, customers and employees of the now-defunct company. Founded in 2001 in the northeastern city of Mashhad, the former quasi-lender owes 2.5 trillion rials (\$83.5 million) to customers and has over 2 trillion rials (\$66.7 million) in bad loans.



Insurance Confab

Domestic insurance companies will discuss ties with foreign delegates on the sidelines of the 'Eighth International Conference on Insurance and Development' to be held on December 5 in Tehran. According to the Insurance Research Center's website, the event will seek to address the research requirements to develop the insurance industry in Iran as well as ease the process of knowledge and technology transfer. Further information is available on seminar.irc.ac.ir/en/.

6 BUSINESS & MARKETS

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IRANIAN ECONOMIC DAILY

Investment Laws Friendly for Foreign Companies

Iran with vast natural resources and a large consumer market is the best location for foreign investment but it should be noted that political risk exists everywhere

MOHAMMAD AFFIANIAN
FINANCIAL TRIBUNE

Interview

Ardeshir Atai is one of the Iranian professionals who have recently returned home from abroad to practice their careers, but he also is part of the growing numbers arriving steadily to be part of the new opening in the wake of the historic nuclear deal between Iran and the six world powers.

Dr. Atai sees potential for foreign investment and hopes for visible improvement in a post-sanctions era in various sectors of the economy, including his own law-firm geared toward offering advice to foreign companies wanting to deal with business. An alumnus of the University of London, he also teaches at the Islamic Azad University.

The Financial Tribune caught up with him after he returned from a speech trip at the ongoing Milan Expo. He attended the event at the invitation of the Expo organizers to present an overview of the Iranian legal system for doing business. The topics that Atai covered included the FIPPA (Foreign Investment Promotion and Protection Act of Iran) to encourage foreign firms to enter the Iranian market, the stock exchange and the over-the-counter market and FDI in manufacturing sectors namely oil/gas.

"We told them that as a new incentive by the Iranian government, foreign companies can establish a wholly-owned company — 100% shareholding by foreigners — which is a very important step to make the climate attractive and friendly for foreign firms," he noted.

He told an Italian audience, comprised of Italian companies, engineers and banks, that foreign companies with branches in Iran could also bid for projects offered by the government, for example in construction and engineering such as EPC (engineering procurement and commissioning). He also spoke about the ability of foreign investors to transfer capital and machinery to Iran under the FIPPA and the protection of the government by giving compensation for example in case the investment was nationalized or expropriated and guarantee non-discrimination of investments and investors under the FIPPA provisions.

» New Magnet

Some of the advantages he ascribes to doing business in Iran are the ones he discussed with the Italians; namely flexibility of labor laws and the tax law — at 25% which is considered very low compared to western states and capital exporting countries.

The Dispute Resolution Mechanism

that allows foreign companies access to alternative dispute resolution channels, such as the Arbitration Chamber of Iran Chamber of Commerce (AIACC), which combined with the general business-friendly climate, have rendered Iran as a new magnet for foreign investors.

Asked how much interest he found on the part of foreigners to move into Iran, Atai said he sees plenty of enthusiasm to explore ways to build partnership with local firms in Iran.

"The question uppermost on their minds was the situation of a foreign company after it enters Iran, including, for example, the legal status of hiring foreign staff in Iran and the relevant labor laws, forming foreign partnership with local companies..."

"I told them that we have very flexible foreign-investment laws and that foreign companies could easily form joint ventures. I also said that they can enter into any form of contract with Iranian companies because Iranian law upholds the freedom of contracts—meaning that private contracts are recognized under civil law."

Companies are particularly interested to know more about the openness in big industries such as oil and gas, banking. The Italian government Finance Institution SIMEST was also present and they were asking for ways to finance these projects.

» Strong Beginning

When the French mission—MEDEF—travelled to Iran at the end of September to sign contracts, Atai attended the high-profile event. He says the event was significant in that for the first time, France's biggest finance company signed a MoU with an Iranian financial institution to train staff and transfer knowledge and technology.

Atai believes there are "no restrictions" when it comes to investment in Iran. "There are several free economic zones across Iran — including in the Persian Gulf islands and northern Caspian region and Salafchegan south of Tehran and while in the past foreign banks could operate in these free economic zones now they can establish banks even in the mainland with a new government law set to facilitate that."

» Removing Red Tape

The government is passing a new law to remove the remaining barriers to foreign banks operating in the market or purchasing Iranian banks, but crucial issue is the full implementation of the Joint Comprehensive Plan of Action (JCPOA). The Majlis (Parliament) this month approved the agreement reached between Iran and the six world powers in July paving the way for the removal of sanctions which should take effect by early 2016.

"But even before that we need to join the SWIFT—which is expected to happen soon — and that would be a very important step because based on my observations I



Ardeshir Atai at Milan Expo 2015

see that European delegations travelling to Iran are interested to secure a foothold in the country before things actually begin," he says.

Of course, some hurdles need to be cleared, and one of these is the Europeans' fear of raising American suspicions, Atai says. Many of the European companies still need to obtain licenses from the Office of Foreign Assets Control (OFAC) which is affiliated to the US Department of Treasury.

On the Iranian side all is not well either; a bloated bureaucracy is still an issue although it is being addressed, an online business registration system has been launched but it is still a pilot project.

The Freedom of Information Act has been passed into law a few years ago but came into force very recently and that law is designed to promote transparency and access to information and provision of statistics by government institutions, which is a very important step, is another good measure taken by the government to ease economic transactions.

The government has also extended the two-week visa to one-month issued on arrival that is another good initiative, helping foreign investors to see the new climate at close range.

"I think we still need to streamline our trade laws to make them more compatible with international laws and WTO regulations," he says.

"But if I had to give one advice to policymakers it would be to facilitate full participation of foreigners in the stock market, which has now been raised to 20% investment but needs to be expanded further according to FIPPA, a measure that would also help promote the protection of Iranian companies."

Atai however, believes that Iran with vast natural resources and a large consumer market is the best location for foreign investment but agrees that political risk exists everywhere including in the UK and US and in Iran's case there could be "sabotage" from anti-Iran pressure groups and lobbies.

But recalling that Iran has already signed more than 50 investment agreements with other countries so far, he believes the obstacles are surmountable.

Urging the Tehran government to expedite the process of privatization, Atai sees investment in the Iranian renewable energy sector, hydroelectricity, banking and oil/gas sectors as the hotspots for future foreign investment.

Iran Banks Focus on Turkey

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Iran is considering expansion in the Turkish finance sector. Two major lenders, namely Bank Tejarat and Pasargad Bank, are also expected to reapply for a role in the Turkish finance market after Saman's application is approved. The approval of the expansion request by Mellat, which despite being in the Turkish market since 1982, had not been operationally active in Turkey due to sanctions and took a backseat in 2012, raised hopes for other banks.

According to the Turkish daily Sabah, along with Halkbank, which has emerged as a crucial player in Turkey's trade with Iran, especially in payment for fuel oil and natural gas, Ziraat Bank is expected to be involved in trade after a request from Iranian authorities was delivered to the economy ministry and the customs and trade ministry in Ankara.

Ziraat, which has a representative office like Halkbank in Iran, can also increase its own financial markets by becoming active in Iran. It is said that the growth in the financial sector will also contribute to trade between the two



Saman Bank in the second Iranian lender to enter Turkey.

neighbors. Senior officials in the two capitals have often been quoted as saying that two-way trade should increase to \$30 billion in 2016.

» Leader in Electronic Banking

Saman Bank, established as a credit institution in 1999, had obtained banking license in August 2002. The private financial institution has 149 branches in Iran and enjoys a reputation as it is the first bank to offer internet banking in Iran. It has also contributed to the development of electronic banking across the country of 80 million people.

» Easy Terms for Opening Accounts

Another request by Iran's finance industry is for easier terms for opening accounts in Turkish banks. A senior economic expert who emphasized the Iranian banking sector's willingness to be actively involved in the Turkish banking sector says better terms and conditions are required for banking transactions. Authorities say Iranians are seeking financing for the increasing number of private sector companies in Turkey.