

Pathway to Kurdistan

Business & Culture

Advisor

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Kurdistan Region – Doing Business

- Economy – Foreign Trade
- Regulations & Laws
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- The Strategy and Policy of Kurdistan Regional Government
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Forward to the third edition

The purpose of this new edition is to give a latest overview of most relevant Business issues in the Kurdistan Region, the message is addressing the foreign businessmen and those who have interest to doing business in the Region.

The Region, “regardless of the International Political complexity “ is presenting the most successful example in the Middle East however the challenges and threats are striving every doors.

The Region is a promising Market in Iraq and the whole area.

“ it is an Osis of Ideal environment of Business at the spot of area full of troubles “ as the Jiangsu Head of Foreign Relations in China “ stated during my visit in March 2017.

Introduction :

Study the past, if you would divine the future.

(Confucius)

"Business history is littered with the corpses of once great companies who missed the trends in the business environment and their own markets which were shaping the future. The past can provide, by way of analogies, and understanding of what today's companies ought to avoid and what they could aspire to. If we combine analysis of what the past and present can tell us with our own imagination and intuition, we should be able to make reasonable assumptions about how the world will develop and how our organization could succeed in it, without over – optimism or arrogance."

(Seize the future for your business), Beth Rogers, first edition 1998.

The Kurdistan Region is experiencing unprecedented growth in a global recession and the Ministry of Trade & Industry has the opportunity to create an enticing investment atmosphere as well as celebrate the successes of exciting business and industry.

The Iraqi Kurdistan Region could record noticeable development steps on the Iraq and even Middle East standard, in a competitive global market place, we are moving towards full creative and impressive targets, and hopefully we have already presented our achievements.

We hope that this simple effort will be supportive to any foreign institutions or companies and delegations which

visit Kurdistan Region, this Guide booklet is including some important information and assist to understand the way of going through doing business and with some regulations and laws which give opportunities to grasp the process and to seize them.

Advisor

Fathi AL Mudaris

Ministry of Trade and Industry/
Kurdistan Region

The Region of Kurdistan: History and Life

The Iraqi Kurdistan Region is a federal region that is located in the north of the Iraqi Republic. The region is officially recognized by the Federal Government of Iraq through the Iraqi Constitution that has been issued in 2005 after endorsing it through a national referendum.

Geography:

The Kurdistan Region comprises parts of the three governorates of Erbil, Suleimaniah and Duhok.

The Region borders Syria to the west, Iran to the east, and Turkey to the north, lying where fertile plains meet the Zagros mountains. It is traversed by the Sirwan river and the Tigris and its tributaries, the Great Zab and the Little Zab.

Area: 40,643 square kilometers.

Capital city: Erbil (also known as Hewler). The city of Erbil is the fourth largest city in Iraq. Urban life at Erbil can be dated back to at least the twenty-third century BC.

The mountains of the Kurdistan Region have an average height of about 2,400 metres, rising to 3,000–3,300 meters in places. The highest peak, Halgurd, is near the border with Iran and measures 3,660 meters. The highest mountain ridges contain the only forestland in the Region.

Annual rainfall is 375-724mm.

The climate of the Kurdistan Region is semi-arid continental: very hot and dry in summer, and cold and wet in winter.

Kurdish Year

2017 equals 2717 of Kurdish year

Spring is the most beautiful season in Kurdistan and the time when Kurds celebrate Nawroz, the Kurdish New Year, on the spring or vernal equinox. Mean high temperatures range from 13-18 degrees in March to 27-32 degrees in May.

The summer months from June to September are very hot and dry. In July and August, the hottest months, mean highs are 39-43 degrees, and often reach nearly 50 degrees.

Autumn is dry and mild, and like spring is an ideal time of year to travel in the Region. Average temperatures are 24-29 degrees in October, cooling slightly in November.

Winters are mild, except in the high mountains. Mean winter high temperatures are 7-13 degrees Celsius, and mean lows are 2-7 degrees Celsius.

Demography:

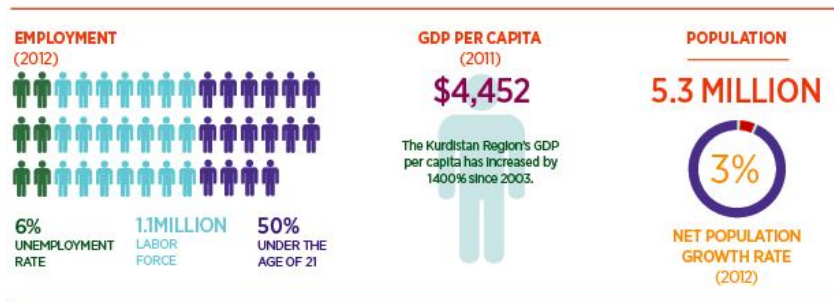
Population: Nearly 5.3 million.

Population in each of the Region's three provinces:

Erbil: 1,853,561

Suleimaniah: 1,950,869

Dohuk: 1,476,809



The people living in the Kurdistan Region are Kurds as well as Turkmen, Assyrians, Chaldeans, Armenians and Arabs.

The Region has a young and growing population, with 36% aged 0-14 years, and only 4% aged over 63. The median age in Kurdistan is just over 20, meaning more than 50% are less than 20.

The Kurdistan Region's demography has changed considerably in the last few decades mainly because of forced migration by the previous Iraqi government, which is one of the main reasons for the movement from the

countryside to towns and cities. By 2001, at least 600,000 people were internally displaced mainly because of the previous Iraqi regime's policies since the 1970s. This included more than 100,000 people expelled in November 1991 alone from Kirkuk by the Iraqi government. According to a UNDP survey, 66% of people living in Duhok province have been forced to change their residence due to war at any point in their lives, while the figures in Suleimaniah and Erbil are 31% and 7%, respectively.

Traditionally, the majority of people in the Kurdistan Region lived in villages and survived on farming and animal husbandry of mainly sheep and goats thanks to the land's fertile soil. The Region was known as the breadbasket of Iraq. Today this has reversed, with the majority living and working in the three cities of Erbil, Duhok and Suleimaniah and working in the government, construction, and trade.

Languages:

Kurdish, the most widely spoken language in the Region, is in the Indo-European family of languages.

The Kurdistan Region's official languages for government purposes are Kurdish and Arabic. The two most widely spoken dialects of Kurdish are Sorani and Kurmanji. Other dialects spoken by smaller numbers are Hawrami (also known as Gorani) and Zaza.

Kurdistan Region is located in the mid of Middle East and the countries which surround are :Turkey, Iran, Syria and the rest of Iraq. The languages of these countries have

noticeable influences on the cultural and Economy as well as the political situations in such way that the Turkish and Persian languages are well known.

English language is wide spread in the sectors of education and the Business environment which could be said that this language is the no one in the spoken communication among the businessmen. There are other European languages which increasingly spreading particularly the German and French languages

The Sorani Kurdish dialect uses Arabic script while the Kurmanji Kurdish dialect is written in Latin script. Sorani is spoken in the cities of Erbil and Suleimaniah, while Kurmanji is spoken in Duhok. As the Region's Kurdish-language media has developed and the population has moved, today nearly all people in the Kurdistan Region can speak or understand both of the major dialects. The Kurdistan Regional Government's policy is to promote the two main dialects in the education system and the media.

Arabic is also an official language and is widely spoken or understood. Turkmani, Assyrian Neo-Aramaic, and Chaldean Neo-Aramaic are also spoken by their respective communities.

The Kurdistan Regional Government promotes linguistic diversity and rights, and schools have been established that teach mainly in Turkmen, Assyrian Neo-Aramaic, and Chaldean Neo-Aramaic, and Arabic.

Religious freedom and tolerance:

The majority of people in the Kurdistan Region are Sunni Muslims, mainly of the Shafi'i school. Some Muslims in the Region follow Sufi orders.

There are also a large number of Christians of different churches, such as Syrian Catholic, Syrian Orthodox, Assyrian Church of the East, Armenian, and Catholic Chaldean.

A religion that is practiced only in Kurdistan is Yazidism, which has tens of thousands of adherents.

The Kurdistan Regional Government protects people's freedom to practice their religion and promotes inter-faith tolerance.

A Historical Background:

There are many historic and factsheets about the Kurds and almost all these indicate that the oldest inhabitants who settled in the large area of Kurdistan are Kurds with different tribes and nomads, as the historic books point out.

It deserves mentioning to show some resources which search the origin of Kurdish Nation are as following :

- 1- “ Grosse Welt Geschichte” in German language, written by group of British and European researchers, a project sponsored by The Times. Published in Brussels , 1995.

In this book the writers are indicating to the origins of the first Human who began the agriculture activity which is supposed to be the first Civilization of Human being, the area which they are pointing out to the Jericho in the Mesopotamia (Tigris and Euphrates)

2. The History of Kurdish Language:



The unprejudiced academics that study Kurdish history are united in the view that the Kurds are an ancient race (1). The Kurds have lived for many thousands of year's -even longer than written documentation can reflect-in a land that has been described as the 'cradle of human civilisation'. We need only think of Jewish and Islamic mythology, which designates Mount Judi (Cudi) in Kurdistan as the resting place of Noah's ark (2); we know from history that in the land of the Kurds and its surrounding territories numerous advanced civilisations existed, such as that of Mesopotamia, of the Hittites, the Hurrites; the Karduchi, the Mittanis, the Parthians, and the Sassanids.

Additionally, many of the world's major religions have found their place in the land of the Kurds, such as, for example, Mithraism (the Cult of the Sun), Mazdaism (Zoroastrianism), mystery religions, Judaism, Christianity, Manichaeism, and Islam. Even today in Kurdistan one finds a large number of Kurdo-syncretic religious communities (3) such as the Ezidi, Kakayi (Yarsan or Ali-

Haqq, or 'People of Truth'), Alevi, Shabak, Sarayi, Bajwan, Haqqa, etc., all of whom bear witness to the fact that the Kurds are the heirs of a vastly rich cultural heritage.

The Kurds have played a remarkable role in the history of the Orient, both before and after the rise of Islam in the seventh century. After the partial islamification of the Kurds, Moslem Kurds participated in the foundation of the Arabian, Persian, and Turkish Dynasties with a degree of selflessness seldom seen in any other people. To cite just a few examples: The founding of the Abbasid Dynasty on the part of the revolutionary Kurd Abu Muslim Khorasani in the year 750 C.E., Saladin (1137--1193) and his reversal of the conquest of Palestine by the Crusaders in the twelfth century; the foundation of the Safavid Dynasty (1501/ 2-1736) at the start of the 16th century by Ismail Shah Safi, son of the Kurd Sheikh Safi, leader of an order of Dervishes, and last, but not least the foundation of the Ottoman Empire, which was supported by the majority of the independent Kurdish principalities. They formally united with the Ottoman Dynasty in 1515, after the famous battle of Chaldiran, in which the Ottomans, with the help of the Kurds, defeated the Persians. Thus the Ottoman Empire began.

The military and political achievements of the Kurds on behalf of their neighbours were not all; the outstanding contributions of Kurdish scholars and artists in enriching Arabic, Persian, and Turkish culture (4), and their contribution to the wealth of Islam was so great, that of the four people designated by the famous Moslem scholar Ghazzali as 'pillars of the Islamic culture', three are Kurds (5). The fact that the Kurds for centuries didn't concentrate

their efforts on the foundation of their own State, or the cultivation of their own language and culture, drew the attention of outsiders. The Ottoman Turk chronicler Shamsaddin Sami wrote in the last century in his lexicon 'Qamus EI-Aalam' (Dictionary of Names):

'All of the educated Kurds occupied themselves with the Arabic and Persian language, while ignoring their own language'(6).

Just one example: The Kurdish Moslem scholar Sheikh Marifi Node (yi) Barzinji (1733-1838) was the author of more than 46 considerable works in Arabic and Persian language (7). These works were on jurisprudence, ethics, theology, astronomy, philology and literature. Node (yi) Barzinji lived to the age of 85 and wrote only one book in Kurdish. It was a small Arabic-Kurdish glossary of some hundred words. In the introduction to this work, Barzinji tells us in Persian language why he wrote it. I cite him: "In order that my son Ahmad will be able to learn Arabic vocabulary more easily. Therefore, I have named the book Ahmadia."(8).

It is very interesting to notice that within those Kurdish principalities that were governed by independent Kurdish dynasties such as, for example, Hasnavi (founded 959)(9), Dostaki (990 - 1096)(10), etc., the Kurdish language was not used as the official written language. It remained however, the language of the people and was the main means of communication between the people and their rulers. This neglect and lack of concern caused negative repercussions for the Kurds, which can still be felt today. It is not entirely clear why the educated Kurds invested their

intellectual 'capital' on others' soil, so to speak. We only want to expound briefly on this theme, as it belongs to another chapter, to which as well, belongs the question of why educated Kurds were not able (or not willing) to import others' capital into Kurdistan in order to make their own people more 'Arabic' or 'Persian'.

Resource : (Kurdish Academy of Languages)

- 2- Karl May is a famous German writer who could leave a respectful position in the mentality of the German, European and world readers.
May is famous in his accurate and fantastic descriptions of the People and places where he never visited. One of his masterpiece is the “ Durch Wilde Kurdistan “ (through wild Kurdistan).
- 3- A scientific research which accomplished by a group of European archeologists under the title “ The Eden on Earth “, this research has been issued in the German “ Der Spiegel “ magazine in its No of March 2003 the group has reached to the conclusion that the most ancient civilization which started in the history of Mankind is in three places on the Earth: one of these three is in KURDISTAN.

Modern Kurdistan History:

To understand the background for establishing the Kurdistan Region, it is important to realize the modern history of Iraq. During the Ottoman Empire, the state which is currently known as Iraq was composed of three provinces (Vilayet): Mosul, Baghdad, and Basra. Today, these provinces are represented in Iraq as respectively: the north, the middle, and the south. After the World War I, the Iraqi Kingdom was established. Based on the fact that Iraq was previously three separate provinces, the rulers of those days tried their best to integrate these three provinces together to maintain the unified state of Iraq. However, the different parts of Iraq did not have equal shares in terms of infrastructure and development foundations. Most of these projects were concentrated in the centre, especially in the Iraqi capital Baghdad. The other parts of Iraq were severely neglected by the continuous governments ruled Iraq. As an example, although dams were constructed in the north, the main reasons for constructing these dams were not to develop the infrastructure in the northern area while to control the level of water of the Tigris and the Euphrates from flood and to generate electricity that was particularly feeding the center.

After the revolution of 14th July 1958 by Abdulkareem Qassim overthrow of the monarchy, Iraq became a republic. Iraq was ruled by a military government with pro-socialism ideologies. The unstable situation in Iraq continued from that date with a number of revolutions and assassinations. On 17th July 1968 another revolution had taken place in Iraq, but this revolution dramatically changed the history of Iraq. On that date the Arabic Baath

Party came into power and a darker era of Iraq has started. The first Baathist president of Iraq was Ahmed Hassan Al-Bakir and his deputy was Saddam Hussein. In 1979, Saddam Hussein overthrow Al-Bakir and he became the president that ruled Iraq for about 34 years. The catastrophic suffering of the people of Iraq started from that date. Iraq entered different wars that destroyed the economy of the country.

In 1981, the Iraqi Iranian war started that lasted for eight years. This war exhausted economy of the country and damaged the infrastructure. It is expected that this war caused the death of about 1,000,000 people. After only two years from seizing the war between Iraq and Iran, on 3rd August 1990 Iraq invaded Kuwait. The international community contaminated the invasion and endorsed a United Nations resolution that obliges Iraq to withdraw from Kuwait. The dictator of Iraq refused to withdraw and this led Iraq to another war. In 1991 the forces of about thirty countries headed by the United States attacked Iraq and liberated Kuwait. The infrastructure of Iraq was severely damaged during that war. Also, in order to make sure that Iraqi dictator will not repeat another of his adventures, the United Nations issued a resolution that forces Iraq to destroy all of its mass destruction weapons. Iraq refused to do that, as a result the United Nations issued another resolution that puts Iraq under the international embargo that prevented Iraq from exporting its oil and importing all kinds of goods including food and medical requirements. This further increased the suffering of the Iraqi people, it added the economic suffering in addition to the repression of the regime.

During the 1991 war, a national uprising took place in the north and south of Iraq. The uprising in the south was led by the Shiites; however the uprising was soon brutally crushed by the former regime forces. The regime also tried to crush the uprising in the north as well. The Iraqi Army started to attack the cities in the north without distinguishing the civilians from armed people. The people of the north fled from the brutal forces of the regime and about a million of civilian people were crowded on the borders of Iraq with each of Iran and Turkey. This displacement took place in the winter and the humanitarian situation of these people on the borders was extremely miserable. This situation forced the United Nations to issue another resolution which endorsed the no fly zone in the Northern of Iraq. Then the Iraqi Army withdrew from the northern part of Iraq. According to this resolution the Iraqi Army was prevented from entering the northern part of Iraq. The people gradually returned back to their home and the region gradually started to establish its parliament and government. The region was for the first time ruled by its own people. This government was officially not recognized neither by the Iraqi regime nor by the international community.

In 2003, the Iraqi freedom war took place and put an end for 34 years of dictatorship ruling for the country. A new era started in Iraq where the people started to freely elect their government for the first time. The region of Kurdistan was officially recognized by the Iraqi government through the Iraqi constitution in 2005.

About the foreign representatives in KRG

The Kurdistan Region is a federated region in Iraq. Its main institutions are the Kurdistan Regional Government, the Kurdistan Region Presidency, and the Kurdistan Parliament. As stipulated in Iraq's federal constitution, Kurdistan's institutions exercise legislative and executive authority in many areas, including allocating the Regional budget, policing and security, education and health policies, natural resources management and infrastructure development.

Currently, about 32 countries have official Consulates and representations in the region.

KRG has also 12 representations in different countries around the World.

Photo: President Barzani with the current General Consels and foreign representatives in KR.



Kurdistan Region Presidency:

The Kurdistan Region Presidency (KRP) was promulgated as an institution by the Kurdistan Parliament in 2005. The President of the Kurdistan Region has the highest executive authority. He or she is elected by secret ballot in a popular vote every four years and can stand for election for a second term.

Mr Masoud Barzani, the current president, was elected as the Kurdistan Region's first president on 31 January 2005 by the Kurdistan Parliament, and re-elected by secret popular ballot by the people of the Kurdistan Region in July 2009, with 70% of the vote. The Deputy President is Mr Kosrat Rasul Ali. The President's secretariat, called the Diwan, is headed by the Chief of Staff.

The President represents the people of Kurdistan at national and international levels and oversees relations and coordination between the Region and the Iraqi federal authorities. He also represents the people of Kurdistan at Iraq's Political Council for National Security, and in negotiations and consultations with other parties in Iraq.

H.E Barzani is also the General Chief Peshmarga Forces.

He is responsible for approving the KRG Prime Minister's special appointments and promotions, and for ratifying all laws passed by the Kurdistan Parliament. He has the power to return once only for further debate and amendment any law passed by the Parliament.



His Excellency President of Kurdistan Region
Massoud Barzani

Kurdistan Parliament

The Kurdistan Parliament is the Kurdistan Region's democratically elected legislature. The parliament consists of one elected chamber. Its three main functions are:

- to examine proposals for new laws
- to scrutinize government policy and administration
- to debate the major issues of the day.

The founding principles of the parliament are liberty, pluralism, accountability, openness and the representation of all peoples in the Kurdistan Region.

Structure of the Parliament:

There are 111 seats in the Assembly (as stipulated in Law No. 1 passed in 1992).

In February 2009 several amendments were made to the Kurdistan election law to increase inclusiveness of all groups. The minimum age of parliamentary candidates was lowered from 30 to 25. While seats had already been reserved in previous elections for minority communities, for the Christian and Turkmen communities this was increased to five seats each. The legal minimum quota of women MPs was increased from 25 percent to 30 percent of the legislature. In the current parliament, 36 of the 111 MPs are women.

Parliament's beginnings:

In the aftermath of the 1991 Gulf War, Saddam Hussein

withdrew his forces and administration from parts of the Kurdistan Region. Faced with an administrative vacuum and a double embargo, the Kurdistan Front, an alliance of diverse political groups opposed to the Ba'ath dictatorship, organised a general election. Their goal was to establish an administration and fulfill the population's strong desire to choose its representatives.

The election on 19 May 1992 was the first free and fair parliamentary election in the history of Iraq. Voter turnout was very high and the elections were deemed to be free, fair, and democratic by international observers. After decades of dictatorship, the people in Kurdistan were able to choose their

representatives. This regional election led to the formation of the first Kurdistan National Assembly (later renamed the Kurdistan Parliament) and the establishment of the KRG. The leadership and the people of the Kurdistan Region decided to remain part of Iraq, and to adopt and abide by all national laws except for those that violated human and universal rights.

Parliamentary elections:

Elections for the Kurdistan Parliament are held at least every four calendar years, (as stipulated in Article 8 of the Kurdistan Electoral Law) . Anyone aged 18 or over who is a citizen of the Kurdistan Region and is on the electoral register is eligible to vote in a direct, universal and secret ballot. Elections for the Kurdistan Parliament are based on a closed party-list proportional representation system. Electors vote for a party's list of candidates, rather than for an individual candidate. After the election results are announced, each party is allocated seats in proportion to the

number of votes it received, using the ranking order of candidates on its list.

Powers of the Kurdistan Parliament:

As provided in the federal constitution of Iraq, parliament has considerable power to debate and legislate on policy in a wide range of areas: health services, education and training, policing and security, the environment, natural resources, agriculture, housing, trade, industry and investment, social services and social affairs, transport and roads, culture and tourism, sport and leisure, and ancient monuments and historic buildings. The Kurdistan Parliament shares legislative power with the federal authorities in the following areas, but priority is given to the Kurdistan Parliament's laws: customs, electric energy and its distribution, general planning, internal water resources.

In addition, under Article 121 of the Iraqi federal constitution the Kurdistan Parliament has the right to amend the application of Iraq-wide legislation that falls outside of the federal authorities' exclusive powers.

Landmark legislation passed by the Kurdistan Parliament:

The Kurdistan Parliament has passed several laws that have contributed to the Region's social and economic progress. These include:

- passing a modern and open investment law;
- passing a progressive hydrocarbons (oil and gas) law for the Kurdistan Region;
- significantly increasing the prison sentence for those

committing so-called honor killings, which were previously given minimum sentences.

- placing limits on the practice of polygamy.

The Kurdistan Parliament approved by a large majority a constitution for the Kurdistan Region, and intends to put it to a referendum in the future.



Kurdistan Regional Government:

The democratically elected Kurdistan Regional Government (KRG) exercises executive power according to the Kurdistan Region's laws, as enacted by the Kurdistan Parliament.

The current government, led by Prime Minister Nechirwan Barzani , His Deputy is Mr Qubad Talabani. The government coalition consists of several political parties, reflecting the diversity of the Region's people, who are Kurds, Turkmen, Chaldeans, Assyrians, Yazidis and others living together in harmony and tolerance.

The government has 19 ministries.

The KRG is based in Erbil, the capital of the Kurdistan Region. It administers the governorates of Erbil, Suleimaniah , Dohuk and Halabja.

The KRG's Program:

Renewal and reconstruction

Prime Minister Nechiwan Barzani at his swearing-in ceremony announced the policies of the KRG cabinet, building on the achievements made by the previous one. He said that the KRG will not stand still upon its achievements and will work for change, revival and reform.

The Eighth cabinet has the responsibility to:

- protect and expand upon the achievements of the previous cabinet,
- maintain several critical initiatives of the previous cabinet in terms of administrative and financial

- reform, and
- resolve the shortcomings that we have not yet been able to tackle.

Transparency and reform

The seven cabinet will fight against corruption, through the rule of law and transparency in government activity. The Minister of Justice will also shoulder the duty of Public Prosecutor; ensuring that dossiers of corruption and mismanagement of public funds will be sent to court. The KRG will put an end to political party interference in governmental affairs. It will also work to create the necessary atmosphere for political activity and the development of multi-party traditions, by amending the laws pertaining to parties and communities, and also by issuing a law regarding political party funding.

The KRG will build on the Kurdistan Region's considerable economic progress and improved living standards by further developing education and higher education, health, agriculture, irrigation and roads, and by resolving the housing problems for low-income citizens, increasing the income level of the individual and the living standards of the lower class. The public budget will be allocated according to the principles of balance and fairness, to meet the needs and requirements of the entire Kurdistan Region without prejudice. The KRG will work for precise transparent monitoring through the Parliament Audit Committees, and will strive to diversify the sources of income and disclose its expenditure. The KRG aims to establish an integrity commission for monitoring and investigation, and to pass a law requiring properties of officials to be made public.

This will improve financial policy, help to tackle corruption and establish better transparency in government activity.

The KRG will continue its policy of having good stable relationships with its neighbors, based on the principles of mutual interest. Faithful to the Kurdistan Region's friends and supporters, the KRG will strengthen its already strong ties with our allies in Operation Iraqi Freedom as well as the wider international community, with the aim of achieving our mutual goals.

Recognition of the Anfal genocide:

The victims of the Anfal genocide and the Halabja bombardment should never be forgotten. The KRG will lobby international decision makers for official recognition of the Iraqi Special Tribunal's ruling that these crimes were acts of genocide. We will also endeavor to implement the decision to compensate the victims of the Anfal campaign and those who were affected by chemical weapons. The KRG will continue to bring back to Kurdistan the remains of the Anfal victims found in the mass graves in the middle and the south of Iraq, and to build deserved monuments of remembrance to them.

Participation of the young and women in political life

The government will promote political freedom and public determination. We will encourage civil society and the media to play a greater and more constructive role in promoting public opinion and expanding the circle of democracy. Young people and women will be given the encouragement and space to participate in the Kurdistan Region's political decisions. The KRG sees young people as valuable assets. The future of Kurdistan will be guaranteed through their development and provision of opportunities for them, whether within government or within society. The KRG will create space for capable and qualified youth.

Why invest in Kurdistan Region?

The Kurdistan Region is an emerging market offering excellent opportunities

- A stable security situation - not a single coalition soldier has lost their life nor a single foreigner been kidnapped in the area administered by the Kurdistan Regional Government.
- The Region has two international airports in Erbil and Suleimaniah with over 80 direct flights per week from Vienna, Frankfurt, Stockholm, Amsterdam, Dubai, Amman, Istanbul, Beirut, Cairo, Ankara, Tahrán, Dusseldorf and several other charter flights to different destinations ...
- A liberal investment law, ratified in July 2006, offers foreign investors incentives including customs relief, tax holidays and the freedom to repatriate profits.
- A regulated banking & finance sector providing basic banking services.
- Attractive investment opportunities in agriculture, banking, communication, construction, education & training, energy, healthcare, professional services, oil & gas and tourism.
- The Kurdistan market although it is relatively an encouraging market as itself, this region should be considered as a gateway to the markets of the rest of Iraq and the neighboring countries. Our region can represent a portal point that connects these markets together to achieve the economic integration in the area.
- In addition to the above, the region has huge potentials

in terms of petroleum, agriculture, and other natural resources. These resources could be ideal basics for economic activities and developments. It is believed that the region's reserves of oil are estimated to be about 45 billion barrels. While the estimated reserve of natural gas in the region is estimated to be about 3,575,000 m³.

Kurdistan's investment law:

The Kurdistan Region investment law was passed in July 2006 and an Investment Board was created to manage and promote investment. The Draft of the law is inclusive at the end of this booklet.

The investment law is one of the friendliest to foreign investors in the entire Middle East. Some features of the law are:

- Foreign and local investors and capital are treated equally under the law (Article 3).
- Foreign and local investors are entitled to own all the capital of any project (Article 3).
- The government allocates free or reduced-price land to investment projects that fulfil the criteria (Article 4).
- Foreign investors are free to repatriate profits in full (Article 7).
- Foreign and local investors are equally entitled to buy and own land for investment purposes (Article 4).
- Investors get a 10-year non-custom tax break once they start production or service provision. Raw materials and equipment used in production also get customs relief (Article 5).

- You will find the complete text law at the end of the Booklet.

The Kurdistan Region's Investment Board, established in summer 2006, oversees and promotes foreign and local investment and is already issuing licenses to suitable investors. The Investment Board was established by the investment law to help carry out the law's provisions and to facilitate strategically important investment projects

Universities in the Kurdistan Region :

There are 14 governmental universities in the Kurdistan Region. The three largest are Salahaddin University in Erbil, the University of Suleimani, and the University of Dohuk. They offer studies in various subjects leading to specialized diplomas, bachelors and masters degrees, and doctorates.

Salahaddin University was established in 1968 in the city of Suleimaniah, and was moved to the city of Erbil in 1981. After the Ba'ath regime withdrew its administration in the aftermath of the Gulf War, in 1992 the Kurdistan Regional Government established two big Universities in Sulaimani and Dohuk.



University of Salahadin

The other more recently established institutions are the University of Koya , Soran, American University of Duhok and Hawler Medical University.

Kurdistan Region also has 15 Private universities. The University of Kurdistan - in Hawler started its first academic year in September 2006. The only language of instruction at the university is English.

At the American University of Iraq - Sulaimani all instruction is in English. It offers an intensive English programme to prepare students for its first degree program, a Bachelors in business administration.

The other private university is Jihan University which has departments in all the Region main cities.

The Universities and High education is regarded as one and most important sector and the proiority of KRG for the future of the Region.

The Ministry of scientific Research and High Education has a modern program to adopt the Internatioal Academic System for the Universities in the Region.

The American University in Duhok has recently established with a very modern building design and qualified staff of instruction.



American University of Duhok

Travelling to Kurdistan:

The Kurdistan Region has two international airports: Erbil International Airport and Suleimaniah International Airport. Most flights from Europe and the Middle East fly directly to Kurdistan, without going via Baghdad. Several IATA members scheduled carriers already fly to Erbil, and more IATA airlines are expected to start flights there. Several charter companies also operate flights to Erbil or Suleimaniah.

Regular scheduled flights to the Kurdistan Region by Turkish airlines, Austrian Airlines, Lufthansa, Gulf Air, Royal Jordanian, Etihad, Middle East Airlines, Qatar, Egypt air, Goergian Air and Iraqi Airways. Charter flights to the Kurdistan Region are operated by Atlas Jet from Istanbul, Air Berlin, Air Sweden, Viking Airline and others.

Local airlines is also a promised one which recently Zagros jet and Azmar Air have been started its flights to Europe and Middle East.



Useful Links:

The presidency of Kurdistan Region: <http://www.krp.org>

Kurdistan Parliament:

<http://www.kurdistan-parliament.org/>

Kurdistan Regional Government: <http://www.krg.org>

Ministry of Trade and Industry: <http://www.mtikrg.org/>

Ministry of Planning: <http://www.mop-krg.org/>

Ministry of Education: <http://www.kurdistan-moe.org/>

Ministry of Labors and Social Affairs: <http://www.molsa-krg.com>

Ministry of Martyrs and Anfal Affairs:

<http://www.momakrg.org>

Ministry of Finance and Economy: <http://www.mof-krg.org>

Ministry of Agriculture and Water Resources:

<http://www.moawr-krg.org>

Ministry of Municipalities and Tourism: <http://www.mom-krg.com/>

Ministry of Electricity: <http://www.krgelectric.org/>

Ministry of Justice: <http://www.mojkurdistan.com>

Ministry of Transportation and Communications:

<http://www.moc-krg.com/>

Ministry of Religious Endowments: <http://www.merakrg.org/>

Ministry of Higher Education and Scientific Research:

<http://www.mhe-krg.org/>

Investment Board: <http://www.kurdistaninvestment.org/>

Erbil Governorate: <http://www.hawlergov.org>

Dohuk Governorate: <http://www.duhokgov.org>

Salahaddin University: <http://www.suh-edu.com/>

University of Dohuk: <http://www.dohukuni.net>

University of Kurdistan, Hawler: <http://www.ukh.ac/>

American University of Iraq, Suleimaniya:

<http://www.auiis.org/>

For further information, please contact: info@mtikrg.org

Advantages to doing business in Kurdistan Region:

Kurdistan is a region with a rich history. It is endowed with a wealth of natural resources and a human aptitude for development. In slow steps but tight and steadily, the region is recovering from more than three decades of threatening the mass destruction and sanctions and economic decline. KRG is adopting a very modern system which is efficient, transparent and equitable legal system.

The treatment of foreign investors

- a. Foreign investors and foreign capital are treated as national investors and national capital.
- b. A foreign investor who establishes a project in the Region is entitled to own the entire project.
- c. A foreign investor may transfer the profits of a project and interests on him capital abroad according to the provisions of the Investment law.
- d. A foreign investor is entitled to repatriate his capital upon the liquidation or disposal of disposal of the project, provided doing so does not conflict with the provisions of law , customs procedures, and tax procedures.
- e. the foreigner can run the projects by themselves and according their economic anticipations.
- f. tax exemption for ten years for the strategic projects and could be extended to 15 years.
- g. above all which deserves mentioning is the high level of security in the Region which the foreigner can touch this clearly.

The Economic Policy of KRG:

As one of the frontline Cabinet within the Regional Government of Kurdistan which is leading the drive to

position KRG as future hub and base and commercial network for economy activity in the Middle East.

The KRG core responsibility is the promotion and development of Industry and Agriculture activities, with an emphasize on generating sustainable development and economy growth in Kurdistan Region, by securing enhanced access to foreign market for local companies as well as more foreign capitals to be accessed to the local Kurdistan market.

- Adopting the Free Market_Policy to promote and support the role of private sector such as the Chambers of Commerce and Industries and other business associations and unions.
- Drafting new laws of Trade and related themes to be in harmonization with the plan of development and amending many other articles of previous laws.
- Providing new legislation administrations and procedures.
- Creating a healthy environment for business and investment.
- Cooperation with central government to take part in the committees of WTO and other organizations and collaborating in other different activities ex; distribution of food for Kurdistan inhibitors.
- Providing all facilities for the process of rehabilitating the infrastructure of economy of Kurdistan Region.
- The legal system in the region is more developed than many other legal systems in the middle east, the system is relying on the following sources:
 - 1- The Constitution of Iraq and the Region.
 - 2- Rights and Liberties.
 - 3- The Federal Authorities.

4- Powers of the Regions.

- Relying on Iraqi constitution , Kurdistan Regional Government has the constitutional right to deal and sign commercial agreements and MoU with regional governments, this will assist the promotion of Economy in Iraq as general and the Region as particular, and will meet the demand of commitments of the new era.
- Considering the political and economic stability as a factor , the KRG plans to make the Region as hub for the future Economy in the Middle East , to draw attention of the capitals around the world to get in close relation with the local investors who could develop their financial capabilities depending the modern method of business.

Safe area :

The Kurdistan Region is safe, stable and prospering area in north eastern Iraq. It deserves mentioning that the rate of Economy Growth for 2012 was %7.5 as some local and International observers recorded.

The Kurdistan Region of Iraq is blessed with plentiful water, fertile land , forest

s, oil and gas and many other energy and mineral resources, energetic petrol, stunning energy and historical sites that have always attracted visitors and are beginning to attract regional and international tourists once again .

In terms of Trade, Kurdistan Region is also geographically well placed between the potentially growing markets of Iraq, Iran, Turkey and Syria.

The KRG is governed by a democratic system. It has an elected parliament and government. It enjoys free press, free flow of information, and open borders for free flow

of goods and people, the Region enjoys also peace and stability.

“ This is considered a victory for the independent and moderate elements.”

The per capita income in the Region in 2014 ranges between US \$5,500.0 and US \$ 6, 500.0 , which is well above the average in a number of neighboring countries, and stands to rise substantially with return of normality to the rest of Iraq .

For the 2015 and 2016 and due to the exceptional situations the economic growth has recorded some slowness and reluctance, KRG has a supportive reform policy which has a cardinal target : to diversify the economy and increase the sources of income and decrease the expenses.

The signs are showing the success of the new policy which has been applied the beginning of 2016.

The Kurdistan Region has been enjoying and continues to build a stable macro economic environment since the demise of the previous regime. Strict monetary and fiscal policy discipline is observed which has helped to stabilize the exchange rate, the interest rate and inflation.

Iraq has also managed to build a healthy financial reserve, and is currently modernizing its trade Laws in preparation for the membership of the WTO and other International organizations.

Liberal foreign investment laws have been introduced both in their central Iraq an in the Kurdistan Region. They have both been endorsed by their respective parliaments. Kurdistan , in order to further facilitate the smooth application of the Investment Law , four complementary laws are being prepared namely, competition law , consumer protection law , environment protection law, environment protection law and an update of the Iraqi 1958

labor Law .

The KRG is also promoting foreign investment by creating an environment supportive of business, such as:

- Facilitating the allocation of the needed lands and renting them out for establishing projects for a sum to be determined by the Commission in coordination with the concerned authorities.
- Establishing secure and free investment areas.
- Providing data, information and advice to investors and issuing special manuals in this regard.

The Kurdistan Region has been promotion itself as the commercial gateway to Iraq the Region is secure and politically stable. Any visitor or citizen, can move anywhere , alone and without guards.

Currently, more than 80 weekly direct flights connect the Region with over 14 international destinations including: Vienna, Frankfurt, Amman, Amsterdam, Beirut, Copenhagen, Istanbul, Ankara, Stockholm, Gothenburg, Tehran, Dusseldorf, Dubai, Baghdad ,Basra , Athena, AL Manama, Doha, Abu Dhabi, Sharjah, Cairo, Tunisia and Tbilisi(Georgia) etc.

The International airlines are getting more operative to start with direct flights to Erbil and Sulaimani airports, including: Austrian Airlines, Lufthansa, Gulf air, Turkish airline, Royal Jordanian , Qatar, Middle East, and Etihad many other International airlines are operating their flights to the Region.

Following the overthrow the previous regime and the lifting of international sanctions, the Regions infrastructure is being rapidly improved.

Mobile cellular phone services and internet access are now widely available.

34 Countries have officially opened their General Consulates and representative Offices in Erbil which give the opportunity to the Foreign companies to be in close touch with Kurdistan.

Advanced in technology, reconstruction, rehabilitation and services are visible everywhere in the Region.

The role of the Ministry of Trade and Industry:

since the establishment of the Ministry of Trade and Industry in 2010 and approvment of the law , the Ministry is engaged to organize the different sectors of Trade , commerce, Industry and the whole activities which give the Economy more energy and promote the methods and also to modernize the way to deal with the other countries and in the same time to provide the factors of food security in the Region , this region which located in the core of the Middle East events.

The following are some targets of the Ministry of Trade and Industry:

- Ensure food security for the inhabitants of the Kurdistan Region and become self-sufficient in critical areas.
- Reform trade policies and regulations to bring them further into line with good international practices, and to ensure efficient trade with Kurdistan Region's neighbouring countries.
- Work with in the private sector to rehabilitate the Kurdistan Region's industrial infrastructure.
- Issue new laws and amend previous laws to facilitate commerce and industry.
- Strengthen commercial ties with other parts of the world.

Ministry of Trade and industry till now has many

official agreements and Memorandum of Understandings with different regions such as: Lombardia in Italy, Malopoliska in Poland, Ministry of Economics in Italian Government, and there are other drafts of agreements waiting the last approval from the Council of Ministers. The aim is go on with the opening new Gates toward the Region.

- providing different facilitations to the foreign investors and businessmen as well as securing the safe and flexible process of registration of companies, enterprises, industries and aganies.
- Regulates internal and external trading activities.
- Supports the private and joint public/private sectors.
- Guides the policies for increasing imports and exports.
- Supports local and foreign investment.
- Strengthening the commercial relations with other regions.
- The law of Industry development facilitates setting up new industry projects.

In the previous government cabinets, the ministry of trade and the ministry of industry used to be two separate ministries in the previous government cabinets. Through the sixth cabinet which was established in October 2009, these two ministries were combined under the name of the ministry of trade and industry.

Tasks and Duties of the ministry of Trade and Industry:

The ministry of trade and industry is responsible for issuing the general trade and industrial policies in order to achieve the economic and social development in the region. In order to achieve that vision the ministry conducts the following responsibilities:

In terms of trade activities:

- To propose the appropriate arrangements to overcome the obstacles that may bind the trade activities. This could be achieved through establishing strategies, plans, development programs, and promoting exports and improving the commercial balance.
- Handling with the negative effects on the national economy of the region generated from the freedom of foreign trade through strengthening the power of competitiveness of the national economy of the region, the business sector and the national products.
- Taking the precautions that may guarantee the consumer rights and drafting the legislations required for their protection in cooperation with the related parties. This includes the observation of prices in the local markets, organizing and enhancing the competitiveness environment, combating monopoly, and other harmful commercial practices.
- Practicing the technical observation with respect to the quality of the imports of exports through cooperating with the related parties to establish an integral quality control system.
- Organizing the related affairs of the commercial agencies of international companies and being

responsible for registering and observing the activities of the local and foreign companies, their branches and agencies in the region.

- Supervising the commercial and industrial chambers, and the stock markets and their unions with organizing and developing their affairs.
- Preparing and implementing the required programs for establishing local and international fairs and exhibitions to recognize the international developments and the commercial and industrial products in the world.
- Establishing and managing the required buildings and facilities for the activities of the ministry including renting them and providing them for lease.

In terms of Industry:

- Planning and supervising the industrial activities including observing, directing and evaluating the qualitative and quantitative results of its plans. Also taking the required steps in order to find the appropriate solutions for them in cooperation with the related parties.
- Granting licenses for establishing organized industrial sectors, encouraging these institutions, and observing them. Also, granting the licenses for industrial and commercial projects, including extensions or changing their purposes and their consideration by the investment law.
- Participating and supervising the industrial projects and drafting the required legislations to maintain and develop them with cooperation with the related parties.
- Cooperating with the Iraqi Foundation for the Free

Zones in order to establish industrial and commercial free zones in the region, this includes supervising these zones, developing them, activating their roles and drafting the required legislative to achieve these goals.

- Preparing the annual plans, studies and long term plans for the commercial and industrial projects including technical and financial feasibility studies, with proposing their inclusion within the development plans of the government.
- Observing the quality of the local products including ensuring their compliance with the standardized international specification. This includes the provision of the directions and instructions with respect with the quality of these products in order to improve their quality and develop production, lowering costs and applying new technologies.
- Cooperate with the ministry of agriculture to support the farmers and studying the means in order to use the agricultural products as raw materials for the industrial projects and converting them into ready local products for both the local consumption and for export purposes.

In terms of the both sectors:

- Organizing the mechanisms for protecting the commercial and industrial trademarks, granting these marks, fees, industrial patterns, patents, and following the join of Iraq to the international treaties related to the commercial and industrial copy rights protections.
- Preparing the proposals for laws and legislations required for improving the investment environment,

facilitating the services related to investment, designing programs and incentivizes to encourage the local and foreign investors to the region.

- Concluding the international treaties and conventions required for implementing economic policies of the region in terms of the local and international trade activities. This includes strengthening the relations with sources of the technological developments in accordance to the jurisdictions of the region within the Iraqi constitutions.
- Preparing the required staff for the commercial representations in the Iraqi embassies abroad and representing the region within the federal authorities during conducting the commercial and industrial treaties and contracts to strengthen the role of the region and protecting its interests in accordance to the law.
- Developing and improving the quality of the services provided by the ministry to citizens through adopting the modern tools in terms of management and utilizing the information technologies by adopting the e-government principles to maintain the active connection of the ministry with its stakeholders and citizens in order to facilitate the process and procedures of the common transaction and establishing databases to participate in improving the performance of the ministry and preparing the required environment for developing the economy of the region.

Our ministry is currently working on drafting and issuing regulations and laws that will strengthen the economic development in the region. We are currently working on

establishing three important laws: the anti monopoly law, the competition law and the consumer protection law. These laws are important to organize the trade environment in the region. These laws are anticipated to be legislated officially in the nearest future within this year.

It is within our ministry's plan to further attract investments and expand trade in our region, we are planning to establish at least three free zones. The first zone and the most important one will be established on the border between our region and Turkey. This free zone will be an industrial trade zone. We believe that it will attract a large number of businessmen to invest there. The second and three free zones will be between our region and Iran in Bashmagh and Suliemaniya areas. These free zones with their incentives will be another important factor that strengthens investment and trade in our region.

Within the context of expanding trade and economic activities, Iraq has signed 48 protocols with our neighboring country Turkey from 2005 till 2011 . It is anticipated that these protocols will significantly increase the size of trade and economic activities between Iraq and Turkey. Accordingly it is planned to implement additional two extra bridges on the border over the Khabour River between the two countries. These additional bridges are planned to cover the anticipated huge increase in trade through the Ibrahim Khalil land port. Also Turkey is currently working on completing the high way from Mersin to Zakho which is a very important project as a logistical facilitation to support and encourage the trade and transit activities in the area.

The Priorities of the KRG:

The Kurdistan Regional Government is engaging to have its priorities in the region in order to draw the foreign capital to Kurdistan.

The main target of the government is to enhancing the role of the private sector which has been noticeably could gain achievements in various fields.

The followings are the priorities of KRG:

- 1- Agriculture and Water resources: Kurdistan Region mainly is an agricultural part of Iraq which has magnificent possibilities to have projects. This part contains different sectors of Agriculture and Water projects such as: Green Houses, new Dams and Channels, cooling warehouses, scientific methods of treating with the agriculture diseases and problems, food security and building new Silos and Grain Warehouses.
- 2- Education and Higher Education and scientific researches. The KRG is supporting the private education and issues the certificate of establishing private Universities and Colleges.
- 3- Health; KRG is adopting new systems from the developed countries and encourages the health sector and building new Clinics and Hospitals.
- 4- Oil and Gas sector: this sector has top treatment of KRG because this will be future strategic priority and this will be actual according the Iraqi Constitution.
- 5- Banking system and Insurance: the Economy in Kurdistan Region is witnessing an economic boom

and noticeable growth percentage which is 8% for 2010. The existence of the banks and modern system of banking emphasises the industrial and Commercial activities in any country.

- 6- Industry sector which noticeable steps have been forwarded to rehabilitate and reconstruct the infrastructure of Industry through adopting the similar foreign experiences Turkey as an example. Agro-industry is the needed business in the Kurdistan Region while the requirements of this sector could be easily granted.
- 7- Tourism which has distinguished factors for having four season tourism. The Kurdistan Region plans to implement many big tourism projects and allocated a suffice budget for that.
- 8- Human Resources: there are huge possibilities to promote the capabilities of the young generation; KRG is giving too much attention to this issue.

Industrial opportunities:

- In industry and manufacturing, the Kurdistan Region needs cement, steel, food processing, canning and packaging factories and plants.
- There are also good opportunities for cutting of marble, which the Kurdistan Region has in abundance.
- In agro industry, there are good opportunities to establish joint stock companies with the government.
- As part of the five-year strategic plan to revive agriculture, the Kurdistan Region needs more wheat silos. An agreement has been signed this year to build one silo, and we look forward to collaborating with foreign companies on eight more similar projects.
- Ministry of Trade and Industry has in its plan to establish a Free Trade and Industrial Zone near the Turkish boarder, this project is going to be implemented with the cooperation of Foreign Private Firms and Enterprises specialized in the sector.
- Ministry of Trade and Industry and with the cooperation of other related ministries has began with the projects of establishing four Inudstrial Zones in four different cities (Erbil, Suleimaniya, Duhok and Garmian) a draft of law has been written and sent to Council of Ministries to get approval by both authorities Council of Ministries and the Parliament then to start with the projects.
- In order to grant equal opportunities to the companies domestic or foreign , the Ministry of Trade and Industry has issued order to provide the licenses to all kinds of industries with all facilitations for the process of setting up procedures.

- The opportunities of privatization in the Kurdistan Region:
 - Cigarette factory in Suleimaniya
 - Vegetable oil factory in Suleimaniya
 - Sugar factory in Suleimaniya
 - Tech- brick factory in bazian
 - Gypsum block factory in Suleimaniya
 - Textile factory in Kifri

Industrial Development Law No. 25 year 1991

Under this law:

- Companies can apply to set up the factory.
- Companies should present a brief feasibility study of the market for the products that will be manufactured.
- The Office of Industry provides the land at a low cost for the factory, and the licences for the first quantities of raw materials needed.
- Regulating and supervision the projects .
- The industrial projects in the Region till end of July 2016 are as following:
 - Construction projects are 1826
 - Mechanical projects 366
 - Food industry projects 941
 - Electoral projects 58
 - The rest projects 2102

Import and export licensing:

The Import and Export activities are most active sector in the Region due to the promising market that Iraq and Kurdistan has as well.

The Iraqi, KRG authorities require importers to be registered. Registration requires submission of certain documents and information. In the case of legal entities, the entity must obtain a trading license, and be registered with both the customs and Chamber of Commerce.

- The Ministry of Trade and Industry issues import and export licences to local and foreign exporters and importers.
- The licences are valid for one year and can be extended.
- The Ministry is working to facilitate the procedures for getting the licences.
- The Ministry regulates the Trade Marks and agencies to be registered officially .

The value of Import which is registered by the Ministry of Trade and Industry for the year 2016 is as following:

Erbil International Fair Company (EIFC) :

There is no doubt that the Kurdistan Regional Government pays great importance to the establishment of international fairs and specialized in the land of Kurdistan because of its security and stability and witnessed campaigns of powerful reconstruction in various fields, so the regional government has taken it upon themselves to provide all the supplies necessary for the success of these fairs to provide security and services and facilities necessary for the introduction of goods in and out as well as facilitating the entry of exhibitors and participants across the border ports and airports of Kurdistan.

The idea of holding exhibitions in the land of Kurdistan of Iraq in 2005 started as a result of non-viability of the Baghdad International Fair for its normal time because of security conditions and the use of exhibitions of Iraqi neighboring states and foreign countries by the regional government felt that it was the first establishment of such exhibitions on the land of Iraq and create an appropriate atmosphere to identify the foreign investors and Arab businessmen to invest in Kurdistan, Iraq and to make Kurdistan a starting point for the reconstruction of Iraq as a whole.

In 2008 the Erbil International Fair permanent member of the International Union of became a Exhibitions (UFI).

1. Foundation The company was founded by a decision of the Kurdistan Regional Government, as an institution of economic and non-profit media .The board of administration, consists of the (five) members of the full support and care of the regional government.

2. Location and Area Showroom is located at the center of

the city of Erbil, exactly in the Park Sami Abdurrahman, which is one of the largest parks in the region a thatched area of 17.000 square meters of exhibition and the whole space is 33,000 square meters with a total area made up more than 50.000 square meters of gardens and will expand services in the areas thatched future. 3. Components The Company is comprised of several buildings and full facility.

The main hall thatched and built of sandwich panels insulating material which is air-conditioned and floored Concreted and furnished by carpet and equipped with electric power and lighting is adequate. And exhibition is supplied with three big generators cover the need for the fair when the electricity power is off, as well as health services and the network of water.

The administration of the fair runs the show and takes it upon himself to provide all services from a security standpoint and the rest of the necessary services required during the period of the exhibition in coordination with the security authorities.

4. Activities and events within the past and during 5 years of age Erbil International Fair Company, the company organized a number of international and specialized exhibitions successful won praise and appreciation has been contracted to set up other shows for the year 2011 and according to the attached schedule.

5. Facilities 1. Providing the security aspect. 2. Grant facilities in respect of the entry and exit of foreign participants. 3. Facilities are granted with respect to enter and get the goods and exhibits from the border points. 4. A center for Customs in the land of the exhibition.



Commercial agencies:

Kurdistan Region according to the Iraqi constitution has the right to apply the best and suitable economic system and with the confirmation of the Kurdistan Parliament and the Counsel of Ministers the issue and department of the registering of Trade Marks and Brands is done as the Iraqi law of Trademark No. 21/1957 and amended by CPA Order No. 80.

Iraq is the member of Paris convention on the protection of Industrial property.

KRG is adopting the same law of central government in Baghdad which is aiming to open the market of Federal Iraq for all international Trade Marks, Brands and Names.

The law has been described as most liberal if compared with other Arab Countries Commercial Agency laws. Iraqi law does not contain any provisions concerning the substantive law of commercial agency and distribution. The Iraqi civil Code ICC contains only some general provisions on agency.

Requirements for Agents

- 1- The agent should be resident in Iraq.
- 2- At least 25 years of age.
- 3- Member of one of Iraqi Chamber of Commerces.
- 4- Fulfil of certain requirements , such as not having convicted of certain offences.
- 5- Carry out the commercial agency within Iraq.
- 6- Not be employee in public sector.

Customs

5% customs is imposed on imports to the Kurdistan Region. However, some products are completely exempt from customs and taxes: Food stuffs, medical equipment and medicines, books and stationery for schools and universities, construction materials, cement and reinforcement steel bars.

The trend in Iraq now is getting stronger and stronger in the Iraqi Parliament , with the arrangement of financial policy and searching for new revenues , the majority of MP s agree on increase the percentage of the customs.

Production and Growth:

Economists often use a production function to describe the relationship between the quantity of inputs used in production and the quantity of output from production.

Within the Region there are large changes in the standard of living over time.

Kurdistan Regional Government is adopting a modern economic policy to present better services. The production of Agriculture comes in the priority.

The economy in Kurdistan Region is emerging which give the impression of boom in this part of Iraq: and other points to be shown:

- A country's standard of living depends on its ability to produce goods and services.
- Kurdistan Region has proved its capability to create its own way to develop the sectors and the infrastructure which has been damaged through previous policies, various plans implemented to revive and rehabilitate it in several steps and main budgets.
- The policy now is to achieve a plan to transfer from consumer society to a productive one and to provide principal services such as a good education , Health, new transportation network.
- In the Kurdistan Region over the past century, average income as measured by real GDP per person has grown by about 8 percent per year.

The situations after the appearance of terrorism activities since 2014 are getting more importance and this became an international Case . Large areas of Iraq was the basis of

these terrorist activities and targeted Iraq and Kurdistan Region. The World was under direct threat and some how a complicated crisis.

Kurdistan Region could face the challenges with assistance of the International aids and supports, the great military achievements on the ground has shown a bright picture of Kurdish rebels Peshmarga who could stop the creeping barbaric ISIS troops which gave the impression of “the only power which put an end to the ISIS on the ground”.

KRG is planning and studying the new initiatives and adopting new methods of reform program with the coordination of different International Organizations such as the World Bank.

Trade entry Boarders:

- The main overland entry points are the Ibrahim Khalil border crossing with Turkey, near the city of Zakho, and the Haj Umran crossing with Iran, and the crossing boarder of Bachmahg with Iran, the Parwez Khan has been opened officially with the republic of Iran.
- Mersin Port in Turkey is the nearest sea freight link for the Kurdistan Region.
- Erbil International Airport and Suleimaniah International Airport handle air cargo flights. With the fifth-largest runway in the world and a dedicated cargo terminal, Erbil International Airport can handle the large air cargo.
- At moment we have 6 international boarder zones with Turkey, Iran and Syria
These Boarde zones are regarded as main economic vessels as well as the main financial revenue for the Budget of the Region.

- 1- Haj omran
- 2- Feshkhabur
- 3- Bashmagh
- 4- Ibrahim Khalil
- 5- Parwez khan
- 6- Muntheria



Company Registration Law:

Law No. 21 of 1997, which was amended in 2003:

- Facilitates the registration process both for local and foreign companies. Under this law,
- Foreigners can own 100% of a company.
- Foreigners have the right to set up a national company in the Kurdistan Region.
- Companies can work in multiple sectors
- Foreign companies can employ foreign workers.
- The foreigner can set up a local company with all advantages and procedures.
- The No of foreign companies registered in the Ministry of Trade and Industry Kurdistan Region till 01 Jan 2013 is 2350 companies.

The No of local companies registered till 01 Nov 2011 is 11079 companies

How to register your branch company in the Kurdistan Region

- Iraq has a uniform system for registering companies, and has three registration centres one in Erbil, Sulaimaniah and Baghdad
- To register as the foreign branch of your company, or as a new company in the Kurdistan Region, you will need the services of a local lawyer who should be a member of the Lawyer's Syndicate. To find a registered lawyer.
- The law of registering companies give the right to foreigners to set up a local company with the same rights and duties of any Iraqi citizen.

What to provide to register a branch of foreign company:

- 1- A certification of Registration Company which issued and registered by authority in the mother country and it must be sealed from Iraqi embassy in the original country, or be sealed from the KRG representative in UK , for ex.
- 2- A copy of establishing contract of company or all real documents by authority in the original country and it must be signed by each founder or legal represented party and it must be arranged according to article rules 3,39 – 14 and 13 from company law and it must be sealed from Iraqi embassy in the original country.
- 3- An official letter from the company head office signed by authorized person or the manger of company sealed from Iraqi embassy in the original country insure all information and implying responsibility of the branch in the Kurdistan Region Government and appointing an authorized manger, legal agent , authorized employer who present in front of registrar of companies. For all three persons must the have residence in Kurdistan.
- 4- Do not indicate any false information by authorized person in Kurdistan Region instead of foreign commercial entity wanted to registrar of companies.
- 5- The final financial account of company of the last year must be sealed from Iraqi embassy in the original country.
- 6- All required documents must be written in Arabic and English and offering the translated documents in the original country in Arabic or English language and sealed from Iraqi embassy in the original country.

- 7- The registration fee is equal to 200 000 ID.
- 8- A rent contract for the office of Branch Company in Kurdistan. Checking up the location of the company.
- 9- To inform the retail side this has relation with the activity of the company mentioned in the contract of the company, if it needs as in the article 18 from the companies law.
- 10- A contract of the lawyer supported by lawyer syndicate in Kurdistan Region. A contract of the accountant supported by Accountant Syndicate in Kurdistan region.
- 11- Filling three forms for detrainning and registering company by a responsible employee.
- 12- A contract of the lawyer supported by lawyer syndicate in Kurdistan Region. A contract of the accountant supported by Accountant Syndicate in Kurdistan region.
- 13- Filling three forms for detrainning and registering company by a responsible employee.

The required documents for establishing domestic company/ Limited or Private or Joint stock companies

First:

Submit a request to the registrar as it is in the article (17) from companies' law:

- Company's name.
- Kind of the company.
- Company's activity.
- Company's addressed and telephone number if there is.
- Name and signature of the person who submitted a request.

The Submission Company with these documents as it is in the article (17) from the companies' law:

- 1- A contract of establishing company or (illustrate of establishing the private company or if it has one owner as it is in the article (14) from companies' law). The contract must contain these points as it is in the article (13) from companies' law.
 - Name and type of the company.
 - Address and telephone number of the company in Kurdistan Region.
 - The aim of establishing the company.
 - Company's activity and it should be conforming to the name and the activities of the company detrain in the chamber of commerce.
 - The capital of the company and it should divide on the stocks and shares to confine value name for one stock with Iraqi diners.
 - Names of the founders, nationalistic identity, profession, place of residence, number of stocks of each one and the shares.
 - The contract should be prepared by lawyer of the company with mentioning his name and signature.
 - The lawyer should company (special agency of himself with each founder in the company) with the contract of establishing company.
- 2- Approval commercial name (A support from chamber of commerce).
- 3- Bank support, supporting returning back the required capital according to the article (28) from companies' law from appointing the capital of the company by Iraqi diners as it is in the article (26) from companies' law.

- 4- Authenticated rent contract of the company.
- 5- To ask responsible side which relates the activity of the company from company's contract if it needs as it is in the article (18) from companies' law.
- 6- The registration fee is equal to (20000 ID).
- 7- Filling three forms specialized of approval ling and registration of company.
- 8- Identity and nationalistic identity of the shareholders.
- 9- Finishing all the required documents and putting in special file (box file) and giving it to the responsible employee.

Joint Stock Companies:

After finishing the documents of section one, the certificate of establishing company issue after issuing the approval decision of establishment, which indicates the proving of establishment as it is in the article (19) from companies' law. After issuing the certification of establishment for general committee of different above-mentioned companies invite all for meeting, in the meeting should appoint the authorized manager and confirm his skill, authority, fee and reward as it is in the article (121) from companies' law. Appointing legal consultant and sponsor accountant for the company and (engineer if it is a construction company). In the conclusion of the meeting the assembly of meeting should signed by the head of general committee, clerk and sponsor and signed with company's stamp, a copy should send to the registrar of companies for the period not more than (30) days from the date of issuing the certificate of establishment as it is in the article (96) from companies' law.

The assembly of meeting should be company with:

- 1- A support from lawyers' syndicate with the contract. Should be sealed.
- 2- A support from accountants' syndicate with the contract. Should be sealed.
- 3- A support from engineerings' syndicate with the contract. Should be sealed.

Note:

* Each decision issue from general committee of the company sign by the head of the company and seal with company's stamp as it is in the article (118) from amended company's law number (21) for the year 1997.

* The capital of contracting companies should not be less than 200.000.000 ID.

* The activity of contracting should not be mixed with any other activities in a company.

Main important Trade laws :

When the ministry has been established as the one of the most important Ministries in the new cabinet in 2010, the necessity of the new laws came to the debate, besides the instructions and regulations.

As the first step, we have issued the law of the ministry; this law has paved the way toward the trading activities as well as the job of the departments which are distributed along Kurdish cities and provinces.

The ministry is expecting the issuing laws which regulate and organize the Commercial and Economic activities for such ex the Trade law, the Import and Export law, Free

Trade Zones law, furthermore : The ministry succeeded to draft other laws which has been approved by the Regional Parliament such as Consumer protection law which assist every daily details of people.

1- Consumer protection Law:

Economic transformation requires legal and surveillance frame to provide specific measures for production and services comparable with standardized specifications and to protect the consumer from a biased advertisements .Consumer law is passed to meet these objectives: (a) assuring that the consumer has not been a subject of taking advantages. (b) Protection of rights and interests of consumers by bringing into local market products and services of good quality and healthy. (c) Educating the consumers to be aware of his rights and how to practice these rights and to select the most appropriate products and services to his needs at the market.

2- Competition Protection and Monopolistic Practices Prevention Law.

To overcome such disadvantages, when the companies and enterprises overlook the interests of a market elements and lead to some sort of restrictions that limit adverse effect on trade and economic development of a business practice in Kurdistan namely competition protection and preventing monopoly aiming at promoting social affairs and consumer interests and ensure that business practice in the Region.

3- Industry Zone Regulations.

The regulations of Kurdistan Region government KRG on

Free Trade Zone call for planning, organization and carrying out business activities in such a fashion that matches with current situation and local laws and regulations, and with international business practice. The aim is to provide a sound base, for entering the agreements with those countries, which call for liberalization of trade in general and other trade related issues.

Kurdistan Regional Government has regulated establishing a Free Trade and Industry Zones in Ibrahim Khalil which is near the boarder of Turkey the drain and Vessel of Trade of Iraq to the Europe.

4- Kurdistan Free Zone:

KRG intends to establish Free zones to promote business and other economic related activities. The objectives are to lay down principles and general rules essential for facilitating and execution of diversified business activities e.g. manufacturing, trading services, distribution and bringing in foreign investments and production sources, capitals modern technology know-how and experiences that will lead to economic growth.

There will be various Free Zones in Kurdistan Region in the boarders of Turkey and Iran and near the airports of Kurdistan region.

Sulaimani Trade Zone which is near Sulaimani airport which has its importance the Trade activity with Iran is now starting with its first step on the ground.

Cement Industry:

In 2004 the No of Cement factories in Iraq was 20 in the capacity of 19,5 Million Tons and the No has increased in 2010 to be 22 Factories in the capacity of 23,7 Million Tons, the expected No will be 26 Factories in 2015 to produce about 27,3 Million tons in a year.

Until year 2004 the No of Cement factories in the region were 2 factories which produced 2,4 Million tons in a year and the No increased to 4 Factories in 2010 which produced 6,6 million tons and expected to set up new factories to 2015 to produce about 8,1 million tons.

The percentage of Cement production of Kurdistan region is 15% as compared in the whole Iraq and expected to be 37% in 2015.

Iraq is regarded the most user of Cement in the Middle east.

In 2004 the amount of cement which been imported to Iraq was 3,9 million tons and in 2012 increased to 7,9 million tons.

The Kurdistan region boarder zones were the main boarders of cement imported to Iraq.

The price of cement in 2012 was 110 \$ which is the most high price in Middle east.

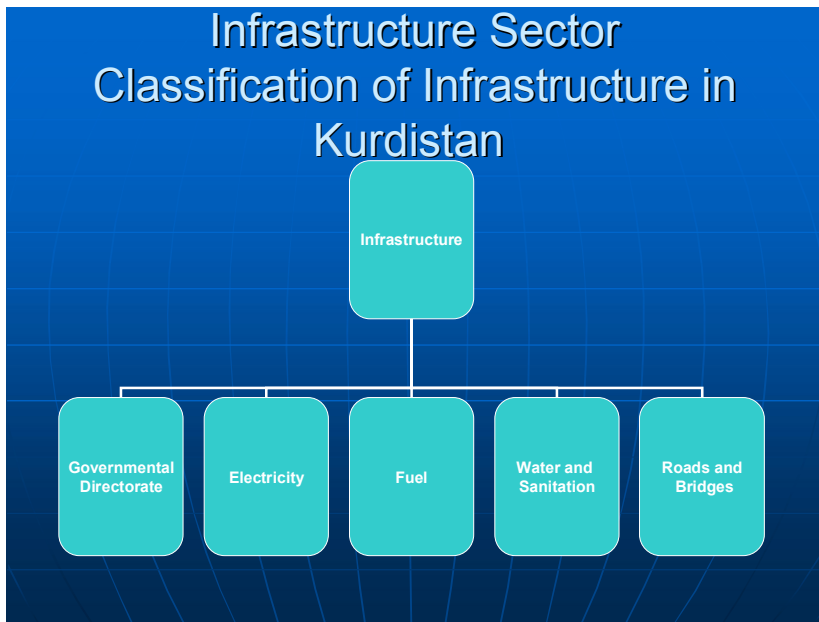
The amount of trade value of cement industry for 2012 was 1,7 billion \$ and expected to be 2,8 billion \$ in 2017.

There are other heavy industries such as the Steel industry in Erbil City and there is another which is under establishment in Suleimani City.



Infrastructure of Kurdistan:

Infrastructure play a vital role in promoting the quality of life of individuals and institutions worldwide. Any development process in the region should be parallel with providing the infrastructure services; this is to reach the aim and task of improving the living conditions of citizens. Bellow is the classification of Infrastructure in Kurdistan



Local and Foreign Companies

Last update : April 2017

Local Companies : 21620

Foreign Companies : 3159

Total: 24779

Licensing Plan for Private Sector Industrial Plant 2016:

Kurdistan Regional Government (KRG), as well as Iraq, is in a transition stage from a close economy to a liberal economic system, which opens up tremendous opportunities for private sector to play a great role in carrying out commercial activities and industrial process. Moreover, national per capita has increased dramatically in Kurdistan Region since 2000, which has led to increase demand in a local market.

The KRG policy has been based on notion of supporting of private sector to play role in participating industrial production process and commercial activities at the same time the government intends to protect its investment in these fields.

Accordingly, the private sector is responsible for supplying the market with the needed goods and requirements by establishing manufacturing plants and importing the goods from abroad.

In this connection, the total number of active industrial plants in Kurdistan Region increased near to (2200) plants in the end of September 2010, compared with (694) only during the whole period prior to the year 2003, particularly in period between 2006 to end of September 2010 more than (1500) licenses were issued.

Base on the KRG policy, the Ministry of Trade and Industry is encouraging and directing private sector toward production process and commercial activities, and for that it is working on setting up facilities to provide the sector with all kind of supports needed and preparing procedures to protect it from unfair competition so that the private sector can participate efficiently in the process of economic

and social development as a whole.

8

1. Market demand based on consumers' needs and requirements through market survey.
2. Total current amounts of local production compared with actual production capacity of plants.
3. The availability of production inputs, i.e. raw materials, technology, human resources etc. that is necessary for local production.
4. Create competition between players on local markets so that to the quality and price level is positively affected in favor of consumers.

Moreover, the ministry's plan for licensing setting up production plants call private sector to take the matter seriously and act as quickly as possible to provide local markets with the needed production of different types of product and good particularly consumption goods and materials.

In addition, the plan divides the production plants according to international Classification (ISIC.1.3), of which the following groups are some of the entire sectors:

1st Group: Food Industries

2nd Group: Weaving and Wearing Industries

3rd Group: Non-Metallic Mineral Industries

4th Group: Metallic Industries

5th Group: Non-Metallic Industries

6th Group: Electrical Industries

7th Group: Machinery and Equipment Industries

It is well known that production costs play important role in both creating and influencing competition capabilities on a market therefore the ministry prefers and/or gives priority to issue licenses to those production plants and activities that their products depends on inputs available locally e.g.

human resources, raw materials, a proper technology etc. Moreover, the ministry has lays out certain terms, which keep investors or entrepreneurs under obligation to comply with, for license issuing.

The terms are:

1. Prepare a feasibility study to assure that the project contributes to or a part of the KRG's development program.
2. Use advanced production lines as well as modern machinery and equipments manufactured after 2007.
3. The quality of production is consistent with Iraqi and international standards.
4. The production activities are not harmful to the natural environment.
5. To gain license and to implement the project, the applicant have to be followed the items, which have been defined on enclosed instruction.

This should not be understood that investors and/or entrepreneurs, who wish to set up industrial plant or commercial activities, are no able to ask for licensing industrial activities that are not included in the mentioned classification groups above, but the most important issue is the licensee obligation to comply plan's terms and insure the contribution of the project to the development of the economic issues and social affairs of Kurdistan Region.

Oil and Gas in Kurdistan Region:

Financial Times has issued very recently a top cover of Oil and Gas case in the Kurdistan Region, in its FT special report on Monday December 10 2012 we notice that this issue is increasingly becoming the glimpse of what to call the Hope of the incredible way of achievements.

"The small buccaneers are giving way to the big drillers competing to explore this virgin territory, writes Guy Chazan.

This virgin territory is practically has been improved while the Giant of Oil Companies are going to have deals with KRG for long and short term agreements and all within the Iraqi constitution which allows the region to explore and drill the oil wells in the region, in the time which the region is booming , these companies are ignoring the Iraqi threats for not allowed have deals with KRG.

The case is not legally or not constitution disputed act, it is some political misunderstanding which the both parties in the central government and the regional government are continuously are discussing to have a final end to the case and to sent the draft of the law of Oil and Gas to the Iraqi Parliament after delay of more than five years..

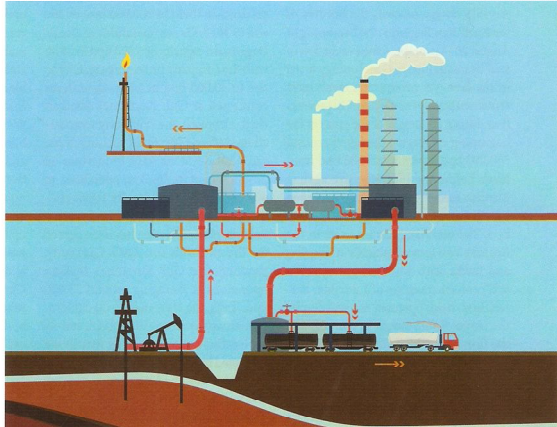
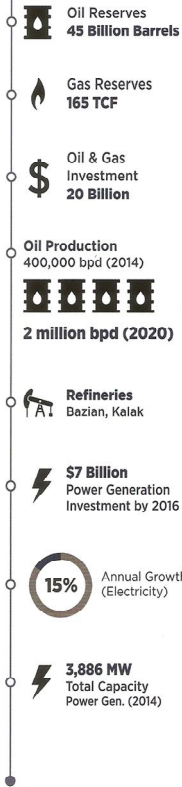
The KRG policy has been recording improved its successful steps and successful negotiations with the Foreign companies.

The No of Oil and Gas agreements are increasing and has reached to 52 agreements till the end of 2014.

The following is the data of Oil and Gas Resource is “ Kurdistan Review “ 2020 Vision

Energy

SECTOR AT A GLANCE



Forging Ahead

While Kurdistan's vast hydrocarbon reserves are powering economic growth, the Region is boosting its role as a key energy provider to the world's markets.

The past year was a time of growth for oil and gas production in the Kurdistan Region. Kurdistan is home to an estimated 45 billion barrels of oil reserves as well as 165 trillion cubic feet of gas resources. Oil production in the Region is expected to rise to a record high of 500,000 bpd at the beginning of 2015 from a level of around 250,000 bpd at the beginning of 2014.

The KRG's Ministry of Natural Resources (MNR) announced that the Kurdistan Region has exported over 34.5 million barrels of oil between January-December 2014. In total, around \$3 billion-worth of oil has been sold to

customers around the world. In addition to a recently completed pipeline that allows the Kurdistan Region to export oil independently through Turkey, the KRG plans to build a second, 1 million-bdp-capacity oil pipeline to transport heavy crude from Kurdistan's northern oil fields to international markets and raise oil production to 2 million bpd by 2020. The KRG is also planning to commence gas exports to Turkey in 2016. The KRG's agreement with Turkey foresees an initial export of 4 billion cubic meters in 2017, and envisions gas exports eventually climbing to 10 billion cubic meters per year by 2020.



Kurdistan Region in 2016:

The political and economic situations in the middle east have been greatly changed and due to the affects the Kurdistan region has witnessed a new era of establishment and reviewing the basic and principle methods of treatment with the new changes .

Kurdistan Region in spite of the numeroius problems surrounded the community but the good and logic treatment in dealing with them was the key to get rid of most of the Problems with the support of United States and Europe Countries and other friends .

Below I have a partial speech of PM Barzani who is pointing out to the main issues of the Region:



“ One of the duties of the new cabinet will be to adopt a reconciliatory policy to settle the unresolved issues and the Region’s future with Iraq’s federal government. This includes, especially, the issue of the areas of Kurdistan outside KRG administration and the implementation of Article 140 of the Iraqi federal constitution. We will work together, in coordination with the Region's presidency, the parliament, and in cooperation with political parties, to take urgent steps to establish a negotiation council for political agreement that reflects the will of the people of Kurdistan.

The eighth cabinet will create a suitable environment to ensure that the parliament can properly monitor the government’s activities. Meanwhile, we require the trust and support of the parliament so that the government and the parliament can work together to serve the people of the Kurdistan Region. To this end, the government will be in constant communication with the parliament and its chairmanship council.

Kurdistan Region is a relatively rich region; therefore, our current objective is to achieve economic independence, continuous growth, and diversification of income sources – thus avoiding reliance on natural resources revenues alone. The government will work to develop various sectors, including agriculture, industry, trade, services, and will strive to reduce the difference in living conditions between towns in the countryside and cities.

The government will work to improve major water services, electricity, and road networks to meet the clear economic growth and increased standard of living in

Kurdistan. The KRG will also promote local and foreign investment by utilizing the Region's capabilities, materials, and human resources. This requires active work to implement decentralization, separation of powers, and reach an agreement to amend the laws.

We will pay special attention to the sectors of industry and tourism and will support the private sector to play its role in reconstruction and propelling the economic growth of Kurdistan.

The government will improve the investment framework in Kurdistan in a way to meet the social and economic development corresponding to the Region's next phases.

In the eighth cabinet's program, we will continue to reform the education and higher education systems by providing the needed facilities, improving academic capacity, and developing scientific research and vocational studies to create a qualified and capable workforce for the job market and reducing the rate of illiteracy in the Region.

In the health sector, we will work to adopt a more modern health system and separate public and private sector medical services.

The eighth cabinet will continue to pay attention to the lives and living conditions of the families of martyrs, victims of the Anfal campaign, chemical weapons attacks, and political prisoners.

We will work to reframe the housing sector in a modern way and will work to solve housing issues, especially for low-income families.

We are proud of the security and stability that prevail in Kurdistan, despite its location in the heart of an area torn by violence, war, terror, and repression. The situation in Kurdistan has been enabled by the efforts, awareness, and conscientious efforts of the Peshmerga, police, and security forces that work for all the people of Kurdistan. Therefore, the KRG strives to improve the lives and living conditions of the Region's armed forces and enhance their abilities and skills. Strengthening the sense of national loyalty to the armed forces will be an important task of this government.

The eighth cabinet will work to review and regulate the pension and salary system to benefit people in a fair way. It will work to establish the Kurdistan Fund for Oil Income and the Region's Petroleum Company, as stipulated by Kurdistan Region Oil and Gas Law number 22 of 2007.

The eighth cabinet will continue to develop, support, and encourage the local private sector and provide suitable conditions for foreign companies and investors in order to create job opportunities and reduce the rate of unemployment, particularly for youth and graduates of institutes and universities. The government will adopt modern operational employment policies and strive to eliminate manipulation in the private market, companies, and investment.”

Boosting Trade

IIG talks to Fathi Al-Mударis on the trade and investment landscape in the Kurdistan Region.

KURDISTAN REGION | INTERVIEW | MAY 2016



Fathi al Mudaris, Advisor, Ministry of Trade and Industry, KRG

How would you characterize the current investment landscape in Kurdistan?

The KRG has set up a favorable legal framework for foreign investment by adopting a new Investment Law in 2006. Thanks to this friendly investment law, the Kurdistan Region attracted over \$40 billion of investment between 2006 and 2014. Our trade ties with our neighbors also improved significantly in the same period. However, the budgetary disagreements between Erbil and Baghdad, the plunge in oil prices, and the war against ISIS deeply affected our economy in 2015.

The KRG has three key objectives: create a modern economy, diversify its revenue sources, and improve its investment landscape. In order to attain these goals, the KRG announced reform packages at the beginning of this year. The KRG is committed to boosting its private sector, and diversifying its economy. Kurdistan is a virgin market that offers numerous opportunities for foreign investors. Despite all the challenges, we believe that Kurdistan will be able to successfully overcome these challenges, and we hope to see the same growth level that Kurdistan achieved between 2006 and 14 repeated over the following years.

What are the Ministry's plans to increase the economy's attractiveness for foreign investment?

We believe that Erbil, Slemani and Duhok are prime investment destinations. Agriculture, mining, industry and tourism are the key sectors that have the greatest potential in the Kurdistan Region in the medium and long term. The Ministry of Trade and Industry in collaboration with the Kurdistan Investment Board has an attractive plan to draw new foreign investment to the Region mainly through the creation of industrial zones. The KRG has new introduced regulations to further increase foreign investment, including more support and administrative assistance. The KRG is discussing with the World Bank, through its program in Iraq, ways to improve the investment landscape in order to achieve the targets set in "KRG Vision 2020".

The KRG has three key objectives: create a modern economy, diversify its revenue sources, and improve its investment landscape. In order to attain these goals, the KRG announced reform packages at the beginning of this year.

What areas is the Ministry prioritizing in 2016 and beyond?

Our focus is to amend existing regulations to improve the environment in Kurdistan for doing business, and to boost trade. Our Ministry has simplified procedures so as to reduce the time needed to obtain licenses and revised the forms related to the payment of taxes and fees. We are also aiming to set up industrial zones in Kurdistan that we believe it is crucially important for the economic development of the Kurdistan Region. One of the key prioritized areas is to improve our trade ties with our neighboring countries. The latest data issued by the Department of Import and Export of the Ministry show that 3,570 licenses worth \$4.5 billion were approved by the Ministry of Trade and Industry in 2015. For the first quarter of 2016, 1,276 licenses worth \$467 million were approved. We would like to increase this volume in the medium term.

Read More: [Economy](#), [Investment](#), [Industry](#), [Kurdistan Region](#), [Erbil](#), [KRG](#)

Summery of Investment Projects in the Region:

The number of of licenses granted till March 2016 projects.

- 487 under implementation
- 34 cancelled
- The total capital of all projects are 47. 244 Billion
- Erbil 335 projects
- Sulaimani 220 projects
- Duhok 199 projects
- Total projects : 756 projects

Investment Law:

In the Name of God, Most Gracious, Most Merciful

In the Name of the People

President's Office - Kurdistan Region - Iraq

Pursuant to legislation by the Kurdistan National Assembly

- Iraq, and by virtue of

Article 10 of Law no. (1) of 2005, the President of Kurdistan Region - Iraq hereby

issues the following Law:

Law no. (4) of 2006

Law of Investment in Kurdistan Region – Iraq

Chapter I

General Provisions

Section I

Definitions

Article (1):

The following words and phrases shall have the meanings explained hereunder:

1. Region: Kurdistan Region – Iraq
2. Government: Government of the Region
3. Council: Supreme Council for Investment
4. President: President of the Supreme Council for Investment
5. Board: Investment Board in the Region
6. Chairman of the Board: Chairman of the Investment Board
7. Project : Any economic activity or investment project set up by a natural or artificial person on an allocated plot of land, and with a national or foreign capital to which the provisions of this Law and relevant regulations and directives apply.
8. Taxes and Duties: These include all types of taxes and duties set under the applicable legislation.
9. Investor: Natural or artificial person, whether a local or a foreigner, who invests his funds in the Region in accordance with the provisions of this Law.
10. Competent Authorities: These include all government authorities responsible for the industry which the

Project is related to.

11. Invested Funds: Value of the funds invested in the Project and estimated in national or foreign currency.
12. Foreign Capital: Amount of investments, whether in cash, in kind or in rights and interests, which have a cash value in the Region.

Section II

Areas of Investment

Article (2):

The provisions of this Law shall apply to the Projects approved by the Board in one of the following sectors:

1. Manufacturing industries, electric power and related services
2. Agriculture, whether crop growing farms or animal farms, forestry and related services
3. Hotels, tourist and recreational projects, funfairs, and amusement parks
4. Health and environment
5. Science and technology research, and information technology
6. Modern communication and transport
7. Banks, insurance companies, and other financial institutions
8. Infrastructure projects, including construction, reconstruction and housing projects, roads and

bridges, railways, airports, irrigation and dams

9. Free zones, modern commercial markets, and relevant advisory services
10. Education at all levels, within the framework of the educational policy of the Region
11. Any project in any other industry which the Council agrees that it is covered by the provisions of this Law.

Section III

Treatment of Foreign Investors

Article (3):

Foreign Investors and Foreign Capitals shall be treated the same way as national

Investors and national Capitals. A foreign Investor shall be entitled to own all the capital of any project that he sets up in the Region under this Law.

Section IV

Allocation of Plots of Land

Article (4):

1. The Board shall liaise with the ministries and departments involved in determining the locations of investment Projects which will be set up in every governorate under this Law, and shall put a note of caution on the titles that such locations are used for the purposes of the Board.
2. The departments concerned shall coordinate with the Board to specify and allocate the plots of land needed by the Project within the initial layout inside and

outside the cities, either by lease or by land usufruct, at a promotional price, and in accordance with regulations to be set by the Board as an exemption from the “Law of Sale and Lease of Properties of the State”, which is applicable in the Region.

3. Upon receiving a proposal by the Board, the Council may transfer the ownership of plots of land that are allocated to strategic Projects, at a promotional price or free of charge, provided that the nature and importance of the Project and the public interest will be taken into consideration when transferring the ownership as an exemption from the Law of Sale and Lease of Properties of the State, which is applicable in the Region.
4. A note of caution shall be entered at the relevant Departments of Land Registry regarding the plots of land allocated to investment Projects. Such notes of caution shall be lifted only under the Board’s written consent, after complete fulfillment of the Investor’s obligations.
5. To ensure achievement of its purposes, the Board may possess, free of charge, freehold titles over plots of land that are already property of the State and have a burden of disposal rights, after charging off such rights by paying fair and appropriate compensation in accordance with the applicable laws, regulations and directives.
6. An Investor may buy or lease plots of land and real properties needed to set up, expand, develop and diversify the Project in accordance with the provisions of this Law, within the surface area and time scale

estimated according to the Project's objects and actual needs, without prejudice to the provisions of Paragraph (3) of this Article.

7. Plots of land needed for investment Projects under this Law shall be partitioned into surface areas estimated as per the Project's objects and actual needs, in accordance with special controls and regulations set by the Board in exemption from applicable laws and regulations.
8. Alteration of the Project's location shall be governed by the same standards and regulations as those of specifying the Project's location for the first time.
9. Competent Authorities shall liaise with the Board to provide public services such as water supply, electric power, sewage pipes, public roads and communications etc. within the Project's precinct. For this purpose, the necessary funds shall be allocated in the Budget.
10. In addition to the entitlement of a foreign Investor for the possession and lease of real properties and productive vehicles under this Law, he shall be entitled to buy or lease residential properties and non-productive vehicles needed for his Project, after obtaining the Board's approval, and in compliance with controls and regulations set by the Board for this purpose.

Chapter II

Exemptions and Obligations

Section I

Tax and Customs Exemptions

Article (5):

1. A Project shall be exempt from all non-custom taxes and duties for 10 years starting from the date of providing services by the Project, or the date of actual production.
2. Equipment and machinery that are imported for the Project shall be exempt from taxes, duties and the condition to obtain an Import Licence, provided that they cross the Region's borders within two years from the approval of their lists by the Chairman of the Board, and that they are used exclusively for the purposes of the Project, failing which the exemptions will not apply to them and the Investor will be compelled to pay tax and will be penalized with a fine which is twice as much as the amount of tax due.
3. Spare parts that are imported for the Project shall be exempt from taxes and duties, provided that their value does not exceed 15% of the price of equipment and machinery, and with the prior approval of their lists and quantities by the Chairman of the Board.
4. Equipment, machines and tools needed to expand, develop or upgrade/modernise the Project shall be exempt from taxes and duties.
5. Raw materials imported for production shall be

exempt from customs duties for 5 years, provided that the types and quantities of such materials are specified by the Board, with the priority given to using the locally available raw materials which are suitable in quality and quantity for the investment Project.

6. An Investor may, under the provisions of this Law, import all his Project's needs, including the equipment and machinery. Such imports shall be exempt from all customs duties as they cross the Region's borders, provided that they are used exclusively for the Project's purposes.

Section II

Additional Exemptions

Article (6):

1. In accordance with the public interest of the Region, the Board may give additional facilities and incentives to investment Projects licensed under this Law to which either of the following features applies, and in compliance with controls and regulations set by the Board for this purpose:
 - (i) Projects set up in under-developed areas in the Region.
 - (ii) Joint Ventures set up by national and foreign Investors.
2. Depending on the nature of Service Projects which are set up under the provisions of this Law, and in particular Projects of hotels, hospitals, tourist resorts, universities and schools, the Board may offer additional exemptions from charges and duties on

their purchases of furniture and supplies for upgrading and modernization once every 3 years, provided that these should enter into the Region and be used solely for the Project within one year from the date of approval of the purchase lists and quantities by the Chairman of the Board.

Section III

Legal Guarantees

Article (7):

1. An Investor may obtain insurance cover for his investment Project from any foreign or national insurance company that he sees fit, such that all aspects of operations that he carries out will be insured.
2. An Investor may employ local and foreign staff needed for the Project, with the priority given to recruiting local manpower in accordance with the laws and regulations applicable in the Region.
3. A foreign Investor shall be entitled to transfer the profits and interests of his capital abroad, in accordance with the provisions of this Law.
4. The Project's non-Iraqi members of staff, and their agents outside the Region, shall be entitled to transfer their dues and wages abroad in accordance with the applicable laws.
5. A foreign Investor shall be entitled to send his capital back abroad upon winding up or disposal of the Project, without prejudice to applicable laws and regulations regarding taxes and customs.

6. An Investor may transfer his investment totally or partly to another foreign Investor or to a national Investor, or may assign the Project to his partner with the approval of the Board. The new Investor then replaces the previous Investor with regard to rights and obligations arising from the Project.
7. An Investor may, for his Project which is licensed under this Law, open bank accounts in national currency, in foreign currency, or in both, with banks located inside or outside the Region.
8. Without prejudice to applicable laws regarding the boards of directors of joint-stock companies, the Projects registered under this Law shall be deemed as private sector Projects, regardless of the legal form and nature of their shareholding funds.
9. An Investor may under this Law maintain confidentiality of technical and economic know-how of the Project, and may uphold the investment initiatives in accordance with the provisions of laws, regulations and directives applicable in the Region. Any person will be punished by law if he discloses any information in his possession by virtue of his post, or information related with the investment initiative and with technical, economic or financial aspects of the Project.

Section IV

Investor's Obligations

Article (8):

An Investor shall comply with the following:

1. To specify the area of his investment regarding the

Projects implemented by him, and to reveal his financial statements/balance sheets and the contracts that he implemented.

2. To inform the Board about the completion of the Project, and when it starts in providing services or in actual production.
3. To provide the facilities needed by the Board's personnel enabling them to collect and acquire the necessary information about various aspects of the Project, for the purposes of the Board.
4. To keep special records of the Project's imported materials which are exempt from customs duties under the provisions of this Law.
5. To safeguard the environment, maintain public health and safety, and comply with standardization and quality control systems, in accordance with international standards.
6. To offer training and qualification to the Project's local members of staff.

Section V

Legal Procedures upon Investor's Contravention

Article (9):

1. Upon the Investor's contravention of the provisions of this Law, or contravention of any clause in the contract between the Investor and the Competent Authorities, the Board shall send a notice to the contravener requesting immediate halt of the activity causing the contravention and giving him an appropriate period of time, determined by the Board

and commensurate with the nature of the contravention, to remove the contravention and its effects.

2. If the Investor carries on without removing the contravention and its effects as per the provisions of paragraph (1) above, the plot of land shall be recovered from him, and the Board shall take possession of the installations (if any) built on it by the Investor in due demolish value in accordance with the law. The new Investor, to whom the plot of land will be allocated to complete the Project under this Law, will be responsible for paying the demolish value, and the contravener shall be responsible for any damage arising from his failure in carrying out his obligations.
3. If the Investor grants, without the Board's approval, a full or partial sublease of the plot of land allocated for his Project, or if the Investor, without the Board's approval, exploits the plot of land for purposes other than those for which it was allocated, the Board shall recover from him the plot of land or the part thereof subleased or exploited for the improper purposes, and the Investor shall pay twice the amount for the period of the land sublease or its exploitation for improper purposes. This amount shall be collected in accordance with the Law of Government Debt Collection applicable in the Region. In the event of recovery of the whole plot of land, the contravening Investor will be treated in accordance with the provisions of paragraph (2) above with regard to the installations built on it at the time of recovery.

Chapter III

Investment Hierarchy

Section I

Investment Board, its Structure and Tasks

Article (10):

1. A board shall be set up under the name of “Investment Board of Kurdistan Region”. It shall have a corporate status and enjoy financial and administrative independence. It can take all the legal procedures necessary for the purposes of carrying out the provisions of this Law.
2. The Board shall have a Chairman who has the rank of a Minister. He shall enjoy the rights and powers of a Minister. He shall be responsible for running the Board’s operations and supervising and controlling its activities and everything related to the Board’s tasks and affairs. The following departments shall be associated with him:
 - (i) Department of Research and Information
 - (ii) Department of Promotion, Assessment and Licensing of Projects
 - (iii) Department of Legal Administrative and Financial Affairs
 - (iv) Department of Industrial Cities and Zones
3. The Board shall be located in Erbil, the Capital of the Region. It may open branches in the governorates of Kurdistan Region such that each branch will be run by an employee who has the rank of a Director General.
4. The Board may set up, merge or cancel Divisions and Sub-divisions whenever necessary.

5. The structure of the Board's Departments and Branches, and their tasks and powers, shall be specified in a bylaw set by the Board and endorsed by the Council.
6. The Board shall set up the suitable environment for investments so as to achieve economic development of the Region. The Board shall lay down the investment strategies, plans and policies and shall present them to the Council for approval. Moreover the Board shall coordinate activities of its Branches in the Region's governorates.

Article (11):

The Board's Chairman and any of its Directors General should satisfy the following:

1. He should have at least a university degree related to his post.
2. He should have at least a 7-year experience of work in his field of specialism.

Article (12):

For the purposes of this Law, the resolutions passed by the Council regarding the investment Projects shall be binding to all relevant Ministries, Agencies and Departments in the Region.

Article (13):

The Chairman of the Board may make contracts with natural or artificial persons, inside or outside the Region, to perform the tasks and duties assigned to them in order to fulfill the purposes of the Board. Their rights and obligations shall be specified by the Chairman of the

Board.

Section II

Supreme Council for Investment

Article (14):

1. The Supreme Council for Investment in the Region shall consist of a President who is the Region's Prime Minister, a Vice President who is the Region's Deputy Prime Minister, and the other Council's members who are the Minister for Finance and the Economy, Minister for Trade, Minister for Municipalities, Minister for Planning, Minister for Agriculture, Minister for Industry and the Chairman of the Investment Board.
2. (i) The President of the Council may call any other Minister to join in the meetings of the Council regarding any Project which is related to his Ministry.
(ii) The President of the Council may call representatives of the private sector involved in the Project.
(iii) The Council shall set its own bylaw specifying how it holds its meetings and how it passes its resolutions.
3. The Council shall exercise the following powers:
 - (i) Setting up the investment policies and strategies proposed by the Board within the framework of the general policy of the Region.
 - (ii) Approval of the Board's plans and programs of activity within the framework of the general plan for the Region.

- (iii) Discussion of the regular reports submitted by the Chairman of the Board regarding the Board's progress and matters related to the investment circumstances in the Region, and taking the necessary measures on that regard.
- (iv) Discussion of the Board's financial position (Balance Sheet), and approval of its annual draft budget.
- (v) Approval of the contract of loans and credit facilities given to the Board with the guarantee of the Government, or from banks or special finance institutions in accordance with the set rules and regulations, provided that their purposes are solely to finance the Board's activities within its scope of work.
- (vi) Setting up a system of monitoring, following up and assessing the performance of foreign investments, in order to identify and overcome any obstacles or hurdles.
- (vii) Approval of the bylaw of the Board.

Section III

Budget of the Board

Article (15):

The Board shall have a budget included in the general budget of the Government of the Region.

Chapter IV

Licensing and Arbitration

Section I

Procedures of Project Licensing

Article (16):

1. In order to benefit from the exemptions and privileges mentioned in this Law, an Investor should obtain a Licence issued by the Board for setting up the Project.
2. The Board shall give the Licence for setting up the Project pursuant to an application submitted by the Investor in accordance with the conditions set by the Board. The Board will have to decide on the application within 30 days from the date of fulfillment of the technical, legal and economic conditions and requirements, in accordance with the provisions of this Law, and without prejudice to the standards and controls set by the Board.
3. The Board shall consult Competent Authorities on the advantages of issuing the Licence, and such authorities will have to give their viewpoint for the acceptance, rejection or amendment request, within thirty days from the date of the Board's referral of the application to them. Failure to reply shall be considered as an acceptance, and in the event of rejection, the decision will have to be justified.
4. When an application is rejected, the applicant may raise an objection to the President of the Council within 15 days from the date of notification of the rejection decision. The President of the Council will have to decide on the objection within 30 days, and his decision on this matter shall be conclusive.

Section II Arbitration

Article (17):

Investment disputes shall be settled in accordance with the contract concluded between both parties, and if there is no clause in the contract on this regard, the disputes shall be settled amicably between both parties. If they fail to reach an amicable settlement, they may refer the matter to arbitration whose regulations are stated in the laws applicable in the Region, or in accordance with the rules of dispute settlement mentioned in any of the mutual or international conventions of which Iraq is a member.

Section III Final Provisions

Article (18):

1. The Prime Minister's Decree (Suleimaniah Administration) no. 89 of 2004 regarding the promotion of investment in Kurdistan Region is hereby nullified. The Investment Promotion Board and its structure under Article 16 of the aforementioned Decree shall be dissolved, and its rights, obligations, and all its movable and immovable properties shall revert to the Investment Board formed under the provisions of this Law.
2. All investment Projects licensed by the Investment Promotion Board formed under the nullified Decree

mentioned in paragraph (1) above, and the investment projects licensed by the Erbil Administration in accordance with applicable laws, shall be considered as legal investment Projects, and shall continue to enjoy the advantages and incentives granted to them.

3. All other Projects that are being studied and assessed, and on which no final decision has been made by the dissolved Board, shall be referred as investment Projects to the Investment Board formed under the provisions of this Law, and the Competent Authorities within the Board shall carry on with the procedures taken by the dissolved Board.

Article (19):

An Investor shall not be allowed to own plots of land that contain oil, gas, or any expensive or heavy mineral resources.

Article (20):

An Investor who implements joint-stock investment Projects shall offer the necessary security to protect the funds of the shareholders. The Board shall take the insurance and banking measures necessary to guarantee their rights.

Article (21):

The Board's accounts shall be subject to auditing by the Board of Supreme Audit.

Article (22):

The cases for which there are no provisions in this Law shall be governed by the general rules mentioned in other relevant laws, provided that their provisions do not contradict the provisions of this law. If there is any

contradiction, the provisions of this Law shall apply.

Article (23):

The President of the Council shall issue the necessary instructions to facilitate the implementation of this Law.

Article (24):

The Council of Ministers and the Competent Authorities shall implement the provisions of this Law.

Article (25):

This Law shall take effect as of the date of its issuance, and it will be published in the official gazette "Kurdistan Gazette."

(Signed)

Masoud Barzani

President of Kurdistan Region - Iraq

Issued in Erbil, July 2006

Necessitating Reasons

This Law has been issued in order to create a climate for promoting investment in the Iraqi Kurdistan Region, to remove any legal obstacles, to allow the investment of national and foreign capitals jointly or separately in investment projects in a manner that contributes effectively to the economic development process, to offer promotional incentives, facilities and tax exemptions to invested capitals, and to establish an investment Board involved in organising various aspects of investment activities in the Region.

* * *

conclusion:

“ Our focus is to amend existing regulations to improve the environment in Kurdistan for doing business, and to boost trade. Our Ministry has simplified procedures so as to reduce the time needed to obtain licenses and revised the forms related to the payment of taxes and fees.”

The duty of each member of our community is to extending all efforts for one main Target which is :

Providing the best life standards for People.

“ It is time to spread Peace “ , as Presindent Barzani stated in one of his speeches.

I hope I could transferred a right message of our beautiful Kurdistan.

Fathi Al Mudaris

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- Coordinator in the Brithish non-governmental Organization in 1993-1995 part time.
- Immigrated to Germany in 1995 and received the following certificates:
 - 1- German Language Certificate from European Language Center in 1997 – Six months course.
 - 2- Certificate of Administration and Business fromsix months course in 1998
 - 3- Foreign Correspondence Languages and Commercial laws of EU (two Years Study)2002-2004
- Allocated in the Kurdistan Regional Government as the Deputy Director General in the Ministry of Finance and Economy in 2005.
- Besides Deputy Director General, worked as Registrar of Companies in the Ministry of Finance.
- Advisor in the Ministry of Trade and Industry since 2010.

Published Books :

- 1- Kurds in the Orientalists Researches- published by Legal Education Association- 2007
- 2- The Strategic Economy of Kurdistan- published by Minara publishing House- 2008
- 3- Kurdistan Region: the Commercial Gateway to Iraq- published by Naza print house-2009
- 4- Regulations and Economy of Kurdistan Region- a research in English published by Ministry -2010
- 5- Being and Humanbeing- in Arabic- Philosophy of State and history- published by Al Tafsser for printing and distribution- 2015.
- 6- Globalization of Corruption- published by Al Tafseer for Printing and distribution-2017

Forthcoming works :

- 1- Dictionary of Diplomacy and International Affairs- English /Kurdish.
- 2- Life and Events of Family- history of Grandfathers.
- 3- Translated poems from English to Kurdish.
- 4- Political Articles