

ECONOMIC FOCUS



RT. HON. JACK STRAW MP

BICC RECEPTION 2010

In this issue of Economic Focus

- BICC Annual Reception & AGM Report
- Members Report: Pistachio Supply Effected by Sanctions
- Up-to-date Information on Restrictions on Transfer of Funds

RAK Free Trade Zone: world-class business hub

Ras Al Khaimah, only 45 minutes from business hub Dubai, is fast becoming the investment destination by choice of investors from across the globe.

With access to over 2 billion consumers and awarded "Best Emerging Free Zone" for the second year running, Ras Al Khaimah Free Trade Zone (RAKFTZ) has already developed into a world-class business hub with state-of-the-art infrastructure and hi-tech facilities for industrial growth and development in less than ten years of its inception.

The Free Zone, offers customized support services to its investors. It is one of the most cost-effective free zones in the region and, most importantly, it offers an absolutely trouble-free, customer-friendly environment, which is very important for the success of any enterprise.

RAK FTZ through its marketing and awareness campaign has created a name for itself known around the world. It has registered more than 4,500 companies that originate from 106 countries.

The Free Trade Zone Authority has created a system of four unique Free Zone Parks that will suit and serve every investor according to their requirements:

- The Business Park
- The Industrial Park
- The Technology Park
- Al Ghail Industrial Park

Situated at different locations each Park caters to specific business interests and requirements of investors.

Free Zone parks cater to investors' specific requirements

The RAKFTZ Business Park

The Business Park is located in the central business district of the city, close to the modern RAK Exhibition Centre, Hilton Hotel & Beach Club and Al Manar Shopping & Entertainment Mall.

The RAK Business Centre is a free zone facility which gives investors an opportunity to start a business with no hassles. Some of the key features of the RAK Business Centre are the furnished, fully-functional and ready-to-use offices, flexi-offices (shared office) & flexi-desks (shared desk). All are offered at highly cost-effective rates.

The RAKFTZ Industrial Park

Located along the coastal road, approximately 15km north of the city and adjacent to Hulaylah Island, about 6km from Saqr Port, covering an area of 300 hectares. Ideal for construction, heavy industries and warehousing.

Plot sizes are provided to suit individual requirements and are fully serviced



with water, electricity and communications.

Facilities include on-site employee accommodation, custom offices, operations supportive services centre and other administrative and service support centres located within the Park.

The RAKFTZ Technology Park

Located south of the city close to the Emirates Road Ras Al Khaimah International Airport.

Covering an area of 100 hectares, it is located opposite 5 Star resorts with an 18-hole golf course (Al Hamra Village &

resort). It is sited in a rapidly expanding area devoted to light industries and automated manufacturing and capital intensive quality lifestyle projects.

The Al Ghail Industrial Park

Covers an area of 400 hectares and caters for heavy industries that deal with the construction market such as steel fabrication.

It has a strategic location since it is close to Sharjah and Fujairah. The park is still under development and contains different size of plots that suits various companies' sizes.

Types of licenses issued by RAKFTZ

• Commercial - General Trading License:

Import, export, distribution, storage or warehousing of items specified on the License. Allows for more than seven different product lines

• Commercial License – Limited Activities

Import, export, distribution, storage or warehousing of items specified on the License. Maximum limit is seven similar product lines or two different categories. (Business Specific License)

• Industrial License

Import of raw materials, manufacturing,

processing, assembling, packaging, and exporting finished products, Feasibility and environmental impact studies and clearance from RAK FTZ are required

• Consulting and Service License

Offering consulting services in management, investment, economics, industrial development, marketing, and related subjects

Special Activities upon the approval of RAKFTZ's Management

For details of documents required, please visit our website

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Cover showing David Cameron and Nick Clegg

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BICC WORKING HARD IN 2011 TO HELP MEMBERS

“I hope this year brings you luck and prosperity”



I would like to start my message by sending best wishes for the New Year to all members. I hope this year brings you health and prosperity.

During the past year members have had to face many difficult challenges in trading with Iran, including further sanctions. We have worked hard on our members behalf to help overcome their issues, whilst all the time encouraging our members to stay within the laws. In 2011 we will continue doing so by providing members with up-to-date information and advice.

We have had many successful members' meetings during the past twelve months, with topics ranging from 'The Tehran Stock Exchange' to 'EU & UN Sanctions: The Implications of Export Control'. This year, we look forward to seeing you at further events planned and we will inform you closer to the dates.

In October we held our annual reception at the House of Commons, which was attended by many members and their guests. The turn-out was the highest it has been so far in any of our previous receptions and many people welcomed the change in venue from the House of Lords to the Members Dining Room at the House of Commons. We have photographs of the night in this issue on pages 10 to 15. I look forward to seeing you at our next annual reception on the 14th October 2011.

Again I wish all your businesses a great 2011.

Y. Daneshvar OBE
Editor-in-Chief, BICC Economic Focus
Deputy Chairman, BICC

Apology Note from the Editorial Team

In issue No. 12 an article was published entitled 'Implication of Sanctions - Oil & Gas Industry in Iran'. Due to a over-sight by the editorial team, the name of the author was omitted from the final print. The article was written by Dr M. Ala, a most valued and regular contributor to the magazine.

We would like to make an apology to Dr Ala for this omission and look forward to receiving future articles, which are always interesting and very well received.

**MESSAGE FROM
RT. HON. LORD LAMONT OF
LERWICK, BICC CHAIRMAN**

“After a difficult year, but one in which many of our Members fared well, I send you my best wishes for new year.

I hope the year ahead brings good fortune and success to all Members”



The Rt. Hon. Lord Lamont of Lerwick

THE CHAMBER CONTINUING ITS WORK ASSISTING MEMBERS

Martin Johnston, Director General at the Chamber writes about the work done in 2010 to help Members, during what has been a challenging trading year.



Difficult trading conditions during 2010 have continued the Chamber's work of assisting Members to: find and establish new banking relationships, to enable payment to be made under contract; understand new regulations, so that all Members can trade within the law; and resolve difficulties with processes in Iran. Also we have supported Members' export licence applications to the Export Control Organisation, thereby helping Members to maintain markets, profitability and employment. That this is important work, we believe, has shown in an increase in the number of BICC Members.

Our schedule of meetings is an important aspect of maintaining Members' links with those in the network of UK/Iran business. We have had a notable list of speakers at Members' meetings including: the former Foreign Secretary, the Rt. Hon. Jack Straw MP; Rouzbeh Pirouz, Pelican Partners; Nigel Kushner, Whale Rock Legal; Tom Smith the Director of Export Control Organisation; and David Butter, the Economist Intelligence Unit. Beyond this we invited our networks in London and Toronto to listen to our Member, the Ras al Khaimah Free Trade Zone, explain its services. Also, in February, we were pleased to receive a delegation from IBCCIM, our sister organisation in Tehran.

2011 will again be a difficult year for trade with Iran so we expect to support Members business with Iran in specific and practical advice and guidance. In addition there will be business meetings and social events.

I wish you the Seasons greetings and hope that turn of the year festivities will be both enjoyable and restful. I look forward to seeing you in 2011.

***“we hope relations, both
political and economical
return to normal”***

UK TRADE IN GOODS WITH THE MIDDLE EAST & NORTH AFRICA

(2010 - JAN-AUG TOTALS)

UK IMPORTS FROM MENA	UK IMPORTS FROM MENA		<u>% change</u>
	2010 Jan-Aug <u>Total Imports</u>	2009 Jan-Aug <u>Total Imports</u>	
M EAST & N AFRICA	7,379,264,930	4,941,574,410	49
UAE	1,011,249,776	731,358,756	38
ALGERIA	580,583,784	465,819,523	25
EGYPT	438,119,023	451,279,981	-3
ISRAEL	1,091,044,504	712,582,750	53
IRAQ	632,777	940,653	-33
IRAN	174,613,571	87,584,968	99
JORDAN	15,205,454	33,354,792	-54
KUWAIT	610,917,318	482,052,925	27
LEBANON	24,580,301	25,622,154	-4
LIBYA	735,434,128	441,888,115	66
QATAR	1,304,327,870	311,835,564	318
SAUDI ARABIA	552,263,223	499,851,101	10
SUDAN	8,646,136	16,768,139	-48
SYRIA	18,555,143	47,250,079	-61
TUNISIA	362,311,045	320,445,887	13
CEUTA	317,804	247,225	29
MELILLA	0	0	n/a
YEMEN	22,982,375	3,789,867	506
UK EXPORTS TO MENA			
	2010 Jan-Aug <u>Total Exports</u>	2009 Jan-Aug <u>Total Exports</u>	<u>% change</u>
M EAST & N AFRICA	9,233,606,960	7,919,722,321	17
UAE	2,446,768,366	2,240,325,319	9
ALGERIA	184,458,941	245,326,451	-25
EGYPT	729,234,552	614,694,524	19
ISRAEL	865,542,806	698,878,702	24
IRAQ	138,771,608	101,134,175	37
IRAN	211,815,872	255,053,364	-17
JORDAN	148,856,895	154,223,734	-3
KUWAIT	346,514,538	287,824,228	20
LEBANON	252,200,341	221,803,637	14
LIBYA	285,263,501	279,433,505	2
QATAR	706,874,684	539,691,540	31
SAUDI ARABIA	1,887,734,127	1,449,055,919	30
SUDAN	89,217,914	78,622,747	13
SYRIA	68,133,645	85,808,293	-21
TUNISIA	123,497,751	101,480,999	22
CEUTA	1,098,606	645,261	70
MELILLA	51,099	224,652	-77
YEMEN	60,500,508	50,041,297	21

Source: BIS analysis of data
from HM Revenue & Customs

FLIGHT TICKET DISCOUNT FOR BICC MEMBERS

Exclusive bmi fares to Iran for BICC members.

bmi

bmi is delighted to offer exclusive fares for members of the British Iranian Chamber of Commerce.

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Route	Flight	Depart	Arrive	Days
Heathrow - Tehran	BD931	1900	0425	123467
Heathrow - Tehran	BD931	2015	0540	5
Tehran - Heathrow	BD932	0855	1200	1234567

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IRANIAN MEDIA REPORTS

Iran's Central Bank has decided to repatriate an unspecified amount of deposits from foreign bank accounts to lower the volume of its foreign deposits and transfer them inward by depositing them at domestic banks. It was agreed these deposits should be used to meet the financial needs of domestic projects through hard currency rather than rials so that the domestic inflation rate would not be aggravated. In August, Iranian assets had been withdrawn from European banks in an attempt to foil the sanctions. Iranian banks have been warned that if they do not raise their capitals in accordance with standards and do not perform well by the year end, they would be converted into monetary institutions. Instead, if the monetary and credit institutions show a better performance, they can turn into a bank.

Crude oil exports to Italy surged 90.8 percent in the first nine months of 2010. Italy imported 8.29 million tons of crude oil or 15.6 percent of total imports in the Jan – Sept period, with Iran overtaking Russia as Italy's second biggest supplier.

Iran lawmakers passed a bill authorising the government to join the revised Kyoto Convention to coordinate and facilitate customs procedures.

The current value of Tehran Stock Exchange increased by \$233.7 million and reached approximately \$90 billion on Sunday 2 January 2011. Stockholders traded 107 million stocks in 11,136 rounds. At the end of transactions on Sunday (2 January) the general index increased by 49 units compared to Saturday and reached 18,898 units. The biggest positive impact on the general index pertains to stocks of entities i.e. Eghtesad Novin Bank, Saipa Automotive Manufacturing Group, Iran Khodro and Behran Oil Company. The biggest negative impact on the general index is linked to stocks of Isfahan Oil Refining Company, Parsian Bank and Iran Power Plant Projects Management co (MAPNA).

MD of Tehran's Over-the-Counter (OTC) Stock Exchange said on Sunday that upon the presentation of about \$700 million worth of stock of Mobile Communications Company of Iran (MCI) to the OTC Bourse, its value exceeded \$800 million. Stocks of MCI have been accepted in OTC Bourse in less than one month. The total number of shares of MCI was 2.064 billion. Today, 113.250 million of these shares were traded in OTC Bourse in 736 rounds. The value of the said number of shares was 3.960 trillion Rials (\$396 million).

The Swiss Ambassador in Iran has expressed her country's interest in expanding economic cooperation with Iran, especially in the energy sector. The Ambassador noted that her government, inattentive to some problems, has established an appropriate forum for cooperation with Iran in the fields of energy and economy and wants to strengthen it.

A delegation of German investors has arrived in East Azerbaijan province this week to visit the cultural heritages of the province and discuss investment opportunities.

The level of Iran's trade with other countries is on the rise despite sanctions against Tehran, commented the Deputy Commerce Minister. Asian countries can use Iran's transition networks for exporting goods from Asia-Oceania Trade Confederation to Central Asia and vice versa.

National Petrochemical Company (NPC) has reached agreement with five domestic banks for received \$23.5 billion worth of bank facilities. The amount will be used for construction plan of 35 petrochemical projects. An agreement worth \$6 billion for financing 21 projects is being finalised with Bank Melli whilst Bank Mellat will allocate \$4 billion for construction plan of Damavand Petrochemical complex. Bank Pasargad will also allot \$2 billion for four projects and Bank Saderat will allocate \$3.5 billion for another four projects.

South Korean Ambassador to Tehran announced his country's readiness to invest in different road and transportation projects in Iran, especially in the railroad sector. The Ambassador called on the Iranian Minister to provide him with information on the road and transportation ministry's projects which are ready for foreign investment. Seoul announced in October that Korea's Woori Bank and the Industrial Bank of Korea (IBK) will finance commerce with Tehran through the Central Bank of Iran (CBI) which is not targeted by US sanctions.

Please note the above has been sourced from media reports in Iran and the Chamber nor the Printers can be held responsible for any errors or inaccuracies printed.

BICC AUTUMN RECEPTION 2010

Last year's reception was held in October in the magnificent setting of the Members' Dining Room in the House of Commons - the legislative heart of government in the United Kingdom. The event was very well attended by members and guests of the Chamber.



The Rt. Hon Jack Straw MP, Sir Richard Dalton and Lord Lamont of Lerwick

A record number, 150, of Members and guests were in attendance: a number came from abroad, including Dr Amini, Vice President of our sister chamber, IBCCIM. Four new Member companies were present as was Lord Temple Morris, a former Chairman of the Chamber and his wife and Sir Richard Dalton, a former HM Ambassador to Tehran.



L-R - Lord | & Lady Temple-Morris with Ashok Dani

The principal guest was the Rt. Hon. Jack Straw MP, until recently the Shadow Lord Chancellor, Justice Secretary and Deputy Prime Minister, who had served in Cabinet throughout the 13 years of Labour Government rule. It was as Foreign Secretary (2001-2006) that the British-Iranian community particularly admired Mr Straw for his patient work aimed at improving relations with Iran and avoiding a disastrous Middle Eastern confrontation. It was most interesting to hear Mr Straw's insights on Iran and his personal views particularly for an audience committed to the ideas of dialogue and engagement with Iran now and in the future.

A view of the Members Dining Room before guests were seated



The Members Dining Room with guests listening to the speech

Rt. Hon. Jack Straw MP, The Lord Phillips of Sudbury, BICC President and Rt. Hon. Lord Lamont of Lerwick, BICC Chairman





R-L: Dr P. Ala, Dr Amini, Mr Y. Daneshvar & Mr Sam Ala



Mr Fash Ghiaci, a member of the BICC, asking a question to Rt. Hon. Jack Straw MP



R-L: Lady & Lord Temple-Morris speaking with a guest



L-R: Dr A. Amini, Mr K. Daneshvar, Mr Y. Daneshvar, Mr F. Talab, Mrs F. Daneshvar, C. Daneshvar, Mrs & Mr Berry and Dr Dan Talab



L-R: Mr Azmudeh with Mr Alireza Rastegar, Trustees of the Iran Heritage Foundation



Mr Y. Daneshvar speaking to Rt. Hon. Jack Straw MP and Sir Richard Dalton KCMG



Rt. Hon. Lord Lamont of Lerwick addressing guests and introducing Rt. Hon. Jack Straw MP



Guests on table 11 enjoying the evening



Guests from Alperton International enjoying the evening



L-R: Lady Temple Morris, Brian Hunter, BP and Lord Phillips of Sudbury



Entertainment at the event was performed by Violinist Andrzej Matuszewski



L-R: Mrs F. Berry, Dr P. Ala, Mr P. Berry, Mrs Ala and Sam Ala

R-L: Mr Azmudeh, Mrs Roshanak Dwyer, Ms Katy Palizban with IHF and IBS Guests



BICC Members, LV Shipping on their table, with Ms Setareh Darab at the top of the table



Mr Ashkan Candy voicing his opinion and Mrs Moayedi (inset)



L-R: Lord Phillips of Sudbury, BICC President with Alun Evans CMG, BICC Deputy Chairman



Bulletin 5 Council Regulation (EU) No 961/2010 (“Regulation”) Restrictions on Transfers of Funds to and From an Iranian Person, Entity or Body

In December Nigel Kushner of Whalerock Legal spoke to members about new requirements effecting certain funds transfers relating to Council Regulation (EU) No 961/2010. Here he writes a bulletin to provide guidance on the new requirements (issued in December) to notify or obtain authorisation from HM Treasury (or other EU equivalents) in relation to certain funds transfers. If members have queries relating to the compliance of the sanctions please contact nigel.kushner@whalerocklegal.com, quoting your membership reference no.

A. What are the requirements?

Article 21 of the Regulation sets out restrictions on the transfers of funds to and from an Iranian person, entity or body, and how transfers shall be processed.

Transfer value

Requirements

€10,000 or less

No requirements. These can be made as normal unless there are a series of transactions below €10,000 that appear to be linked. If this is the case, they should be notified to a competent authority.

More than €10,000 but less than €40,000

Most be notified in advance to a competent authority, whatever the transaction is for.

€40,000 or above

If they relate to foodstuffs, healthcare, medical equipment or humanitarian purposes, they must be notified in advance to a competent authority. They do not require prior authorisation from a competent authority.

If they are for any other purpose, they must be submitted to HM Treasury in advance for authorisation. They cannot be undertaken without prior authorisation

B. What does ‘transfers of funds to and from an Iranian person, entity or body’ mean?

‘Transfer of funds’ means any transaction carried out on behalf of a payer through a payment service provider by electronic means, with a view to making funds available to a payee at a payment service provider. This applies irrespective of whether the payer and the payee are the same person.

'Iranian person, entity or body' is defined in Article 1(m) and means:

- (i) the State of Iran or any public authority thereof;
- (ii) any natural person in, or resident in, Iran;
- (iii) any legal person, entity or body having its registered office in Iran; and
- (iv) any legal person, entity or body, inside or outside Iran, owned or controlled directly or indirectly by one or more of the above mentioned persons or bodies.

C. Which transfers are subject to the Regulation?

The restrictions apply to all transfers of funds to and from an Iranian person, entity or body. This means they are not limited to transfers of funds in and out of Iran. Persons falling within category (iv) of Article 1(m) could be outside Iran but be controlled directly or indirectly by a person in Iran. Transfers to or from these persons would be subject to the restrictions even if transfers take place entirely outside Iran. Similarly, persons falling within category (iii) of Article 1(m) could be located outside of Iran, for example, an overseas branch of an Iranian company.

Example 1: A transfer to or from an entity based outside of Iran that is a subsidiary of an Iranian company is subject to the restrictions. This would be caught by category (iv) of Article 1(m).

Example 2: A transfer from an Iranian national resident outside of Iran to a UK national (i.e. a person, entity or body not caught by (i)-(iv) above) is not subject to the restrictions in Article 21. This would not be caught by category (ii) of Article 1(m) because the individual is not in or resident in Iran.

Article 21 applies regardless of whether the transfer of funds is executed in a single operation or in several operations which appear to be linked. For example, multiple transfers of sums under €10,000 within a short space of time from the same person to a public authority in Iran are likely to trigger the requirement to notify in advance, or two or more transfers adding up to over €40,000 which relate to the same underlying transaction, may trigger the prior authorisation requirement.



Nigel Kushner of Whalerock Legal updating members

D. Are there any exemptions?

Where an exception exists or an authorisation has been granted, under Article 13, 17, 18, 19 or 20, Article 21 does not apply. If you are provided with evidence of an authorisation (from the Treasury or another Member State) under one of these Articles you may make the payment without further notification or authorisation. If you are unsure about the validity of an authorisation or licence, then you should contact the issuing competent authority to confirm.

The requirement to seek prior authorisation for transactions of €40,000 or above does not apply if the transaction is for foodstuffs, healthcare, medical equipment or humanitarian purposes. These transactions will still be subject to the requirement to notify the competent authority in advance.

Any transaction that is declined by banks (the transfer is not therefore executed) does not need to be notified or authorised.

E. On what basis will transactions be authorised?

Transfers of funds of €40,000 or more, which do not relate to foodstuffs, healthcare, medical equipment or humanitarian purposes must be authorised by a competent authority in advance. The authorisation must be given, subject to such terms and conditions as the competent authority deems appropriate, unless the authority has reasonable grounds to determine that the transfer of funds would contribute to one of the following activities

- (a) Iran's enrichment-related, reprocessing or heavy water-related activities;
- (b) the development of nuclear weapon delivery systems by Iran;
- (c) the pursuit by Iran of activities related to other topics about which the IAEA has expressed concerns or identified as outstanding; or
- (d) prohibited activities related to the exploration of crude oil and natural gas, production of crude oil and natural gas, refining, or liquefaction of natural gas as referred to in Articles (8), (9) and (11) by an Iranian person, entity or body.

An authorisation shall be deemed granted, if the authority has received a request in writing for an authorisation and, within four weeks, has not objected in writing to the transfer of funds. If the objection is raised because an investigation is pending, the authority must state this in writing and communicate its decision as soon as possible.

F. Who should notify who?

'Payment service provider', 'payer' and 'payee' have the same meanings as under the Wire Transfer Regulation.

'Payment service provider' means a natural or legal person whose business includes the provision of transfer of funds services.

'Payer' means either a natural or legal person who holds an account and allows a transfer of funds from that account, or, where there is no account, a natural or legal person who places an order for a transfer of funds.

'Payee' means a natural or legal person who is the intended final recipient of transferred funds.

The Regulation requires that notifications and requests for authorisation relating to the transfer of funds to an Iranian person, entity or body shall be addressed by or on behalf of the payment service provider of the payer to the competent authorities of the Member State where the initial order to execute the transfer is given. For example, where the initial order to execute the transfer is given in the UK, the payment service provider must notify, or seek authorisation as appropriate from the Treasury.

Notifications and requests for authorisation relating to the transfer of funds from an Iranian person, entity or body must be addressed by or on behalf of the payment service provider of the payee to the competent authorities of the Member State in which the payee is resident or the payment service provider is established. For example, where a payee in the UK is to receive a transfer of funds to an account with a bank in the UK, the bank must notify or seek authorisation as appropriate from the Treasury.

In cases where the payee is resident in a different Member State to that where the payment service provider is established, the payment service provider will be able to choose whether to notify or seek authorisation as appropriate from the competent authority of its home jurisdiction or the competent authority where its customer is resident. For example, if a French resident payee is to receive a transfer of funds into a UK bank account, the notification or request for authorisation could be made either to the French competent authority or to the Treasury.

Where the payment service provider of the payee or payer is not within EU jurisdiction, the Regulation provides that notifications and requests for authorisation should be addressed by the payer or payee to the competent authority of the Member State in which the payer or payee is resident. For example a UK payee who is to receive a transfer of funds from an Iranian person, entity or body into, say, a Canadian bank account, should himself notify or seek authorisation from the Treasury.

If you enter into a contract, obligation or agreement under which you may need to make or receive a series of payments to or from an Iranian person, entity or body over a period of time, it is possible to seek a single authorisation to cover all payments under the contract. A copy of the underlying contract (e.g. loan facility, letter of credit) together with details of the schedule of payments and any other relevant information should be supplied with each notification or prior authorisation request. You should make clear on the application that you are seeking authorisation for all payments under the contract. If authorisation is granted, no further prior authorisation would then be required, except in circumstances where actual payments differ from those scheduled under the contract.

The competent authority in the UK is the Treasury. Notifications of transfers of funds and requests for the authorisation of transfers of funds made in accordance with Article 21 of the Regulation should be made using the forms available at:

http://www.hm-treasury.gov.uk/fin_sanctions_iran.htm#Prior_notificationauthorisation_forms

- addressed to AFU@hmtreasury.gsi.gov.uk
- with the title “NOTIFY” only in the subject line for notifications and “AUTHORISE” in the subject line for prior authorisation requests.

By giving your email this subject line, you will generate a confirmation receipt for your notification or prior authorisation. For prior authorisations this will allow you to track when the four week notice period has elapsed.

Should you have any queries, please do not hesitate to contact Nigel at nigel.kushner@whalerocklegal.com.

BANKING SANCTIONS TO BLAME FOR PATCHY IRANIAN PISTACHIO SUPPLY



A Few months into the new crop, significant volumes of Iranian pistachios have been shipped out of the country, but few consignments seem to be finding their way to European pipelines, mainly due to invigorated banking sanctions.

Mr Ali Sabersheikh, from Iran Hassas would like to highlight this issue and forwards the following report, published in 'Food News' and written by Emma Slawinski

According to a recent report from Iranian pistachio supplier, Hassas, 35 000 tonnes of pistachios were exported from the country between 22 September-22 October, and for the next one month period exports were forecast to total 20 000 tonnes. Adding 9000 tonnes exported from September and around 16000 tonnes for domestic consumption, this suggests as much as 80000 tonnes have already been taken out of a supply estimated at around 180000 tonnes

This has caused a moderate upward movement in price of around 2-5% in the last month, Hassas's Ali Sabersheikh told FOODNEWS, and cleared stocks in Hamburg are now very short. This is partly due to sanctions introduced by the US in June this year, which effectively deprive foreign banks of access to the US financial system if they do business with key Iranian banks. The sanctions have made it difficult for Iranians to trade with Europe and they are looking elsewhere - and finding ready takers in alternative markets.

"We have a problem because of the bank sanctions and so Iranians have become reluctant to do business in Europe," Sabersheikh explained, but added that Iranian traders were switching to markets like Russia, China, other Asian and Middle Eastern countries.

"Even though there are these sanctions and banking is a serious problem causing trouble to Iranian trade, none of their traditional product is remaining in warehouses because there is a lot of demand," Sabersheikh noted.

Import data from GTIS shows that between January-September Russia imported 7632 tonnes of pistachio (shelled and in-shell) from Iran, compared with 6029 tonnes in the same period last year; however year to date imports for 2010 are still well behind 2008, when 16585 tonnes of the nut were brought from Iran.

In the same nine-month period, Hong Kong imports of pistachio from Iran soared to 21 413 tonnes, from 9437 tonnes in 2009, though again, off-take lagged behind 2008 purchases, which totalled 23 079 tonnes for the period.

However, the most dramatic import pattern has emerged in China, where for the year to October a total of 28217 tonnes of pistachio were imported, of which 17751 tonnes came from Iran. This compares with 2828 tonnes from the origin last year and 9918 tonnes in 2008. More than 10000 tonnes of Iranian pistachios were imported in September and October alone.

While these emerging markets enjoy a steady supply of Iranian product, the European pipeline is drying up. A German source agreed that there was little pistachio available in Hamburg and also a lack of information on when more shipments might be arriving.

“In Iran, the delivery situation is most crucial,” the source said. “There are hardly any spot goods left available in Europe and the shipments to Europe on contracts and for warehousing. They (pistachio shipments) are just not coming in. This might also be attributed to the sanctions and a shortage of transport facilities.”

Remaining stock from the 2009 crop (cleared Hamburg, fot) was available at EUR 6500 per tonne (USD 8580/tonne) for Jumbo 20-22 mechanically opened (MO) and EUR 6400/tonne for Jumbo 22-24 MO and Akbari 22-24 MO, according to Hassas, while kernel was priced at EUR 12 500/tonne.

The company also quoted prices of new crop Iranian pistachios at around USD 8000-8100/tonne for 28-30 naturally opened (NO), with 30-32 NO between USD 8000-7900/tonne, both c&f Iran. Jumbo 22-24 grade was at USD 8300-8400 c&f Iran.

The German source explained that the most popular Iranian grade for Europe is Round 28-30 NO, which tends to have less aflatoxin than other types and sizes. However, the grade was not available in abundance this year because with the relatively large crop the nuts were smaller.

FOODNEWS recently received US pistachio price indications at USD 3.85 - USD 4.10 per lb for 18-20 Extra No 1, and USD 7.30 - USD 8.30 for whole kernels, all fca/fas California.

“Even though there are these sanctions and banking is a serious problem...none of their traditional product is remaining in warehouses because there is a lot of demand”

ANNUAL GENERAL MEETING 2010

The BICC held its Annual General Meeting on the 19th November 2010 at the NIOC House. Guest speaker was Peter Jenkins CMG who spoke about Iran's nuclear activities and separated fact from fiction. A Q&A session followed during which members could put forward questions to Mr Jenkins.

At the AGM Rt. Hon. Lord Lamont of Lerwick reported:

“UK exporters to Iran faced difficult trading conditions in the last year. However economic relations with Iran remain important and can provide profitable business for UK companies: exporters who completed transactions performed well during the year.

Direct UK exports of goods, at £374 million, declined 18% in 2009 compared with the year before and fell somewhat further in the first half of 2010. However UK exports to Iran through the UAE are believed to be as much again. Direct UK exports of services were £214 million in 2009.

The reason for the fall in UK exports may be partly due to the effects of US sanctions on the banking sector. However there has been a loss to market share to other countries (particularly some in the Far East, where sanctions regimes are lighter and where trade and banking can be insulated somewhat from the effects of other national or regional regimes). Also the loss of market share may be due in part to the demonisation of the UK by some in Iran, leading to sporadic and un-evenly applied, but unofficial, bans on particular shipments from the UK. The Chamber continues to work for the situation to be normalised in Iran.

In the circumstances, it is unsurprising that a considerable part of the Chamber's work has continued to be in helping Members resolve difficulties with processes in Iran and supporting their applications for export licences.



Rt. Hon. Lord Lamont of Lerwick introducing Mr Peter Jenkins CMG to members and guests

This may partly explain the continuing growth in Membership to over 140 at this point.

Since last year's AGM our speakers have included: Rouzbeh Pirouz who talked about the Tehran Stock Exchange; Nigel Kushner and Tom Smith, who spoke on separate occasions about different aspects of trading within the sanctions framework; and David Butter who spoke about Iran's economic prospects. We invited our networks in London and Toronto to listen to our Member, the Ras Al Khaimah Free trade Zone, explain its services. In February, we were pleased to receive a mission from our counterpart chamber, IBCCIM, in Iran.

I am pleased to say that the financial position of the Chamber improved in 2009, showing a small profit, largely as a result of greater income from membership fees and from receptions and conferences, whilst the level of donations were maintained with the kind support of Targetfollow, Shell, Amas and Saman Bank.

The Chamber continues to maintain a network of business people and politicians in both countries which can only improve relations between Iran and the UK, I believe.

I thank our staff, Mitra Taheri and Asmha Hussain, for their work in the office and in organising events, the directors for giving their time so generously and also Joe Daneshvar, our Deputy Chairman, and Martin Johnston, our Director General."

Mr Jenkins was then introduced to members. Between 2001 and 2006, Mr Jenkins was HM Ambassador to the International Atomic Energy Agency in Vienna, where his main focus was the nuclear aspects of international peace and security, especially the matter of Iran's nuclear industry. There being much supposition about Iran's intentions, this was an opportunity to hear from an expert about the topic which, for so long, has soured relations between Iran and other countries, thereby hampering economic relations.

A buffet lunch followed the meeting, during which guests could network.



Members and guests at the AGM

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LEGAL	<table border="0"> <tr> <td style="vertical-align: top;">Outsourced in-House Support</td> <td> <ul style="list-style-type: none"> ■ Support during busy periods ■ Transaction, project and litigation support ■ Effective project management of external lawyers </td> </tr> <tr> <td style="vertical-align: top;">Specialist Legal Services</td> <td> <ul style="list-style-type: none"> ■ Commodities, shipping & trade finance ■ Sanctions ■ Derivatives and ISDAs ■ FSA compliance ■ Credit control </td> </tr> <tr> <td style="vertical-align: top;">Traditional Services</td> <td> <ul style="list-style-type: none"> ■ Litigation ■ Corporate/commercial ■ HR/employment ■ Property </td> </tr> </table>	Outsourced in-House Support	<ul style="list-style-type: none"> ■ Support during busy periods ■ Transaction, project and litigation support ■ Effective project management of external lawyers 	Specialist Legal Services	<ul style="list-style-type: none"> ■ Commodities, shipping & trade finance ■ Sanctions ■ Derivatives and ISDAs ■ FSA compliance ■ Credit control 	Traditional Services	<ul style="list-style-type: none"> ■ Litigation ■ Corporate/commercial ■ HR/employment ■ Property
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ACCOUNTING	<ul style="list-style-type: none"> ■ Preparation of financial statements and management of the audit process ■ Operational control and financial management ■ Financial modelling, budgeting and forecasting ■ Bespoke financial databases and reporting systems ■ Technical advisory and IFRS conversions from local GAAP ■ In-house IPO project teams ■ M&A Integration management ■ FSA regulatory and compliance 						
COMPANY SECRETARIAL	<ul style="list-style-type: none"> ■ Compliance packages, which cover: <ul style="list-style-type: none"> o Registered office o Holding and maintaining the statutory register o Preparing and filing the annual return o Filing the annual accounts o Filing of forms regarding notifiable changes ■ Accounts preparation and filing ■ Corporate governance reviews pre-IPO and AIM ■ Attendance at meetings and drafting minutes ■ Company and partnership formations ■ Drafting of shareholders and partnership agreements 						

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IRANIAN OFFICIAL HOLIDAYS IN 2011

(Holidays & Anniversaries in 1389

(21 March 2010 – 20 March 2011) in Iran

Death of the Prophet	2nd February
National Day	11th February
Birth of the Prophet	21st February
Norooz	21st March

Further dates to be confirmed in the next issue

Facts



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Tehran Embassy Holidays in 2011

Sunday, 2nd January	In Lieu of New Year's Day
Monday, 21st February	Prophet Mohammad's birth anniversary
Sunday, 20th March	Iranian Year End
Monday, 21st March	Norouz
Tuesday, 22nd March	Norouz
Thursday, 21st April	In Lieu of Good Friday
Sunday, 24th April	In Lieu of Easter Monday
Sunday, 1st May	Royal wedding
Thursday, 16th June	Imam Ali's birth anniversary
Sunday, 21st August	Martyrdom Anniversary of Imam Ali
Sunday, 25th September	In lieu of Imam Jafar Sadegh's martyrdom anniversary
Monday, 7th November	Eid Ghorban
Tuesday, 6th December	Ashoora
Sunday, 25th December	Christmas Day
Monday, 26th December	Boxing Day



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Persian Gold – First Mover Advantage in Gold Exploration in Iran

Persian Gold, which is listed on the London Stock Exchange (AIM: PNG), was created to take advantage of outstanding gold opportunities in Iran. Iran is a large geological province containing an array of world-class minerals that has been significantly under explored over the past 30 years. Not alone has there been little exploration, but almost none of the new exploration techniques developed in the past generation have been used in Iran. Very few international mining companies are working there creating a unique opportunity for an exploration company like Persian Gold. Persian Gold began operations in 2004 and is currently active in three areas of the country.

Chah-e-Zard near Yazd, is a late stage gold project where a 15 hole-drilling programme produced good results finding gold in 13 of 15 holes. The target is an open cast heap leachable deposit. A further detailed programme of trenching and drilling to define the ore body will get underway by September 2007. The project is a joint venture with the local license holder who holds 30%. Recent drilling on this project catapulted Persian Gold's share price to over 40p valuing the company at over USD\$50m.

At Dalli South of Tehran, Persian Gold will shortly begin a drilling programme on a gold/copper porphyry project where soil sampling has shown significant gold values over a large area. The property has never been drilled. Persian Gold has an option to acquire 70% of the concession.

The Takestan area in Northwest Iran is the third area of focus. The Takestan area is particularly exciting. Modern gold exploration techniques have discovered gold associated with silica and alunite. Some of the largest gold mines in the world have been developed or are being developed in silica-alunite deposits in the Andes of South America. The Takestan area of Iran contains over 1 billion tonnes of alunite, the second largest deposit in the world. It has never been systematically prospected for gold. After sampling over 1800 sq km Persian Gold has zeroed in on 4 license areas the most advanced of which is Twin Hills near Qazvin.

The in country operations are over seen by Iranians with specialist support from external consultants. Persian Gold is currently looking to augment its commercial management team in Iran to support its increasing portfolio of projects. The board which has over 30 years experience in the Natural Resources industry and contains the founders of Petrel Resources plc, an Oil and Gas Company operating in Iraq, is privileged to have the technical advice of Monir Davoudzadeh and the board support of Manouchehr Takin to call on. As one of the very few international explorers working in Iran, Persian Gold sees a continuous flow of projects and is interested in discussing any opportunities to increase its operations in Iran. Over the coming years, Persian Gold expects to become a significant Iranian gold producer.

For more information please visit Persian Gold plc website – www.persianguardplc.com.

If you are interested in placing an advertorial or an advertisement in forthcoming issues of the Economic Focus, please contact Asmha at the Economic Focus on Tel: 020 7233 4441/020 8451 2924 or e-mail: bulletin@bicc.org.uk or asmhah@aol.com for current rates, (which are available to members at a discount).

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Persian Gold plc. is a Middle East gold explorer focused on Iran and listed on the London Stock Exchange (AIM:PNG).

Iran is a highly prospective and under explored country for natural resources. Persian Gold has an early mover advantage.

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Persian Gold plc.
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