

In the name of Allah

Investment Manual in Pardis Technology Park

Region's Future Technology Paradise

Introduction

PTP as the region's technology paradise, under supervision of Presidency and a fourteen-entity Board of Trustees from ministries, science centers and academies, is located in a now 38 hectares area (expandable to 1000 hectares) at 25 km northeast vicinity of Tehran.

Innovation Pardis (phase No. 1) in a 20 hectares area and Knowledge Pardis (phase No. 2) are two existing phases in the Park and other phases called Synergy Pardis, Creativity pardis, Evolution Pardis, Development Pardis, Entrepreneurship Pardis and Productivity Pardis are next Phases that constitute the future stages in the expansion plan of the Park.

This Park is located in Iran's commercial and academic intersection point. Being in 45 km neighborhood of Imam Khomeini Int'l Airport (IKIA), it is located alongside of main north-south and east-west passages to Europe, central Asia and ECO countries, Persian Gulf, Commonwealth and Caucasus region countries.

As the most important and proximate technology Park to Iranian academic, political and economic centers, PTP is placed alongside of north-south fiber optics artery and close to internationally reputable research and academic institutions. Thus it provides an exclusive opportunity for commercialization of research, production and service bodies in the Middle East, CIS and ECO countries. PTP can therefore contrive the proper grounds for growth of science and innovation-based companies through provision of high-end services, competitive strengthening, growth centers, spin-off processes and productive and expert labor.

In comparison with other Parks and research poles in the region, PTP enjoys more comparative and legal advantages and better potential to become a major center for economic, research and scientific activities and possesses the requirements for linking to actual and potential global markets and expansion through Iran's International Markets. As far as wide group of advantages and privileges is concerned, PTP has provided opportunities to absorb new know-how and proper investment and, concerning it's location at the heart of reputable scientific, research and academic centers (and close neighborhood to two industrial zones, ie.

Khorram-dasht and Firoozkouh industrial zones which possess special privileges for industrial production) with cheap and abundant sources of expert labor, it provides a proper environment for small and medium-sized tech-companies, R&D units of industrial companies and research institutions to locate and professionally appear in the region.

Main objectives and programs of PTP

Along with establishment goals and tasks assigned by presidency, and concerning Park's charter, general objective and programs of PTP are as the following:

- Commercializing the result of the researches and constructing connections between research, production and service sectors to achieve economic and technical growth and development, professional employment capacity increase, technology absorption and upgrading, idea creation, enhancement of management skills, quality gentrification of domestic products and promotion of country's export capacities in high-tech services, research and production.
- Accelerating the transfer process of know-how and new superior technologies (both inside and outside of the country).
- Supporting small and medium size technologic and innovative companies in order to help them expand and thereby to achieve modern industrial development and entrepreneurship.
- Supporting international collaboration and exploiting global experiences to contrive effective appearance of companies, in global markets.
- Providing special privileges to reduce R&D costs and thereby accelerating the entry process of emerging technologies to global competitive markets.
- Creating new research opportunities along with development prospective toward strategic technologies such as nanotechnology, biotechnology and information technology.
- Attracting foreign capital and equipping domestic capital in order to absorb and produce modern knowledge and technology.
- Creating a proper environment for identifying country's technological capabilities and informing about them through tech-market.
- Furthering connections between industry and university in order to upgrade technology and exploit existing potentials in the universities.

- Executing technical and economic feasibility studies for selected projects using technical and foreign research centers and recommending economic projects to projects execution applicants.
- Collaborating and cooperating in outsourcing and in-sourcing the projects through the Reserve Account loans, from domestic and foreign banks and other possible credit sources.
- Creating further value added in technology based production processes.
- Ideal exploitation of all existing potentials in governmental, public and private organizations and vehicles to help technologic companies to develop and expand into global markets.
- Executing required planning and scheduling for meetings and conferences with academic and research centers and various industrial and productive organizations.
- Contriving for idea and technology generators to meet investors in order to facilitate the commercialization of research result through tech-market.
- Constructing direct and close relations with other technology Parks around the world in order to mobilize fluid information flow.
- Constructing necessary channels for technology exchange including formulation of technology evolution systems, standardization, presenting consulting services on intellectual property, technical knowledge formulation, financing and similar services.
- Gentrifying innovation and creative competition culture between attendant companies in the Park and knowledge-based institutions.
- Contriving grounds for innovation-based start-ups to grow and expand through incubators and spin-off processes.

Park Tasks

- Organizing to effectively provide necessary services to technology units in order to help them grow.
- Exploiting all possible facilities to construct connections between university's capabilities and resources on one hand and the region's technological and industrial center's capabilities on the other hand.
- Helping to direct science centers which are in connection with Park towards research in required fields of technologic units.
- Building an environment which is favorable to scientific and engineering activities to attract scientists and experts.

- Contriving favorable grounds for foreign technology units to attend and cooperate in the Park and help domestic companies to develop their technology.
- Helping to establish new companies and firms through incubators.
- Constructing connections between technology providers, industry interests, technology applicants and investors through techno-market structure of Park.
- Helping the marketing and exporting activities related to technological products of member companies.

Legal advantage of investment in PTP

With regard to duties assigned to PTP by presidency and I.R.I government, based on executive bylaw of art No. 41 of fourth development plan act and executive bylaw of foreign investment promotion and protection Act (FIPPA), Legal advantages of investment in TPT are as the following:

- Possibility of land rent and sale and availability of prefabricated buildings for R&D activities and commercializing research results.
- Participation right for foreign and domestic investors to any possible ratio and also transfer guarantee for principal and profits emerged as a result of investment, by I.R.I. Government.
- Enjoying equal rights with domestic investors.
- Possibility of foreign investment in all cash or non-cash forms including in machinery, equipment, part, primary materials, know-how and professional services.
- Right to receive damages caused by expropriation or nationalization of foreign capital.
- Possibility of gaining legal land and building ownership right for domestic and foreign investors.
- Possibility for real or legal entities, either domestic or foreign, to invest directly or in the contractual frameworks such as "civil participation", "buy-back" and various kinds of "Build-Operate-transfer(BOT)", "build-own-operate(BOO)", "build-own-operate-transfer(BOOT)" and "build-Lease-Transfer(BLT)" in all research, services and technology sectors.
- Possibility of investment for real and legal entities (either Iranian or domestic) whose capital has a foreign origin and also for state owned enterprises and international institutions and organizations.
- Regarding inward investment of expatriate Iranians as foreign investment.

- Possibility for business activities which supplement research, technology, service and related activities, to enjoy legal advantages that are provided through foreign investment act.
- Right to establish branch and abroad agency to develop research, technology and business issues and enacting contractual commitments, marketing activities, etc.
- Possibility of foreign au-fait recruitment in research and investment projects.
- Possibility of referring investment disputes to international courts under bilateral and multilateral agreements.
- Full exemption of revenues gained as a result of manufacture and research products exports and right to keep foreign currencies gained through exports.
- No obligation to adhere pricing, distribution, and domestic production requirements ground rules.
- Enjoying the right to sell know-how, technical, engineering and technology services, licenses, royalties and possibility to patent inventions, trademarks and brands.
- Enjoying property rights (rights associated with ownership on property or acquired rights as a result of a contract which generalize to property, operation and profit).
- Possibility of using brands and trade marks in all authorized fields.
- Multiple entry and residence right for foreign shareholders, managers and experts and their first-class relatives for three years and possibility of multiple extension.
- Right to transfer sums gained through different investment and technology transfer contract and quick and easy transfer of foreign currency to and from Park through bank system.
- Exemption from property and income taxes on research, technology and technical engineering activities for 15 years.
- Full exemption from conventional duties.
- Special customs facilities for free entry and exit of goods, machinery, primary materials and instruments dedicated to research, in minimum possible time.
- Enjoying soft and easy regulation (at international standard levels) on human resource employment and relations in technology units.
- Guarantee against expropriation and compensating nationalization damages, if applicable, by government or multilateral investment guarantee agency (MIGA) of World Bank.

- Possibility of legal transfer of all sums including what is gained as a result of abroad capacity or other sums which are transferred as foreign currencies, such as:
 - a) Capital transfers including dividend or sums capital gain, principal capital earnings and transfer of sums related to compensation damages causes by dispossession and foreign capital expropriation.
 - b) Other foreign currency denominated transfers including all transfers gained through patent, know-how transfer, technical and engineering collaboration, brand and trade mark contracts and similar contracts.

Comparative advantages of investment and research activities in PTP:

- Proximity to scientific, research, academic, political, economic and commercial centers of country and region including Tehran, Middle east, Persian Gulf district and CIS countries.
- Disposition of more than 60 percent of scientific, research and academic centers and main industrial areas of the country in 300 km neighborhood of Park in main scientific and industrial cities such as Tehran, Esfahan, Yazd, Semnan and Arak.
- Proximity to international airports and railway network, metro and important Euro-Asian passage.
- Access to expert, working, abundant and inexpensive labor.
- Economic, research and academic linkage to above one billion population of member countries of Islamic conference organization, and to above 300 million population of ECO countries.
- Appropriate cultural environment for establishment and professional appearance of small and medium-sized technology-based countries, R&D units of industry and research institutions.
- Availability of ideal and satisfactory welfare, recreation and residence facilities for companies' experts and staff in neighborhood of office in Pardis and Damavand New Town.
- Proximity to recreational centers such as Alborz Mountains and mount Damavand and Dizin international Ski-run.
- Establishment of companies in an advanced environment at international standard levels and also locating in a research and technology complex and enjoying neighborhood advantage.
- Possibility for companies and research units to enjoy special spaces designed based on needs.

- Possibility of construction good international relations through Park's management.
- Ideal and favorable geographical and climate condition and distance from environmental and noise pollutions.
- Strong municipal, communicational and informational infrastructure and connection to fiber optic network of the country (North and South)
- Pursuance of investor issues in related government authorities and enforcement of necessary supports.
- Per suit of allocation of Rial and foreign exchange loans to investors through bank system, Reserve Account, and International financial institutes line of credit.
- Legal participation with investors in certain cases to make the investment feasible.
- Provision of special privileges in order to reduce production costs of technology to introduce produced technology to global markets.
- Execution of technical and economic feasibility study for selected projects and using technical capabilities of engineering companies and domestic and foreign research centers and then introduction of feasible and economic projects to execution through training centers standing in the Park.
- Possibility of collaboration and interaction with reputable scientific and academic centers such as Sharif industrial University and Tehran Medical University.

Park Authorities

- Board of Trustees (first vice-president is chairman of Board of Trustees).
- Park's chairman (clerk of Board of Trustees).
- Council of Park (comprised of 8 managers and experts).

Investment and activity priorities of the Park:

- Electronics , information technology and communication fields
- Mechanic and automation
- Chemistry and biotechnology
- Advance materials
- Nanotechnology
- Education and academic fields

Infrastructural facilities of general plan of Park:

- Engineering, design and R&D units of private and public companies department
- Open and public places
- Management headquarters of the park and techno-market department
- Technology incubator for start-ups
- Center for professional services, including facilitation, information, laboratory, exhibition and conference halls etc.
- Public and municipal services department
- Multi-rental buildings
- Fire alarm and security control center
- Advanced underground canals for water, electricity, natural gas and telecom networks
- Access roads, streets, squares and other municipal greenbelts
- Residential suburb for staff (Pardis Town)
- Welfare, recreation and service buildings including commercial, administrative, urgency and hospital, educational complexes and also hotels, customs office, mosque, sport, compiler, parking lots, stores, motels and other municipal services.
- Warehouse and depots for export and imported materials
- Stock exchange hall

Main services available in PTP:

- Information and internet services
- Marketing, trade and export services
- Training and academic services
- Banking, financial and insurance services
- Public and municipal services
- Exhibition and seminar execution services
- Consulting and investment services
- Laboratory and site services
- Engineering and design services
- Agency services

International relations:

- Silicon Iran: Iranian experts of Silicon Valley (USA) group
- SUTA: Sharif university of Technology association (Iran +USA +Canada)
- IASP: international Association of Science Parks

- ASPA: Asian Science Parks Association
- SACE Group: Science Park and Innovation Center Experts.
- STTE-China: Shanghai Technical Transfer Exchange
- IFC (Austria) Investment and Finance Consultant group
- Russian Chamber of Commerce
- Tshwane university of Technology (south Africa)

The criteria for accepting companies and technology institutions in the Park:

- 1- The number of active part-time or full time experts of the company
 - 2- The number of technology projects of the company and their financial and economic values
 - 3- Activities background and future plans of the company
 - 4- Type of activity and incentives to attend in the Park
 - 5- Internal and international activities and relation of the company
- Note: all pollutant activities will be prohibited from the Park and all companies must ensure that they will not have any kind of environmental pollutions.

Eligible members:

Eligible members are:

- 1- Those private, public or governmental R&D institutions, companies and centers that have commercial plans
- 2- Universities, colleges and professional training institutions
- 3- Administrative or executive units of large companies which have considerable science and technology activities
- 4- Small or medium-sized high-tech companies and also technical and consultancy companies
- 5- Institutions directed towards development and expansion of science, technology and innovation
- 6- Institutions with complementary activities, e.g those who provide backing services to the Park

Establishment options in the Park

Entities willing to attend in the Park should choose one of the following options:

- 1- Buying a piece of land and constructing on it according to construction measures of the park.
- 2- Leasing a space with administrative, laboratory and prototype making facilities, which will, after construction by government, be transferred to the company (as a lease contract).

Ecological conditions of PTP

Pardis New Town is established in 20 Km northeast of Tehran on the hills overlooking Boomehen and roadside of Tehran-Abeali road. The region's temperature differential with Tehran is 4-5 oC . main advantages of Pardis New Town are climate, environment, perspectives and topographic properties of land.

Rainfall in Pardis New Town is about 1.5 times Tehran's rainfall and this necessitates deployment of sewage division and surface water direction methods. These methods are considered in design process of utilities and infrastructures of the town.

Range of relative humidity in Pardis New Town is positive and varies between 24 and 77 percent (human tolerance range is between 20 to 75 percent RH). Southwest wind in hot seasons and northwest wind in cold season are usual in the region. These winds are not expected to cause any problems either regarding speed or regarding harming and disruptive contents in mild seasons (autumn and spring).

Latest construction stage and schedule plan of the park

- land use

Land use of the park is research and administration and is confirmed by superior council of urbanization.

- Current and future water plan in the region and procurement sources:

Required water is presently procured from existing wells in the region water supply project from letyan dam has begun and Park's water network is being connected to that project. PTP has three water supply networks, i.e. drinking, irrigation and firefighting water.

- Current and future state of electricity (number of available power plants and their capacity)

The region enjoys an ideal electricity network. Electricity transmission lines and distribution networks are passing through and covering the region. Moreover existence of 63 Kv posts of Khorramdasht and Pardis has enhanced the electricity provision potential of the region. In addition setting-up the dispatching post of Tehran Electricity region in Pardis new town, will enhance the advantages of electricity network of the region.

- Fuel supply conditions and procurement methods:

Distribution networks and gas transmission pipelines are already available in the region and a gas reduction station is being erected. So the region can connect to cross-country gas network. Regarding fuel supply situation, there are fairly enough filling station and

procurement and transmission source in the region. There are three filling stations in 3 km neighborhood of the region.

- Telecommunication facilities

The region already enjoys mobile and fixed lines system. in addition proximity to Bumehen satellite station is one of the main telecommunication-related advantages of the park. PTP telecom facilities are in desirable levels and equipping a telecom center for fixed lines has just begun. There is no problem regarding mobile, fixed lines and internet network in the park.

- Railway

Access to railway network is not possible in the proximity of PTP, but according to cabinet enactment, construction of metro lines from Tehran to PTP is planned by metro company of Tehran.

- Airport

Access to Tehran airport (i.e. Mehrabad and IKIA) is possible.

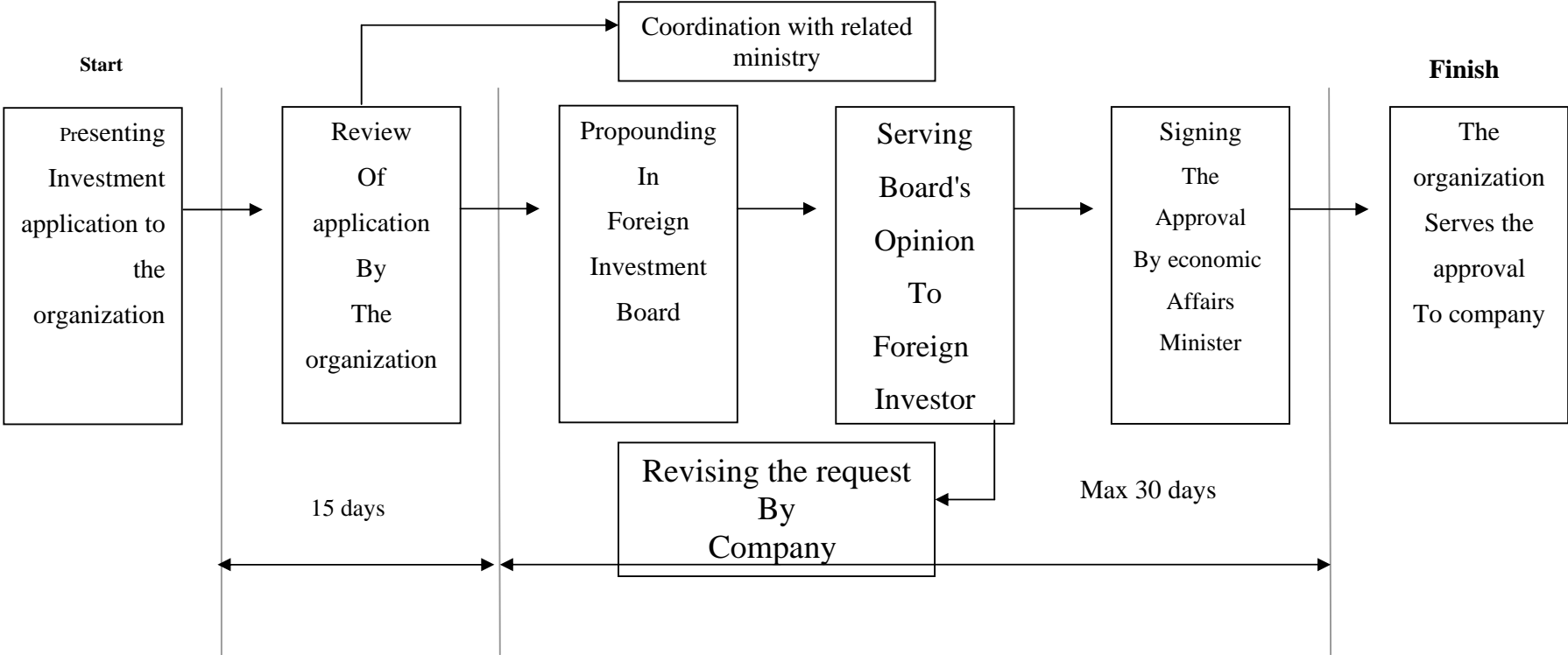
- Membership and investment steps

Real and legal entities can access to all bylaws and membership procedures in www.iransilicanvally.com website. Annex 2 presents membership steps.

Investment approval acquisition steps in Iran

Annex 1 presents different steps to be passed by foreign investors to acquire investment approval. Foreign Investment Board is one of highest levels of government and is composed of economic affairs undersecretary chairman of investment organization of Iran (member of board of Trustees), economic affairs undersecretary of foreign affairs minister and, underscretaries of management and planning organization, central bank and also undersecretaries relating to the investment project and/or headman of park. The organization has a 15 days deadline to review the application, acquire the opinion of related ministry and pass the application to superior board of investment and the board has a 1 month deadline for final formation, investment approval is signed by economic affairs minister, fronting cabinet and served to investors.

Annex 1: foreign investment approval issuance procedure



Annex 2 : flow chart of company acceptance In the park

